

# STATE OF NEW YORK

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10009--B

## IN ASSEMBLY

January 21, 2026

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A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

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

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

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58 of the laws of 2024 amending the tax law relating to establishing a sales tax exemption for residential energy storage, in relation to extending the residential energy storage exemption for two years (Part Q); to amend the tax law, in relation to the petroleum business tax filing deadline for commercial vessel operators (Part R); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions (Part S); to amend the real property tax law and the tax law, in relation to making technical corrections to the STAR exemption and STAR credit programs; and to repeal certain provisions of the real property tax law relating thereto (Part T); to amend chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to extending the assessment ceiling for local public utility mass real property to January 1, 2031 (Part U); intentionally omitted (Part V); to amend the racing, pari-mutuel wagering and breeding law, in relation to conforming pari-mutuel tax provisions (Part W); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending the utilization of funds in the Capital off-track betting corporations' capital acquisition funds (Part X); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to the effectiveness thereof (Part Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain seasonal employee licensing requirements for additional race dates at Saratoga Racetrack (Part Z); to amend the tax law, in relation to providing for a middle-class tax cut and increasing the temporary personal income high income surcharge; and to repeal certain provisions of such law relating thereto (Part AA); to amend the tax law, in relation to the protecting our wallets energy rebate program (Part BB); to amend the tax law, in relation to establishing a credit against the tax on personal income (Part CC); to amend the tax law, in relation to establishing small business savings accounts (Part DD); to amend the tax law, in relation to increasing the current small business subtraction modification (Part EE); to amend the tax law, in relation to establishing a tax credit for certain food donations to qualified community-based organizations (Part FF); to amend the tax law, in relation to increasing tax credits for donations to food pantries by farmers (Part GG); to amend the tax law and the parks, recreation and historic preservation law, in relation to extending the historic homeownership rehabilitation tax credit and requiring additional reporting (Part HH); to amend the tax law, in relation to imposing an excise tax on energy used in digital asset mining using proof-of-work authentication methods (Part II); to amend the real property tax law, in relation to providing for a vacancy surcharge on vacant and abandoned property in cities (Part JJ); to amend the tax law, in relation to exempting from sales tax certain tangible personal property and services (Part KK); to amend the tax law, the public service law and the labor law, in relation to establishing a sales tax exemption for energy storage; and providing for the repeal of certain provisions upon expiration thereof



(Part LL); to repeal section 490 of the tax law relating to the excise tax on medical cannabis; and to repeal section 89-h of the state finance law relating to the medical cannabis trust fund (Part MM); to amend the racing, pari-mutuel wagering and breeding law, in relation to standardbred testing (Part NN); to amend the tax law and the administrative code of the city of New York, in relation to decreasing the amount of the credit allowed for the city pass-through entity tax against the city personal income tax (Part OO); to amend 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 to amend the administrative code of the city of New York, in relation to increasing tax rates imposed on unincorporated businesses and corporations in the city of New York (Part PP); and to amend the tax law and the administrative code of the city of New York, in relation to increasing the rate of tax on certain conveyances of real property, transfers of leasehold interests, and transfers of controlling economic interests in real property in the city of New York (Part QQ)

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

1 Section 1. This act enacts into law major components of legislation  
 2 which are necessary to implement the state fiscal plan for the 2026-2027  
 3 state fiscal year. Each component is wholly contained within a Part  
 4 identified as Parts A through QQ. 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. Paragraph 1 of subsection (c) of section 606 of the tax  
 14 law, as amended by section 1 of part M of chapter 63 of the laws of  
 15 2000, is amended to read as follows:

16 (1) [A] For taxable years beginning before January first, two thousand  
 17 twenty-six, a taxpayer shall be allowed a credit as provided herein  
 18 equal to the applicable percentage of the credit allowable under section  
 19 twenty-one of the internal revenue code for the same taxable year (with-  
 20 out regard to whether the taxpayer in fact claimed the credit under such  
 21 section twenty-one for such taxable year). The applicable percentage  
 22 shall be the sum of (i) twenty percent and (ii) a multiplier multiplied  
 23 by a fraction. For taxable years beginning in nineteen hundred ninety-  
 24 six and nineteen hundred ninety-seven, the numerator of such fraction  
 25 shall be the lesser of (i) four thousand dollars or (ii) fourteen thou-  
 26 sand dollars less the New York adjusted gross income for the taxable  
 27 year, provided, however, the numerator shall not be less than zero. For  
 28 the taxable year beginning in nineteen hundred ninety-eight, the numera-  
 29 tor of such fraction shall be the lesser of (i) thirteen thousand  
 30 dollars or (ii) thirty thousand dollars less the New York adjusted gross  
 31 income for the taxable year, provided, however, the numerator shall not  
 32 be less than zero. For taxable years beginning in nineteen hundred nine-

1 ty-nine, the numerator of such fraction shall be the lesser of (i)  
2 fifteen thousand dollars or (ii) fifty thousand dollars less the New  
3 York adjusted gross income for the taxable year, provided, however, the  
4 numerator shall not be less than zero. For taxable years beginning after  
5 nineteen hundred ninety-nine, the numerator of such fraction shall be  
6 the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand  
7 dollars less the New York adjusted gross income for the taxable year,  
8 provided, however, the numerator shall not be less than zero. The denom-  
9 inator of such fraction shall be four thousand dollars for taxable years  
10 beginning in nineteen hundred ninety-six and nineteen hundred ninety-  
11 seven, thirteen thousand dollars for the taxable year beginning in nine-  
12 teen hundred ninety-eight, and fifteen thousand dollars for taxable  
13 years beginning after nineteen hundred ninety-eight. The multiplier  
14 shall be ten percent for taxable years beginning in nineteen hundred  
15 ninety-six, forty percent for taxable years beginning in nineteen  
16 hundred ninety-seven, and eighty percent for taxable years beginning  
17 after nineteen hundred ninety-seven. Provided, however, for taxable  
18 years beginning after nineteen hundred ninety-nine, for a person whose  
19 New York adjusted gross income is less than forty thousand dollars, such  
20 applicable percentage shall be equal to (i) one hundred percent, plus  
21 (ii) ten percent multiplied by a fraction whose numerator shall be the  
22 lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars  
23 less the New York adjusted gross income for the taxable year, provided  
24 such numerator shall not be less than zero, and whose denominator shall  
25 be fifteen thousand dollars. Provided, further, that if the reversion  
26 event, as defined in this paragraph, occurs, the applicable percentage  
27 shall, for taxable years ending on or after the date on which the rever-  
28 sion event occurred, be determined using the rules specified in this  
29 paragraph applicable to taxable years beginning in nineteen hundred  
30 ninety-nine. The reversion event shall be deemed to have occurred on the  
31 date on which federal action, including but not limited to, administra-  
32 tive, statutory or regulatory changes, materially reduces or eliminates  
33 New York state's allocation of the federal temporary assistance for  
34 needy families block grant, or materially reduces the ability of the  
35 state to spend federal temporary assistance for needy families block  
36 grant funds for the credit for certain household and dependent care  
37 services necessary for gainful employment or to apply state general fund  
38 spending on the credit for certain household and dependent care services  
39 necessary for gainful employment toward the temporary assistance for  
40 needy families block grant maintenance of effort requirement, and the  
41 commissioner of the office of temporary and disability assistance shall  
42 certify the date of such event to the commissioner, the director of the  
43 division of the budget, the speaker of the assembly and the temporary  
44 president of the senate.

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

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

1 (2) For the purposes of this subsection:

2 (A) "Eligible taxpayer" shall mean a resident individual as defined in  
3 paragraph one of subsection (b) of section six hundred five of this  
4 article who, during the taxable year: (i) is not a dependent of another  
5 taxpayer pursuant to section one hundred fifty-two of the internal  
6 revenue code; and (ii) is not a resident married individual filing a  
7 separate return unless such individual meets the conditions in paragraph  
8 four of subdivision (e) of section twenty-one of the internal revenue  
9 code. Provided, however, where married individuals file a joint federal  
10 return, but are required to determine their New York taxes separately  
11 pursuant to subsection (b) of section six hundred fifty-one of this  
12 article, the credit allowed pursuant to this subsection may only be  
13 applied against the tax imposed on the spouse with the lower New York  
14 adjusted gross income.

15 (B) "Qualifying individual" shall mean an individual who: (i) is under  
16 the age of thirteen at the close of the taxable year or is physically or  
17 mentally incapable of caring for themselves during the taxable year;  
18 (ii) resides with the eligible taxpayer for more than one-half of the  
19 taxable year; and (iii) is claimed as a dependent pursuant to section  
20 one hundred fifty-two of the internal revenue code, or could otherwise  
21 be claimed as a dependent. Provided, a qualifying individual shall also  
22 include an individual where a noncustodial parent claims such individual  
23 under subsection (e) of section one hundred fifty-two of the internal  
24 revenue code or the individual is the eligible taxpayer's spouse who is  
25 physically or mentally incapable of caring for themselves during the  
26 taxable year and resides with the eligible taxpayer for more than one-  
27 half of the taxable year.

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

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

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

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

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

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

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

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

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

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

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

21 (3) The amount of the credit allowed to an eligible taxpayer under  
22 this subsection shall be the product of the eligible taxpayer's qualify-  
23 ing expenses determined pursuant to subparagraph (D) of paragraph two of  
24 this subsection and the applicable percentage determined pursuant to  
25 subparagraph (E) of paragraph two of this subsection.

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

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

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

38 (3) Nothing herein shall be construed to prohibit the department, its  
39 officers or employees from furnishing information to the office of  
40 temporary and disability assistance relating to the payment of the cred-  
41 it for certain household and dependent care services necessary for gain-  
42 ful employment under subsection (c) of section six hundred six of this  
43 article, the New York state child and dependent care credit under  
44 subsection (c-2) of section six hundred six of this article, and the  
45 earned income credit under subsection (d) of section six hundred six of  
46 this article and the enhanced earned income credit under subsection  
47 (d-1) of section six hundred six of this article, or pursuant to a local  
48 law enacted by a city having a population of one million or more pursu-  
49 ant to subsection (f) of section thirteen hundred ten of this chapter,  
50 only to the extent necessary to calculate qualified state expenditures  
51 under paragraph seven of subdivision (a) of section four hundred nine of  
52 the federal social security act or to document the proper expenditure of  
53 federal temporary assistance for needy families funds under section four  
54 hundred three of such act. The office of temporary and disability  
55 assistance may redisclose such information to the United States depart-  
56 ment of health and human services only to the extent necessary to calcu-

1 late such qualified state expenditures or to document the proper expend-  
2 iture of such federal temporary assistance for needy families funds.  
3 Nothing herein shall be construed to prohibit the delivery by the  
4 commissioner to a commissioner of jurors, appointed pursuant to section  
5 five hundred four of the judiciary law, or, in counties within cities  
6 having a population of one million or more, to the county clerk of such  
7 county, or to the clerk of the court or jury administrator of a United  
8 States district court appointed pursuant to title twenty-eight of the  
9 United States Code, section 1836(b)(2), of a mailing list of individuals  
10 to whom income tax forms are mailed by the commissioner for the sole  
11 purpose of compiling a list of prospective jurors as provided in article  
12 sixteen of the judiciary law or title twenty-eight of the United States  
13 Code. Provided, however, such delivery shall only be made pursuant to an  
14 order of the chief administrator of the courts, appointed pursuant to  
15 section two hundred ten of the judiciary law or an order of a chief  
16 judge of any United States district court in New York State. No such  
17 order may be issued unless such chief administrator or chief judge of  
18 such United States district court is satisfied that such mailing list is  
19 needed to compile a proper list of prospective jurors for the county or  
20 such United States district court for which such order is sought and  
21 that, in view of the responsibilities imposed by the various laws of the  
22 state on the department, it is reasonable to require the commissioner to  
23 furnish such list. Such order shall provide that such list shall be used  
24 for the sole purpose of compiling a list of prospective jurors and that  
25 such commissioner of jurors, or such county clerk, or clerk of the court  
26 or jury administrator of such United States district court shall take  
27 all necessary steps to insure that the list is kept confidential and  
28 that there is no unauthorized use or disclosure of such list. Further-  
29 more, nothing herein shall be construed to prohibit the delivery to a  
30 taxpayer or [his or her] their duly authorized representative of a  
31 certified copy of any return or report filed in connection with [his or  
32 her] their tax or to prohibit the publication of statistics so classi-  
33 fied as to prevent the identification of particular reports or returns  
34 and the items thereof, or the inspection by the attorney general or  
35 other legal representatives of the state of the report or return of any  
36 taxpayer or of any employer filed under section one hundred  
37 seventy-one-h of this chapter, where such taxpayer or employer shall  
38 bring action to set aside or review the tax based thereon, or against  
39 whom an action or proceeding under this chapter or under this chapter  
40 and article eighteen of the labor law has been recommended by the  
41 commissioner, the commissioner of labor with respect to unemployment  
42 insurance matters, or the attorney general or has been instituted, or  
43 the inspection of the reports or returns required under this article by  
44 the comptroller or duly designated officer or employee of the state  
45 department of audit and control, for purposes of the audit of a refund  
46 of any tax paid by a taxpayer under this article, or the furnishing to  
47 the state department of labor of unemployment insurance information  
48 obtained or derived from quarterly combined withholding, wage reporting  
49 and unemployment insurance returns required to be filed by employers  
50 pursuant to paragraph four of subsection (a) of section six hundred  
51 seventy-four of this article, for purposes of administration of such  
52 department's unemployment insurance program, employment services  
53 program, federal and state employment and training programs, employment  
54 statistics and labor market information programs, worker protection  
55 programs, federal programs for which the department has administrative  
56 responsibility or for other purposes deemed appropriate by the commis-



1 sioner of labor consistent with the provisions of the labor law, and  
2 redisclosure of such information in accordance with the provisions of  
3 sections five hundred thirty-six and five hundred thirty-seven of the  
4 labor law or any other applicable law, or the furnishing to the state  
5 office of temporary and disability assistance of information obtained or  
6 derived from New York state personal income tax returns as described in  
7 paragraph (b) of subdivision two of section one hundred seventy-one-g of  
8 this chapter for the purpose of reviewing support orders enforced pursu-  
9 ant to title six-A of article three of the social services law to aid in  
10 the determination of whether such orders should be adjusted, or the  
11 furnishing of information obtained from the reports required to be  
12 submitted by employers regarding newly hired or re-hired employees  
13 pursuant to section one hundred seventy-one-h of this chapter to the  
14 state office of temporary and disability assistance, the state depart-  
15 ment of health, the state department of labor and the workers' compen-  
16 sation board for purposes of administration of the child support  
17 enforcement program, verification of individuals' eligibility for one or  
18 more of the programs specified in subsection (b) of section eleven  
19 hundred thirty-seven of the federal social security act and for other  
20 public assistance programs authorized by state law, and administration  
21 of the state's employment security and workers' compensation programs,  
22 and to the national directory of new hires established pursuant to  
23 section four hundred fifty-three-A of the federal social security act  
24 for the purposes specified in such section, or the furnishing to the  
25 state office of temporary and disability assistance of the amount of an  
26 overpayment of income tax and interest thereon certified to the comp-  
27 troller to be credited against past-due support pursuant to section one  
28 hundred seventy-one-c of this chapter and of the name and social securi-  
29 ty number of the taxpayer who made such overpayment, or the disclosing  
30 to the commissioner of finance of the city of New York, pursuant to  
31 section one hundred seventy-one-l of this chapter, of the amount of an  
32 overpayment and interest thereon certified to the comptroller to be  
33 credited against a city of New York tax warrant judgment debt and of the  
34 name and social security number of the taxpayer who made such overpay-  
35 ment, or the furnishing to the New York state higher education services  
36 corporation of the amount of an overpayment of income tax and interest  
37 thereon certified to the comptroller to be credited against the amount  
38 of a default in repayment of any education loan debt, including judg-  
39 ments, owed to the federal or New York state government that is being  
40 collected by the New York state higher education services corporation,  
41 and of the name and social security number of the taxpayer who made such  
42 overpayment, or the furnishing to the state department of health of the  
43 information required by paragraph (f) of subdivision two and subdivision  
44 two-a of section two thousand five hundred eleven of the public health  
45 law and by subdivision eight of section three hundred sixty-six-a of the  
46 social services law, or the furnishing to the state university of New  
47 York or the city university of New York respectively or the attorney  
48 general on behalf of such state or city university the amount of an  
49 overpayment of income tax and interest thereon certified to the comp-  
50 troller to be credited against the amount of a default in repayment of a  
51 state university loan pursuant to section one hundred seventy-one-e of  
52 this chapter and of the name and social security number of the taxpayer  
53 who made such overpayment, or the disclosing to a state agency, pursuant  
54 to section one hundred seventy-one-f of this chapter, of the amount of  
55 an overpayment and interest thereon certified to the comptroller to be  
56 credited against a past-due legally enforceable debt owed to such agency



1 and of the name and social security number of the taxpayer who made such  
2 overpayment, or the furnishing of employee and employer information  
3 obtained through the wage reporting system, pursuant to section one  
4 hundred seventy-one-a of this chapter, as added by chapter five hundred  
5 forty-five of the laws of nineteen hundred seventy-eight, to the state  
6 office of temporary and disability assistance, the department of health  
7 or to the state office of the medicaid inspector general for the purpose  
8 of verifying eligibility for and entitlement to amounts of benefits  
9 under the social services law or similar law of another jurisdiction,  
10 locating absent parents or other persons legally responsible for the  
11 support of applicants for or recipients of public assistance and care  
12 under the social services law and persons legally responsible for the  
13 support of a recipient of services under section one hundred eleven-g of  
14 the social services law and, in appropriate cases, establishing support  
15 obligations pursuant to the social services law and the family court act  
16 or similar provision of law of another jurisdiction for the purpose of  
17 evaluating the effect on earnings of participation in employment, train-  
18 ing or other programs designed to promote self-sufficiency authorized  
19 pursuant to the social services law by current recipients of public  
20 assistance and care and by former applicants and recipients of public  
21 assistance and care, (except that with regard to former recipients,  
22 information which relates to a particular former recipient shall be  
23 provided with client identifying data deleted), to the state office of  
24 temporary and disability assistance for the purpose of determining the  
25 eligibility of any child in the custody, care and custody or custody and  
26 guardianship of a local social services district or of the office of  
27 children and family services for federal payments for foster care and  
28 adoption assistance pursuant to the provisions of title IV-E of the  
29 federal social security act by providing information with respect to the  
30 parents, the stepparents, the child and the siblings of the child who  
31 were living in the same household as such child during the month that  
32 the court proceedings leading to the child's removal from the household  
33 were initiated, or the written instrument transferring care and custody  
34 of the child pursuant to the provisions of section three hundred fifty-  
35 eight-a or three hundred eighty-four-a of the social services law was  
36 signed, provided however that the office of temporary and disability  
37 assistance shall only use the information obtained pursuant to this  
38 subdivision for the purpose of determining the eligibility of such child  
39 for federal payments for foster care and adoption assistance pursuant to  
40 the provisions of title IV-E of the federal social security act, and to  
41 the state department of labor, or other individuals designated by the  
42 commissioner of labor, for the purpose of the administration of such  
43 department's unemployment insurance program, employment services  
44 program, federal and state employment and training programs, employment  
45 statistics and labor market information programs, worker protection  
46 programs, federal programs for which the department has administrative  
47 responsibility or for other purposes deemed appropriate by the commis-  
48 sioner of labor consistent with the provisions of the labor law, and  
49 redisclosure of such information in accordance with the provisions of  
50 sections five hundred thirty-six and five hundred thirty-seven of the  
51 labor law, or the furnishing of information, which is obtained from the  
52 wage reporting system operated pursuant to section one hundred seventy-  
53 one-a of this chapter, as added by chapter five hundred forty-five of  
54 the laws of nineteen hundred seventy-eight, to the state office of  
55 temporary and disability assistance so that it may furnish such informa-  
56 tion to public agencies of other jurisdictions with which the state



1 office of temporary and disability assistance has an agreement pursuant  
2 to paragraph (h) or (i) of subdivision three of section twenty of the  
3 social services law, and to the state office of temporary and disability  
4 assistance for the purpose of fulfilling obligations and responsibil-  
5 ities otherwise incumbent upon the state department of labor, under  
6 section one hundred twenty-four of the federal family support act of  
7 nineteen hundred eighty-eight, by giving the federal parent locator  
8 service, maintained by the federal department of health and human  
9 services, prompt access to such information as required by such act, or  
10 to the state department of health to verify eligibility under the child  
11 health insurance plan pursuant to subdivisions two and two-a of section  
12 two thousand five hundred eleven of the public health law, to verify  
13 eligibility under the medical assistance and family health plus programs  
14 pursuant to subdivision eight of section three hundred sixty-six-a of  
15 the social services law, and to verify eligibility for the program for  
16 elderly pharmaceutical insurance coverage under title three of article  
17 two of the elder law, or to the office of vocational and educational  
18 services for individuals with disabilities of the education department,  
19 the commission for the blind and any other state vocational rehabili-  
20 tation agency, for purposes of obtaining reimbursement from the federal  
21 social security administration for expenditures made by such office,  
22 commission or agency on behalf of disabled individuals who have achieved  
23 economic self-sufficiency or to the higher education services corpo-  
24 ration for the purpose of assisting the corporation in default  
25 prevention and default collection of education loan debt, including  
26 judgments, owed to the federal or New York state government; provided,  
27 however, that such information shall be limited to the names, social  
28 security numbers, home and/or business addresses, and employer names of  
29 defaulted or delinquent student loan borrowers, or to the office of the  
30 state comptroller for purposes of verifying the income of a retired  
31 member of a retirement system or pension plan administered by the state  
32 or any of its political subdivisions who returns to public employment.  
33 Provided, however, that with respect to employee information the  
34 office of temporary and disability assistance shall only be furnished  
35 with the names, social security account numbers and gross wages of those  
36 employees who are (A) applicants for or recipients of benefits under the  
37 social services law, or similar provision of law of another jurisdiction  
38 (pursuant to an agreement under subdivision three of section twenty of  
39 the social services law) or, (B) absent parents or other persons legally  
40 responsible for the support of applicants for or recipients of public  
41 assistance and care under the social services law or similar provision  
42 of law of another jurisdiction (pursuant to an agreement under subdivi-  
43 sion three of section twenty of the social services law), or (C) persons  
44 legally responsible for the support of a recipient of services under  
45 section one hundred eleven-g of the social services law or similar  
46 provision of law of another jurisdiction (pursuant to an agreement under  
47 subdivision three of section twenty of the social services law), or (D)  
48 employees about whom wage reporting system information is being  
49 furnished to public agencies of other jurisdictions, with which the  
50 state office of temporary and disability assistance has an agreement  
51 pursuant to paragraph (h) or (i) of subdivision three of section twenty  
52 of the social services law, or (E) employees about whom wage reporting  
53 system information is being furnished to the federal parent locator  
54 service, maintained by the federal department of health and human  
55 services, for the purpose of enabling the state office of temporary and  
56 disability assistance to fulfill obligations and responsibilities other-



1 wise incumbent upon the state department of labor, under section one  
2 hundred twenty-four of the federal family support act of nineteen  
3 hundred eighty-eight, and, only if, the office of temporary and disabil-  
4 ity assistance certifies to the commissioner that such persons are such  
5 applicants, recipients, absent parents or persons legally responsible  
6 for support or persons about whom information has been requested by a  
7 public agency of another jurisdiction or by the federal parent locator  
8 service and further certifies that in the case of information requested  
9 under agreements with other jurisdictions entered into pursuant to  
10 subdivision three of section twenty of the social services law, that  
11 such request is in compliance with any applicable federal law. Provided,  
12 further, that where the office of temporary and disability assistance  
13 requests employee information for the purpose of evaluating the effects  
14 on earnings of participation in employment, training or other programs  
15 designed to promote self-sufficiency authorized pursuant to the social  
16 services law, the office of temporary and disability assistance shall  
17 only be furnished with the quarterly gross wages (excluding any refer-  
18 ence to the name, social security number or any other information which  
19 could be used to identify any employee or the name or identification  
20 number of any employer) paid to employees who are former applicants for  
21 or recipients of public assistance and care and who are so certified to  
22 the commissioner by the commissioner of the office of temporary and  
23 disability assistance. Provided, further, that with respect to employee  
24 information, the department of health shall only be furnished with the  
25 information required pursuant to the provisions of paragraph (f) of  
26 subdivision two and subdivision two-a of section two thousand five  
27 hundred eleven of the public health law and subdivision eight of section  
28 three hundred sixty-six-a of the social services law, with respect to  
29 those individuals whose eligibility under the child health insurance  
30 plan, medical assistance program, and family health plus program is to  
31 be determined pursuant to such provisions and with respect to those  
32 members of any such individual's household whose income affects such  
33 individual's eligibility and who are so certified to the commissioner or  
34 by the department of health. Provided, further, that wage reporting  
35 information shall be furnished to the office of vocational and educa-  
36 tional services for individuals with disabilities of the education  
37 department, the commission for the blind and any other state vocational  
38 rehabilitation agency only if such office, commission or agency, as  
39 applicable, certifies to the commissioner that such information is  
40 necessary to obtain reimbursement from the federal social security  
41 administration for expenditures made on behalf of disabled individuals  
42 who have achieved self-sufficiency. Reports and returns shall be  
43 preserved for three years and thereafter until the commissioner orders  
44 them to be destroyed.

45 § 4. This act shall take effect immediately.

46

#### PART B

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

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

53 § 2. This act shall take effect immediately.

1

## PART C

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

6 (g) Notwithstanding subsection (a) of this section, the New York item-  
7 ized deduction for charitable contributions shall be the amount allowed  
8 under section one hundred seventy of the internal revenue code or the  
9 amount allowable pursuant to paragraph three of this subsection, as  
10 modified by paragraph nine of subsection (c) of this section and as  
11 limited by this subsection. (1) With respect to an individual whose New  
12 York adjusted gross income is over one million dollars and no more than  
13 ten million dollars, the New York itemized deduction shall be an amount  
14 equal to fifty percent of any charitable contribution deduction allowed  
15 under section one hundred seventy of the internal revenue code or allow-  
16 able pursuant to paragraph three of this subsection for taxable years  
17 beginning after two thousand nine and before two thousand twenty-five.  
18 With respect to an individual whose New York adjusted gross income is  
19 over one million dollars, the New York itemized deduction shall be an  
20 amount equal to fifty percent of any charitable contribution deduction  
21 allowed under section one hundred seventy of the internal revenue code  
22 or allowable pursuant to paragraph three of this subsection for taxable  
23 years beginning in two thousand nine or after two thousand twenty-four.

24 (2) With respect to an individual whose New York adjusted gross income  
25 is over ten million dollars, the New York itemized deduction shall be an  
26 amount equal to twenty-five percent of any charitable contribution  
27 deduction allowed under section one hundred seventy of the internal  
28 revenue code or allowable pursuant to paragraph three of this subsection  
29 for taxable years beginning after two thousand nine and ending before  
30 two thousand thirty.

31 (3) Contributions to an organization that meets the definition of an  
32 exempt organization under paragraph four of subdivision (a) of section  
33 eleven hundred sixteen of this chapter or to organizations that have  
34 applied for, and were approved for tax-exempt status under subsection  
35 (c) of section five hundred one of the internal revenue code by the  
36 internal revenue service before January first, two thousand twenty-five,  
37 will continue to qualify as charitable contributions allowable as a New  
38 York itemized deduction under this subsection, to the extent otherwise  
39 allowable under section one hundred seventy of the internal revenue  
40 code, even if the internal revenue service revokes such organization's  
41 tax-exempt status, so long as the organization establishes that the  
42 revocation was unrelated to the organization's charitable mission and  
43 that it continues to meet the statutory requirements of paragraph three  
44 of subsection (c) of section five hundred one of the internal revenue  
45 code and the regulations and authorities promulgated thereunder.

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

48

## PART D

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

52 (c) For purposes of this section, the term "eligible farmer" [means a  
53 taxpayer whose federal gross income from farming as defined] shall have

1 the same meaning as set forth in subsection (n) of section six hundred  
2 six of this chapter [for the taxable year is at least two-thirds of  
3 excess federal gross income. Excess federal gross income means the  
4 amount of federal gross income from all sources for the taxable year in  
5 excess of thirty thousand dollars. For purposes of this section,  
6 payments from the state's farmland protection program, administered by  
7 the department of agriculture and markets, shall be included as federal  
8 gross income from farming for otherwise eligible farmers].

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

12 (b) For purposes of this section, the term "eligible farm employer"  
13 means a taxpayer who received an overtime expense certificate pursuant  
14 to section three hundred thirty-five of the agriculture and markets law  
15 and [whose federal gross income from farming] who is an eligible farmer,  
16 as defined in subsection (n) of section six hundred six of this chapter  
17 for the taxable year [is at least two-thirds of excess federal gross  
18 income. Excess federal gross income means the amount of federal gross  
19 income from all sources for the taxable year in excess of thirty thou-  
20 sand dollars. For purposes of this section, payments from the state's  
21 farmland protection program, administered by the department of agricul-  
22 ture and markets, shall be included as federal gross income from farming  
23 for otherwise eligible farmers].

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

26 (a-1) New York gross income from farming. For purposes of this subdivi-  
27 vision, the term "New York gross income from farming" means a taxpayer's  
28 federal gross income from farming, plus payments from the state's farm-  
29 land protection program, administered by the department of agriculture  
30 and markets, income from a commercial horse boarding operation as  
31 defined by subdivision thirteen of section three hundred one of the  
32 agriculture and markets law, and income from the production or sale of  
33 maple syrup, Christmas trees, and cider or wine from a licensed New York  
34 state farm cidery or winery, as provided for in section fifty-eight-c  
35 and article six of the alcoholic beverage control law.

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

39 (b) Eligible farmer. For purposes of this subdivision, the term  
40 "eligible farmer" means a taxpayer whose [federal] New York gross income  
41 from farming for the taxable year, or whose average New York gross  
42 income from farming for the current year and two prior taxable years, is  
43 at least two-thirds of [excess] such taxpayer's federal gross income  
44 from all sources less thirty thousand dollars. The term "eligible farm-  
45 er" also includes a corporation other than the taxpayer of record for  
46 qualified agricultural land which has paid the school district property  
47 taxes on such land pursuant to a contract for the future purchase of  
48 such land; provided that such corporation [has a federal gross income  
49 from farming for the taxable year which is at least two-thirds of excess  
50 federal gross income; and provided further that, in determining such  
51 income eligibility, a taxpayer may, for any taxable year, use the aver-  
52 age of such federal gross income from farming for that taxable year and  
53 such income for the two consecutive taxable years immediately preceding  
54 such taxable year. Excess federal gross income means the amount of  
55 federal gross income from all sources for the taxable year in excess of  
56 thirty thousand dollars. For the purposes of this paragraph, payments

1 from the state's farmland protection program, administered by the  
2 department of agriculture and markets, shall be included as federal  
3 gross income from farming for otherwise eligible farmers] meets the  
4 definition of eligible farmer pursuant to this paragraph.

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

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

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

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

22 (1-a) New York gross income from farming. For purposes of this  
23 subsection, the term "New York gross income from farming" means a  
24 taxpayer's federal gross income from farming, plus payments from the  
25 state's farmland protection program, administered by the department of  
26 agriculture and markets, income from a commercial horse boarding opera-  
27 tion as defined by subdivision thirteen of section three hundred one of  
28 the agriculture and markets law, and income from the production or sale  
29 of maple syrup, Christmas trees, and cider or wine from a licensed New  
30 York state farm cidery or winery, as provided for in section fifty-  
31 eight-c and article six of the alcoholic beverage control law.

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

35 (2) Eligible farmer. For purposes of this subsection, the term "eligi-  
36 ble farmer" means a taxpayer whose [federal] New York gross income from  
37 farming for the taxable year, or whose average New York gross income  
38 from farming for the current year and two prior taxable years, is at  
39 least two-thirds of [excess] such taxpayer's federal gross income from  
40 all sources less thirty thousand dollars. The term "eligible farmer"  
41 also includes an individual other than the taxpayer of record for quali-  
42 fied agricultural land who has paid the school district property taxes  
43 on such land pursuant to a contract for the future purchase of such  
44 land; provided that such individual [has a federal gross income from  
45 farming for the taxable year which is at least two-thirds of excess  
46 federal gross income; and provided further that, in determining such  
47 income eligibility, a taxpayer may, for any taxable year, use the aver-  
48 age of such federal gross income from farming for that taxable year and  
49 such income for the two consecutive taxable years immediately preceding  
50 such taxable year. Excess federal gross income means the amount of  
51 federal gross income from all sources for the taxable year reduced by  
52 the sum (not to exceed thirty thousand dollars) of those items included  
53 in federal gross income which consist of (i) earned income, (ii) pension  
54 payments, including social security payments, (iii) interest, and (iv)  
55 dividends. For purposes of this paragraph, the term "earned income"  
56 shall mean wages, salaries, tips and other employee compensation, and

1 those items of gross income which are includible in the computation of  
2 net earnings from self-employment. For the purposes of this paragraph,  
3 payments from the state's farmland protection program, administered by  
4 the department of agriculture and markets, shall be included as federal  
5 gross income from farming for otherwise eligible farmers] meets the  
6 definition of "eligible farmer" pursuant to this paragraph.

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

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

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

28 § 11. This act shall take effect immediately and shall apply to taxa-  
29 ble years beginning on or after January 1, 2026.

30

## PART E

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

34 For taxable years beginning before January first, two thousand  
35 sixteen, the amount prescribed by this paragraph shall be computed at  
36 the rate of seven and one-tenth percent of the taxpayer's business  
37 income base. For taxable years beginning on or after January first, two  
38 thousand sixteen, the amount prescribed by this paragraph shall be six  
39 and one-half percent of the taxpayer's business income base. For taxable  
40 years beginning on or after January first, two thousand twenty-one and  
41 before January first, two thousand [twenty-seven] twenty-six for any  
42 taxpayer with a business income base for the taxable year of more than  
43 five million dollars, the amount prescribed by this paragraph shall be  
44 seven and one-quarter percent of the taxpayer's business income base.  
45 For taxable years beginning on or after January first, two thousand  
46 twenty-six and before January first, two thousand thirty for any taxpay-  
47 er with a business income base for the taxable year of more than five  
48 million dollars but not over ten million dollars, the amount prescribed  
49 by this paragraph shall be seven and one-quarter percent of the taxpay-  
50 er's income base. Provided, further, for taxable years beginning on or  
51 after January first, two thousand twenty-six and before January first,  
52 two thousand thirty for any taxpayer with a business income base for the  
53 taxable year of more than ten million dollars, the amount prescribed by  
54 this paragraph shall be nine and one-quarter percent of the taxpayer's



1 business income base. The taxpayer's business income base shall mean the  
2 portion of the taxpayer's business income apportioned within the state  
3 as hereinafter provided. However, in the case of a small business  
4 taxpayer, as defined in paragraph (f) of this subdivision, the amount  
5 prescribed by this paragraph shall be computed pursuant to subparagraph  
6 (iv) of this paragraph and in the case of a manufacturer, as defined in  
7 subparagraph (vi) of this paragraph, the amount prescribed by this para-  
8 graph shall be computed pursuant to subparagraph (vi) of this paragraph,  
9 and, in the case of a qualified emerging technology company, as defined  
10 in subparagraph (vii) of this paragraph, the amount prescribed by this  
11 paragraph shall be computed pursuant to subparagraph (vii) of this para-  
12 graph.

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

16 (1) (i) The amount prescribed by this paragraph shall be computed  
17 at .15 percent for each dollar of the taxpayer's total business capital,  
18 or the portion thereof apportioned within the state as hereinafter  
19 provided for taxable years beginning before January first, two thousand  
20 sixteen. However, in the case of a cooperative housing corporation as  
21 defined in the internal revenue code, the applicable rate shall be .04  
22 percent until taxable years beginning on or after January first, two  
23 thousand twenty and zero percent for taxable years beginning on or after  
24 January first, two thousand twenty-one. The rate of tax for subsequent  
25 tax years shall be as follows: .125 percent for taxable years beginning  
26 on or after January first, two thousand sixteen and before January  
27 first, two thousand seventeen; .100 percent for taxable years beginning  
28 on or after January first, two thousand seventeen and before January  
29 first, two thousand eighteen; .075 percent for taxable years beginning  
30 on or after January first, two thousand eighteen and before January  
31 first, two thousand nineteen; .050 percent for taxable years beginning  
32 on or after January first, two thousand nineteen and before January  
33 first, two thousand twenty; .025 percent for taxable years beginning on  
34 or after January first, two thousand twenty and before January first,  
35 two thousand twenty-one; and .1875 percent for years beginning on or  
36 after January first, two thousand twenty-one and before January first,  
37 two thousand [twenty-seven] thirty, and zero percent for taxable years  
38 beginning on or after January first, two thousand [twenty-seven] thirty.  
39 Provided however, for taxable years beginning on or after January first,  
40 two thousand twenty-one, the rate of tax for a small business as defined  
41 in paragraph (f) of this subdivision shall be zero percent. The rate of  
42 tax for a qualified New York manufacturer shall be .132 percent for  
43 taxable years beginning on or after January first, two thousand fifteen  
44 and before January first, two thousand sixteen, .106 percent for taxable  
45 years beginning on or after January first, two thousand sixteen and  
46 before January first, two thousand seventeen, .085 percent for taxable  
47 years beginning on or after January first, two thousand seventeen and  
48 before January first, two thousand eighteen; .056 percent for taxable  
49 years beginning on or after January first, two thousand eighteen and  
50 before January first, two thousand nineteen; .038 percent for taxable  
51 years beginning on or after January first, two thousand nineteen and  
52 before January first, two thousand twenty; .019 percent for taxable  
53 years beginning on or after January first, two thousand twenty and  
54 before January first, two thousand twenty-one; and zero percent for  
55 years beginning on or after January first, two thousand twenty-one. (ii)  
56 In no event shall the amount prescribed by this paragraph exceed three

1 hundred fifty thousand dollars for qualified New York manufacturers and  
2 for all other taxpayers five million dollars.

3 § 3. This act shall take effect immediately.

4

PART F

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

8 (24) For taxable years beginning on or after January first, two thou-  
9 sand twenty-five, in the case of qualified production property described  
10 in paragraph two of subsection (n) of section one hundred sixty-eight of  
11 the internal revenue code, the amount of any deduction allowed pursuant  
12 to subsection (a) of section one hundred sixty-seven of the internal  
13 revenue code as if the taxpayer has not made an election pursuant to  
14 subsection (n) of section one hundred sixty-eight of the internal reven-  
15 ue code.

16 (25) For taxable years beginning on or after January first, two thou-  
17 sand twenty-five, the amount of any foreign and domestic research or  
18 experimental expenditures, as defined in sections one hundred seventy-  
19 four and 174A of the internal revenue code, paid or incurred in each  
20 taxable year on and after January first, two thousand twenty-five, amor-  
21 tized over a sixty-month period as if the election in subsection (c) of  
22 section 174A of the internal revenue code applied to such foreign and  
23 domestic research or experimental expenditures.

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

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

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

42 (29) For taxable years beginning on or after January first, two thou-  
43 sand twenty-five, any amount claimed as a deduction under sections one  
44 hundred seventy-four and 174A of the internal revenue code in effect as  
45 of January first, two thousand twenty-five, and any amount claimed as a  
46 deduction pursuant to federal Public Law 119-21, title VII, section  
47 70302(f)(2)(a), for foreign and domestic research or experimental  
48 expenditures, as defined in sections one hundred seventy-four and 174A  
49 of the internal revenue code.

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

52 (44) For taxable years beginning on or after January first, two thou-  
53 sand twenty-five, in the case of qualified production property described  
54 in paragraph two of subsection (n) of section one hundred sixty-eight of



1 the internal revenue code, any amount which the taxpayer claimed as a  
2 deduction under subsection (a) of section one hundred sixty-seven of the  
3 internal revenue code that included an allowance solely as a result of  
4 an election made pursuant to subsection (n) of section one hundred  
5 sixty-eight of the internal revenue code.

6 (45) For taxable years beginning on or after January first, two thou-  
7 sand twenty-five, any amount claimed as a deduction under sections one  
8 hundred seventy-four and 174A of the internal revenue code in effect as  
9 of January first, two thousand twenty-five, and any amount claimed as a  
10 deduction pursuant to federal Public Law 119-21, title VII, section  
11 70302(f)(2)(a), for foreign and domestic research or experimental  
12 expenditures, as defined in sections one hundred seventy-four and 174A  
13 of the internal revenue code.

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

16 (48) For taxable years beginning on or after January first, two thou-  
17 sand twenty-five, in the case of qualified production property described  
18 in paragraph two of subsection (n) of section one hundred sixty-eight of  
19 the internal revenue code, the amount of any deduction allowed pursuant  
20 to subsection (a) of section one hundred sixty-seven of the internal  
21 revenue code as if the taxpayer has not made an election pursuant to  
22 subsection (n) of section one hundred sixty-eight of the internal reven-  
23 ue code.

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

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

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

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

51 (Y) For taxable years beginning on or after January first, two thou-  
52 sand twenty-five, the amount of any foreign and domestic research or  
53 experimental expenditures, as defined in sections one hundred seventy-  
54 four and 174A of the internal revenue code, paid or incurred in each  
55 taxable year on and after January first, two thousand twenty-five, amor-  
56 tized over a sixty-month period as if the election in subsection (c) of

1 section 174A of the internal revenue code applied to such foreign and  
2 domestic research or experimental expenditures.

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

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

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

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

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

32 PART G

33 Section 1. Subdivision (b) of section 11-506 of the administrative  
34 code of the city of New York is amended by adding four new paragraphs  
35 19, 20, 21 and 22 to read as follows:

36 (19) For taxable years beginning after December thirty-first, two  
37 thousand twenty-four, the amount allowed as an exclusion or deduction in  
38 determining federal gross income of any depreciation of qualified  
39 production property described in subsection (n) of section one hundred  
40 sixty-eight of the internal revenue code. For the purposes of this chap-  
41 ter, such property shall not be treated as section 1245 property as  
42 described in section twelve hundred forty-five of the internal revenue  
43 code.

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

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

53 (22) For taxable years beginning on or after January first, two thou-  
54 sand twenty-five, the increase in the amount allowed as a federal inter-

1 est deduction pursuant to section one hundred sixty-three of the inter-  
2 nal revenue code attributable to additional adjusted taxable income that  
3 is attributable to depreciation, amortization, or depletion. For the  
4 purposes of this subdivision, "additional adjusted taxable income that  
5 is attributable to depreciation, amortization, or depletion" means the  
6 difference between the amount of adjusted taxable income computed pursu-  
7 ant to paragraph eight of subsection (j) of section one hundred sixty-  
8 three of the internal revenue code and such amount calculated without  
9 regard to clause (v) of subparagraph (A) of such paragraph.

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

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

24 (15) For taxable years beginning after December thirty-first, two  
25 thousand twenty-four, the amount allowed as an exclusion or deduction in  
26 determining federal gross income pursuant to subsection (a) of section  
27 one hundred seventy-nine of the internal revenue code subject to the  
28 dollar limitations in paragraphs one and two of subsection (b) of such  
29 section that were in effect for the last tax year beginning before Janu-  
30 ary first, two thousand twenty-five, adjusted in accordance with para-  
31 graph six of such subsection using the amounts in paragraphs one and two  
32 that were in effect for such tax year and, for the purposes of applying  
33 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of  
34 section one of the internal revenue code, substituting "calendar year  
35 2017" for "calendar year 2016".

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

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

50 (18) for taxable years beginning after December thirty-first, two  
51 thousand twenty-four, for taxpayers that have made an election pursuant  
52 to paragraph six of subsection (n) of section one hundred sixty-eight of  
53 the internal revenue code with respect to any qualified production prop-  
54 erty defined in such subsection, the amount allowed as an exclusion or  
55 deduction in determining federal taxable income of any depreciation of  
56 such qualified production property, pursuant to subsection (a) of

1 section one hundred sixty-seven of such code so that the depreciation  
2 deduction and adjusted basis reduction or any other deduction or exclu-  
3 sion allowed by subsection (n) of section one hundred sixty-eight of  
4 such code shall not apply.

5 (19) for taxable years beginning after December thirty-first, two  
6 thousand twenty-four, the amount allowed as an exclusion or deduction in  
7 determining federal taxable income pursuant to subsection (a) of section  
8 one hundred seventy-nine of the internal revenue code subject to the  
9 dollar limitations in paragraphs one and two of subsection (b) of such  
10 section that were in effect for the last tax year beginning before Janu-  
11 ary first, two thousand twenty-five, adjusted in accordance with para-  
12 graph six of such subsection using the amounts in paragraphs one and two  
13 that were in effect for such tax year and, for the purposes of applying  
14 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of  
15 section one of the internal revenue code, substituting "calendar year  
16 2017" for "calendar year 2016".

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

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

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

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

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

48 (26) For taxable years beginning on or after January first, two thou-  
49 sand twenty-five, the increase in the amount allowed as a federal inter-  
50 est deduction pursuant to section one hundred sixty-three of the inter-  
51 nal revenue code attributable to additional adjusted taxable income that  
52 is attributable to depreciation, amortization, or depletion. For the  
53 purposes of this subdivision, "additional adjusted taxable income that  
54 is attributable to depreciation, amortization, or depletion" means the  
55 difference between the amount of adjusted taxable income computed pursu-  
56 ant to paragraph eight of subsection (j) of section one hundred sixty-

1 three of the internal revenue code and such amount calculated without  
2 regard to clause (v) of subparagraph (A) of such paragraph.

3 § 5. Clause (E) of subparagraph (2) of paragraph (a) of subdivision 3  
4 of section 11-604 of the administrative code of the city of New York, as  
5 added by chapter 59 of the laws of 2019, is amended to read as follows:

6 (E) notwithstanding any other provision of this paragraph, [net global  
7 intangible low-taxed income shall be included in the receipts fraction  
8 as provided in this clause. Receipts constituting net global intangible  
9 low-taxed income] the amount required to be included in the taxpayer's  
10 federal gross income pursuant to subsection (a) of section 951A of the  
11 internal revenue code less the amount of the deduction allowed under  
12 clause (i) of section 250(a)(1)(B) of such code shall not be included  
13 in the numerator of the receipts fraction. [Receipts constituting net  
14 global intangible low-taxed income] The amount required to be included  
15 in the taxpayer's federal gross income pursuant to subsection (a) of  
16 section 951A of the internal revenue code less the amount of the  
17 deduction allowed under clause (i) of section 250(a)(1)(B) of such code  
18 shall be included in the denominator of the receipts fraction. [For  
19 purposes of this clause, the term "net global intangible low-taxed  
20 income" means the amount that would have been required to be included in  
21 the taxpayer's federal gross income pursuant to subsection (a) of  
22 section 951A of the internal revenue code less the amount of the  
23 deduction that would have been allowed under clause (i) of section  
24 250(a)(1)(B) of such code if the taxpayer had not made an election under  
25 subchapter s of chapter one of the internal revenue code] For any taxa-  
26 ble year, such amount shall be calculated pursuant to such provisions of  
27 the internal revenue code provisions as in effect in such taxable year.

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

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

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

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

48 (21) For taxable years beginning on or after January first, two thou-  
49 sand twenty-five, the increase in the amount allowed as a federal inter-  
50 est deduction pursuant to section one hundred sixty-three of the inter-  
51 nal revenue code attributable to additional adjusted taxable income that  
52 is attributable to depreciation, amortization, or depletion. For the  
53 purposes of this subdivision, "additional adjusted taxable income that  
54 is attributable to depreciation, amortization, or depletion" means the  
55 difference between the amount of adjusted taxable income computed pursu-  
56 ant to paragraph eight of subsection (j) of section one hundred sixty-



1 three of the internal revenue code and such amount calculated without  
2 regard to clause (v) of subparagraph (A) of such paragraph.

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

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

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

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

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

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

54 (20) for taxable years beginning after December thirty-first, two  
55 thousand twenty-four, the amount allowed as an exclusion or deduction in  
56 determining federal taxable income pursuant to subsection (a) of section

1 one hundred seventy-nine of the internal revenue code subject to the  
2 dollar limitations in paragraphs one and two of subsection (b) of such  
3 section that were in effect for the last tax year beginning before Janu-  
4 ary first, two thousand twenty-five, adjusted in accordance with para-  
5 graph six of such subsection using the amounts in paragraphs one and two  
6 that were in effect for such tax year and, for the purposes of applying  
7 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of  
8 section one of the internal revenue code, substituting "calendar year  
9 2017" for "calendar year 2016".

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

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

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

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

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

41 (27) For taxable years beginning on or after January first, two thou-  
42 sand twenty-five, the increase in the amount allowed as a federal inter-  
43 est deduction pursuant to section one hundred sixty-three of the inter-  
44 nal revenue code attributable to additional adjusted taxable income that  
45 is attributable to depreciation, amortization, or depletion. For the  
46 purposes of this subdivision, "additional adjusted taxable income that  
47 is attributable to depreciation, amortization, or depletion" means the  
48 difference between the amount of adjusted taxable income computed pursu-  
49 ant to paragraph eight of subsection (j) of section one hundred sixty-  
50 three of the internal revenue code and such amount calculated without  
51 regard to clause (v) of subparagraph (A) of such paragraph.

52 § 10. Subdivision 5-a of section 11-654.2 of the administrative code  
53 of the city of New York, as added by chapter 59 of the laws of 2019, is  
54 amended to read as follows:

55 5-a. Notwithstanding any other provision of this section, [net global  
56 intangible low-taxed income shall be included in the receipts fraction

1 as provided in this subdivision. Receipts constituting net global intan-  
2 gible low-taxed income] the amount required to be included in the  
3 taxpayer's federal gross income pursuant to subsection (a) of section  
4 951A of the internal revenue code less the amount of the deduction  
5 allowed under clause (i) of section 250(a)(1)(B) of such code shall not  
6 be included in the numerator of the receipts fraction. [Receipts consti-  
7 tuting net global intangible low-taxed income] The amount required to be  
8 included in the taxpayer's federal gross income pursuant to subsection  
9 (a) of section 951A of the internal revenue code less the amount of the  
10 deduction allowed under clause (i) of section 250(a)(1)(B) of such code  
11 shall be included in the denominator of the receipts fraction. [For  
12 purposes of this subdivision, the term "net global intangible low-taxed  
13 income" means the amount required to be included in the taxpayer's  
14 federal gross income pursuant to subsection (a) of section 951A of the  
15 internal revenue code less the amount of the deduction allowed under  
16 clause (i) of section 250(a)(1)(B) of such code] For any taxable year,  
17 such amount shall be calculated pursuant to such provisions of the  
18 internal revenue code provisions as in effect in such taxable year.  
19 § 11. This act shall take effect immediately and shall be deemed to  
20 have been in full force and effect on and after December 31, 2024, and  
21 shall apply to taxable years beginning after December 31, 2024.

22

## PART H

23

Intentionally Omitted

24

## PART I

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

28 (a) For taxable years beginning on or after January first, two thou-  
29 sand twenty-four and before January first, two thousand [twenty-six]  
30 twenty-nine, a business entity in the commercial security tax credit  
31 program that meets the eligibility requirements of subdivision two of  
32 this section may be eligible to claim a credit equal to three thousand  
33 dollars for each retail location of the business entity located in New  
34 York state.

35 § 2. Subdivision (a) of section 49 of the tax law, as added by section  
36 2 of part E of chapter 59 of the laws of 2024, is amended to read as  
37 follows:

38 (a) Allowance of credit. For taxable years beginning on or after Janu-  
39 ary first, two thousand twenty-four and before January first, two thou-  
40 sand [twenty-six] twenty-nine, a taxpayer required to file a return  
41 pursuant to articles nine, nine-A or twenty-two of this chapter shall be  
42 allowed a credit against such tax, pursuant to the provisions referenced  
43 in subdivision (f) of this section. The amount of the credit is equal to  
44 the amount determined pursuant to section eight hundred forty-five-e of  
45 the executive law. No cost or expense paid or incurred by the taxpayer  
46 that is included as part of the calculation of this credit shall be the  
47 basis of any other tax credit allowed under this chapter.

48 § 3. This act shall take effect immediately.

49

## PART J

1 Section 1. Paragraph 1 of subdivision (f) of section 24-c of the tax  
2 law, as amended by section 4 of part L of chapter 59 of the laws of  
3 2025, is amended to read as follows:

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

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

17

## PART K

18 Section 1. Subdivisions 2 and 12 of section 470 of the tax law, subdi-  
19 vision 2 as amended by chapter 728 of the laws of 2019 and subdivision  
20 12 as added by chapter 61 of the laws of 1989, are amended and a new  
21 subdivision 22 is added to read as follows:

22 2. "Tobacco products." Any cigar, including a little cigar, [or]  
23 tobacco, or alternative nicotine product, other than cigarettes,  
24 intended for consumption by smoking, chewing, or as snuff. "Tobacco  
25 products" shall not include research tobacco products.

26 12. "Distributor." Any person who imports or causes to be imported  
27 into this state any tobacco product (in excess of fifty cigars [or], one  
28 pound of tobacco, or fifteen units of alternative nicotine products) for  
29 sale, or who manufactures any tobacco product in this state, and any  
30 person within or without the state who is authorized by the commissioner  
31 of taxation and finance to make returns and pay the tax on tobacco  
32 products sold, shipped or delivered by [him] them to any person in the  
33 state.

34 22. "Alternative nicotine product." Any noncombustible product, other  
35 than vapor products, which contains nicotine but not tobacco and is  
36 intended for human consumption, whether chewed, absorbed, dissolved, or  
37 ingested by any other means. "Alternative nicotine product" does not  
38 include any product regulated as a drug or device by the U.S. Food and  
39 Drug Administration (FDA) under Chapter V (21 U.S.C. § 351 et seq.) of  
40 the Federal Food, Drug, and Cosmetic Act. The term "unit" as it relates  
41 to alternative nicotine products means any cannister, pack, box, carton,  
42 or container of any kind or, if no other container, any wrapping, in  
43 which an alternative nicotine product is offered for sale, sold, or  
44 otherwise distributed to consumers.

45 § 2. The opening paragraph of subdivision (a) of section 471-c of the  
46 tax law, as amended by section 2 of part I1 of chapter 57 of the laws of  
47 2009, is amended to read as follows:

48 There is hereby imposed and shall be paid a tax on all tobacco  
49 products used in the state by any person, except that no such tax shall  
50 be imposed (1) if the tax provided in section four hundred seventy-one-b  
51 of this article is paid, or (2) on the use of tobacco products which are  
52 exempt from the tax imposed by said section, or (3) on the use of two  
53 hundred fifty cigars or less, or five pounds or less of tobacco other  
54 than roll-your-own tobacco, or thirty-six ounces or less of roll-your-

1 own tobacco, or seventy-five units or less of alternative nicotine  
2 products, brought into the state on, or in the possession of, any  
3 person.

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

7 2. Every person who shall possess or transport more than two hundred  
8 fifty cigars, or more than five pounds of tobacco other than roll-your-  
9 own tobacco, or more than thirty-six ounces of roll-your-own tobacco, or  
10 more than seventy-five units of alternative nicotine products, upon the  
11 public highways, roads or streets of the state, shall be required to  
12 have in [his] their actual possession invoices or delivery tickets for  
13 such tobacco products. Such invoices or delivery tickets shall show the  
14 name and address of the consignor or seller, the name and address of the  
15 consignee or purchaser, the quantity and brands of the tobacco products  
16 transported, and the name and address of the person who has or shall  
17 assume the payment of the tax and the wholesale price or the tax paid or  
18 payable. The absence of such invoices or delivery tickets shall be prima  
19 facie evidence that such person is a dealer in tobacco products in this  
20 state and subject to the requirements of this article.

21 3. Every dealer or distributor or employee thereof, or other person  
22 acting on behalf of a dealer or distributor, who shall possess or trans-  
23 port more than fifty cigars [or], more than one pound of tobacco, or  
24 more than fifteen units of alternative nicotine products, upon the  
25 public highways, roads or streets of the state, shall be required to  
26 have in [his] their actual possession invoices or delivery tickets for  
27 such tobacco products. Such invoices or delivery tickets shall show the  
28 name and address of the consignor or seller, the name and address of the  
29 consignee or purchaser, the quantity and brands of the tobacco products  
30 transported, and the name and address of the person who has or shall  
31 assume the payment of the tax and the wholesale price or the tax paid or  
32 payable. The absence of such invoices or delivery tickets shall be prima  
33 facie evidence that the tax imposed by this article on tobacco products  
34 has not been paid and is due and owing.

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

38 (i) In addition to any other penalty imposed by this article, the  
39 commissioner may (A) impose a penalty of not more than six hundred  
40 dollars for each two hundred cigarettes, or fraction thereof, in excess  
41 of one thousand cigarettes in unstamped or unlawfully stamped packages  
42 in the possession or under the control of any person or (B) impose a  
43 penalty of not more than two hundred dollars for each ten unaffixed  
44 false, altered or counterfeit cigarette tax stamps, imprints or  
45 impressions, or fraction thereof, in the possession or under the control  
46 of any person. In addition, the commissioner may impose a penalty of not  
47 more than seventy-five dollars for each fifty cigars [or], one pound of  
48 tobacco, or fifteen units of alternative nicotine products, or fraction  
49 thereof, in excess of two hundred fifty cigars [or], five pounds of  
50 tobacco, or seventy-five units of alternative nicotine products, in the  
51 possession or under the control of any person and a penalty of not more  
52 than one hundred fifty dollars for each fifty cigars [or], pound of  
53 tobacco, or fifteen units of alternative nicotine products, or fraction  
54 thereof, in excess of five hundred cigars [or], ten pounds of tobacco,  
55 or one hundred fifty units of alternative nicotine products, in the  
56 possession or under the control of any person, with respect to which the

1 tobacco products tax has not been paid or assumed by a distributor or  
2 tobacco products dealer; provided, however, that any such penalty  
3 imposed shall not exceed seven thousand five hundred dollars in the  
4 aggregate. The commissioner may impose a penalty of not more than seven-  
5 ty-five dollars for each fifty cigars [or], one pound of tobacco, or  
6 fifteen units of alternative nicotine products, or fraction thereof, in  
7 excess of fifty cigars [or], one pound of tobacco, or fifteen units of  
8 alternative nicotine products, in the possession or under the control of  
9 any tobacco products dealer or distributor appointed by the commission-  
10 er, and a penalty of not more than one hundred fifty dollars for each  
11 fifty cigars [or], pound of tobacco, or fifteen units of alternative  
12 nicotine products, or fraction thereof, in excess of two hundred fifty  
13 cigars [or], five pounds of tobacco, or seventy-five units of alterna-  
14 tive nicotine products, in the possession or under the control of any  
15 such dealer or distributor, with respect to which the tobacco products  
16 tax has not been paid or assumed by a distributor or a tobacco products  
17 dealer; provided, however, that any such penalty imposed shall not  
18 exceed fifteen thousand dollars in the aggregate.

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

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

30 (II) not less than fifty dollars but not more than two hundred dollars  
31 for each fifty cigars [or], pound of tobacco, or fifteen units of alter-  
32 native nicotine products, or fraction thereof, in excess of five hundred  
33 cigars [or], ten pounds of tobacco, or one hundred fifty units of alter-  
34 native nicotine products, knowingly in the possession or knowingly under  
35 the control of any person, with respect to which the tobacco products  
36 tax has not been paid or assumed by a distributor or tobacco products  
37 dealer; provided, however, that any such penalty imposed under this  
38 clause shall not exceed ten thousand dollars in the aggregate.

39 (C) (I) not less than twenty-five dollars but not more than one hundred  
40 dollars for each fifty cigars [or], one pound of tobacco, or fifteen  
41 units of alternative nicotine products, or fraction thereof, in excess  
42 of fifty cigars [or], one pound of tobacco, or fifteen units of alterna-  
43 tive nicotine products, knowingly in the possession or knowingly under  
44 the control of any person, with respect to which the tobacco products  
45 tax has not been paid or assumed by a distributor or tobacco products  
46 dealer; and

47 (II) not less than fifty dollars but not more than two hundred dollars  
48 for each fifty cigars [or], pound of tobacco, or fifteen units of alter-  
49 native nicotine products, or fraction thereof, in excess of two hundred  
50 fifty cigars [or], five pounds of tobacco, or seventy-five units of  
51 alternative nicotine products, knowingly in the possession or knowingly  
52 under the control of any person, with respect to which the tobacco  
53 products tax has not been paid or assumed by a distributor or a tobacco  
54 products dealer; provided, however, that any such penalty imposed under  
55 this clause shall not exceed twenty thousand dollars in the aggregate.

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

4 (a) The possession within this state of more than four hundred ciga-  
5 rettes in unstamped or unlawfully stamped packages or more than two  
6 hundred fifty cigars, or more than five pounds of tobacco other than  
7 roll-your-own tobacco, or more than thirty-six ounces of roll-your-own  
8 tobacco, or more than seventy-five units of alternative nicotine  
9 products, by any person other than an agent or distributor, as the case  
10 may be, at any one time shall be presumptive evidence that such ciga-  
11 rettes or tobacco products are subject to tax as provided by this arti-  
12 cle.

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

15 (c) From the taxes, interest and penalties collected or received by  
16 the commissioner under section four hundred seventy-one-b of this arti-  
17 cle, effective April first, two thousand twenty-seven, fifty million  
18 dollars from the moneys collected or received under such section shall  
19 be deposited annually to the credit of the tobacco control and insurance  
20 initiatives pool to be established and distributed by the commissioner  
21 of health in accordance with section twenty-eight hundred seven-v of the  
22 public health law.

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

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

34 (h) (1) Any dealer, other than a distributor appointed by the commis-  
35 sioner of taxation and finance under article twenty of this chapter, who  
36 shall knowingly transport or have in [his] their custody, possession or  
37 under [his] their control more than ten pounds of tobacco [or], more  
38 than five hundred cigars, or more than one hundred fifty units of alter-  
39 native nicotine products, upon which the taxes imposed by article twenty  
40 of this chapter have not been assumed or paid by a distributor appointed  
41 by the commissioner of taxation and finance under article twenty of this  
42 chapter, or other person treated as a distributor pursuant to section  
43 four hundred seventy-one-d of this chapter, shall be guilty of a misde-  
44 meanor punishable by a fine of not more than five thousand dollars or by  
45 a term of imprisonment not to exceed thirty days.

46 (2) Any person, other than a dealer or a distributor appointed by the  
47 commissioner under article twenty of this chapter, who shall knowingly  
48 transport or have in [his] their custody, possession or under [his]  
49 their control more than fifteen pounds of tobacco [or], more than seven  
50 hundred fifty cigars, or more than two hundred twenty-five units of  
51 alternative nicotine products, upon which the taxes imposed by article  
52 twenty of this chapter have not been assumed or paid by a distributor  
53 appointed by the commissioner under article twenty of this chapter, or  
54 other person treated as a distributor pursuant to section four hundred  
55 seventy-one-d of this chapter shall be guilty of a misdemeanor punisha-

1 ble by a fine of not more than five thousand dollars or by a term of  
2 imprisonment not to exceed thirty days.

3 (3) Any person, other than a distributor appointed by the commissioner  
4 under article twenty of this chapter, who shall knowingly transport or  
5 have in [his] their custody, possession or under [his] their control  
6 twenty-five hundred or more cigars [or], fifty or more pounds of  
7 tobacco, or seven hundred fifty units or more of alternative nicotine  
8 products, upon which the taxes imposed by article twenty of this chapter  
9 have not been assumed or paid by a distributor appointed by the commis-  
10 sioner under article twenty of this chapter, or other person treated as  
11 a distributor pursuant to section four hundred seventy-one-d of this  
12 chapter shall be guilty of a misdemeanor. Provided further, that any  
13 person who has twice been convicted under this subdivision shall be  
14 guilty of a class E felony for any subsequent violation of this section,  
15 regardless of the amount of tobacco products involved in such violation.

16 (4) For purposes of this subdivision, such person shall knowingly  
17 transport or have in [his] their custody, possession or under [his]  
18 their control tobacco [or], cigars, or alternative nicotine products, on  
19 which such taxes have not been assumed or paid by a distributor  
20 appointed by the commissioner where such person has knowledge of the  
21 requirement of the tax on tobacco products and, where to [his] their  
22 knowledge, such taxes have not been assumed or paid on such tobacco  
23 products by a distributor appointed by the commissioner of taxation and  
24 finance.

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

27 § 1814-a. Person not appointed as a tobacco products distributor. (a)  
28 Any person who, while not appointed as a distributor of tobacco products  
29 pursuant to the provisions of article twenty of this chapter, imports or  
30 causes to be imported into the state more than fifty cigars [or], more  
31 than one pound of tobacco, or more than fifteen units of alternative  
32 nicotine products, for sale within the state, or produces, manufactures  
33 or compounds tobacco products within the state shall be guilty of a  
34 misdemeanor punishable by a fine of not more than five thousand dollars  
35 or by a term of imprisonment not to exceed thirty days. If, within any  
36 ninety day period, one thousand or more cigars, or five hundred pounds  
37 or more of tobacco, or seven thousand five hundred units or more of  
38 alternative nicotine products, are imported or caused to be imported  
39 into the state for sale within the state or are produced, manufactured  
40 or compounded within the state by any person while not appointed as a  
41 distributor of tobacco products, such person shall be guilty of a misde-  
42 meanor. Provided further, that any person who has twice been convicted  
43 under this section shall be guilty of a class E felony for any subse-  
44 quent violation of this section, regardless of the amount of tobacco  
45 products involved in such violation.

46 (b) For purposes of this section, the possession or transportation  
47 within this state by any person, other than a tobacco products distribu-  
48 tor appointed by the commissioner of taxation and finance, at any one  
49 time of seven hundred fifty or more cigars [or], fifteen pounds or more  
50 of tobacco, or two hundred twenty-five units or more of alternative  
51 nicotine products, shall be presumptive evidence that such tobacco  
52 products are possessed or transported for the purpose of sale and are  
53 subject to the tax imposed by section four hundred seventy-one-b of this  
54 chapter. With respect to such possession or transportation, any  
55 provisions of article twenty of this chapter providing for a time period

1 during which the tax imposed by such article may be paid shall not  
2 apply.

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

5 (a) Whenever a police officer designated in section 1.20 of the crimi-  
6 nal procedure law or a peace officer designated in subdivision four of  
7 section 2.10 of such law, acting pursuant to [his] their special duties,  
8 shall discover any tobacco products in excess of five hundred cigars  
9 [or], ten pounds of tobacco, or one hundred fifty units of alternative  
10 nicotine products, which are [being imported for] possessed for the  
11 purpose of sale in the state [where the person importing or causing]  
12 when the excise taxes on such tobacco products [to be imported has not  
13 been appointed as] have not been assumed or paid by a distributor  
14 appointed pursuant to section four hundred seventy-two of this chapter,  
15 such police officer or peace officer is hereby authorized and empowered  
16 forthwith to seize and take possession of such tobacco products. Such  
17 tobacco products seized by a police officer or peace officer shall be  
18 turned over to the commissioner. Such seized tobacco products shall be  
19 forfeited to the state. All tobacco products forfeited to the state  
20 shall be destroyed or used for law enforcement purposes, except that  
21 tobacco products that violate, or are suspected of violating, federal  
22 trademark laws or import laws shall not be used for law enforcement  
23 purposes. If the commissioner determines the tobacco products may not be  
24 used for law enforcement purposes, the commissioner must, within a  
25 reasonable time thereafter, upon publication in the state registry of a  
26 notice to such effect before the day of destruction, destroy such  
27 forfeited tobacco products. The commissioner may, prior to any  
28 destruction of tobacco products, permit the true holder of the trademark  
29 rights in the tobacco products to inspect such forfeited products in  
30 order to assist in any investigation regarding such tobacco products.

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

33 (b) Any peace officer designated in subdivision four of section 2.10  
34 of the criminal procedure law, acting pursuant to [his] their special  
35 duties, or any police officer designated in section 1.20 of the criminal  
36 procedure law may seize any vehicle or other means of transportation  
37 used to import tobacco products in excess of five hundred cigars [or],  
38 ten pounds of tobacco, or one hundred fifty units of alternative nico-  
39 tine products, for sale where the person importing or causing such  
40 tobacco products to be imported has not been appointed a distributor  
41 pursuant to section four hundred seventy-two of this chapter, other than  
42 a vehicle or other means of transportation used by any person as a  
43 common carrier in transaction of business as such common carrier, and  
44 such vehicle or other means of transportation shall be subject to  
45 forfeiture as hereinafter in this section provided.

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

50 (a) On and after April first, two thousand five, such fund shall  
51 consist of the revenues heretofore and hereafter collected or required  
52 to be deposited pursuant to paragraph (a) of subdivision eighteen of  
53 section twenty-eight hundred seven-c, and sections twenty-eight hundred  
54 seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t  
55 of the public health law, [subdivision] subdivisions (b) and (c) of  
56 section four hundred eighty-two and section eleven hundred eighty-six of

1 the tax law and required to be credited to the tobacco control and  
 2 insurance initiatives pool, subparagraph (O) of paragraph four of  
 3 subsection (j) of section four thousand three hundred one of the insur-  
 4 ance law, section twenty-seven of part A of chapter one of the laws of  
 5 two thousand two and all other moneys credited or transferred thereto  
 6 from any other fund or source pursuant to law.

7 (b) The pool administrator under contract with the commissioner of  
 8 health pursuant to section twenty-eight hundred seven-y of the public  
 9 health law shall continue to collect moneys required to be collected or  
 10 deposited pursuant to paragraph (a) of subdivision eighteen of section  
 11 twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j,  
 12 twenty-eight hundred seven-s and twenty-eight hundred seven-t of the  
 13 public health law, and shall deposit such moneys in the HCRA resources  
 14 fund. The comptroller shall deposit moneys collected or required to be  
 15 deposited pursuant to [subdivision] subdivisions (b) and (c) of section  
 16 four hundred eighty-two of the tax law and required to be credited to  
 17 the tobacco control and insurance initiatives pool, subparagraph (O) of  
 18 paragraph four of subsection (j) of section four thousand three hundred  
 19 one of the insurance law, section twenty-seven of part A of chapter one  
 20 of the laws of two thousand two and all other moneys credited or trans-  
 21 ferred thereto from any other fund or source pursuant to law in the HCRA  
 22 resources fund.

23 § 13. Notwithstanding any other provision of law to the contrary, the  
 24 units of alternative nicotine products possessed in New York state as of  
 25 11:59 pm eastern standard time on August 31, 2026, by any person for  
 26 sale shall be subject to tax pursuant to section 471-b of the tax law,  
 27 and shall be remitted by September 21, 2026, in the form and manner  
 28 prescribed by the commissioner of taxation and finance.

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

31

## PART L

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

## [SUPPLEMENTAL] TAX ON VAPOR PRODUCTS

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

37 § 1180. Definitions. For the purposes of the taxes imposed by this  
 38 article, the following [terms shall mean] definitions shall apply:

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

47 (b) "Vapor products dealer" means a person [licensed by the commis-  
 48 sioner to sell] who sells vapor products at retail to a person in this  
 49 state.

50 (c) "Vapor products distributor" means any person who imports or caus-  
 51 es to be imported into this state any vapor products or who manufactures  
 52 any vapor products in this state; provided, however, where a vapor  
 53



1 products dealer also imports vapor products or causes vapor products to  
2 be imported into this state for sale, or manufactures vapor products for  
3 sale in this state, such vapor products dealer shall also be a vapor  
4 products distributor.

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

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

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

20 § 1181. Imposition of tax. (a) (1) In addition to any other tax  
21 imposed by this chapter or other law, there is hereby imposed a tax on  
22 each unit of vapor products first imported into or manufactured in the  
23 state by a vapor products distributor at the rate of fifty-five cents  
24 per unit of vapor product that shall accrue at the time of first import  
25 or manufacture in the state.

26 (2) The tax imposed by this subdivision shall be passed through from  
27 the vapor products distributor to the vapor products dealer at the time  
28 the vapor products distributor sells or transfers such vapor products to  
29 a vapor products dealer. Upon each sale or transfer of vapor products,  
30 other than a sale at retail, the vapor products distributor shall  
31 provide to the vapor products dealer at the time of delivery of such  
32 products, an invoice pursuant to subdivision (d) of section eleven  
33 hundred eighty-four of this article, which includes taxes paid by the  
34 distributor.

35 (3) It shall be presumed that all vapor products possessed within the  
36 state by a vapor products dealer are subject to the vapor products  
37 distributor tax until the contrary is established and the burden to  
38 establish that any vapor products are not taxable hereunder shall be  
39 upon the vapor products dealer in possession or control of such vapor  
40 products.

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

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

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

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

3 § 1183. Vapor products [dealer] registration and renewal. (a) Every  
4 [person who intends to sell vapor products] vapor products distributor  
5 and vapor products dealer in this state must [receive from the commis-  
6 sioner] file with the commissioner a properly completed application for  
7 a certificate of registration and obtain such certificate twenty days  
8 prior to [engaging in business] the first import, manufacture, or sale  
9 of vapor products. Such person must electronically submit a properly  
10 completed application for a certificate of registration [for each  
11 location at which vapor products will be sold in this state,] on a form  
12 prescribed by the commissioner[,] and such application shall be accompa-  
13 nied by a non-refundable application fee of three hundred dollars. A  
14 vapor products dealer shall apply for a certificate of registration for  
15 each location at which vapor products will be sold at retail in this  
16 state.

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

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

34 (2) No vapor products distributor shall sell any vapor product to any  
35 vapor products dealer who is not registered pursuant to this section, or  
36 whose registration has been revoked. No vapor products dealer shall  
37 purchase any vapor products from a vapor products distributor who is not  
38 registered pursuant to this section, or whose registration has been  
39 revoked.

40 (d) (1) The commissioner shall refuse to issue a certificate of regis-  
41 tration pursuant to this section to any applicant who is required to but  
42 does not possess a valid certificate of authority under section eleven  
43 hundred thirty-four of this chapter. In addition, the commissioner may  
44 refuse to issue a certificate of registration[, or suspend, cancel] or  
45 revoke a certificate of registration issued to any person who: (A) has a  
46 past-due liability as that term is defined in section one hundred seven-  
47 ty-one-v of this chapter; (B) has had a certificate of registration  
48 under this article or any license or registration provided for in this  
49 chapter revoked [within one year from the date on which such application  
50 was filed]; (C) has been convicted of a crime provided for in this chap-  
51 ter [within one year from the date on which such application was filed];  
52 (D) willfully fails to file a report or return required by this article;  
53 (E) willfully files, causes to be filed, gives or causes to be given a  
54 report, return, certificate or affidavit required by this article which  
55 is false; (F) willfully fails to collect or truthfully account for or  
56 pay over any tax imposed by this [article] chapter; [or] (G) has had a

1 penalty imposed pursuant to paragraph three, four, five, or six of  
2 subdivision (c) of section eleven hundred eighty-five of this article  
3 within one year from the date on which such application was filed; or  
4 (H) whose place of business is at the same premises as that of a person  
5 whose vapor products distributor registration or vapor products dealer  
6 registration has been revoked and where such revocation is still in  
7 effect, unless the applicant or vapor products distributor or vapor  
8 products dealer, as the case may be, provides the commissioner with  
9 adequate documentation demonstrating that such applicant or vapor  
10 products distributor or vapor products dealer acquired the premises or  
11 business through an arm's length transaction as defined in paragraph (e)  
12 of subdivision one of section four hundred eighty-a of this chapter and  
13 the sale or lease was not conducted, in whole or in part, for the  
14 purpose of permitting the original registrant to avoid the effect of the  
15 previous revocation for the same premises.

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

34 (3) No person whose registration has been revoked pursuant to this  
35 section shall possess vapor products in any place of business, cart,  
36 stand, truck or other merchandising device through which it sells in  
37 this state beginning on the tenth day after such revocation and continu-  
38 ing for the duration of the same; provided, however, that such person  
39 shall not be prohibited before the tenth day after such revocation from  
40 selling or transferring such inventory of vapor product properly listed  
41 on the vapor products registry pursuant to section eleven hundred eight-  
42 y-seven of this article on which taxes imposed by this article have been  
43 paid to a properly registered vapor products dealer whose registration  
44 has not been revoked.

45 (e) If a vapor products [dealer] certificate of registration is  
46 [suspended, cancelled or] revoked and [such vapor products dealer] the  
47 holder of such certificate sells vapor products through more than one  
48 place of business in this state, the [vapor products dealer's] certifi-  
49 cate of registration issued to that place of business, cart, stand,  
50 truck or other merchandising device, where such violation occurred,  
51 shall be [suspended,] revoked [or cancelled]. Provided, however, upon a  
52 [vapor products dealer's] holder of a certificate of registration's  
53 third [suspension, cancellation or] revocation within a five-year period  
54 for any one or more businesses owned or operated by [the vapor products  
55 dealer] such person, such [suspension, cancellation, or] revocation of  
56 the [vapor products dealer's] certificate of registration shall apply to

1 all places of business where [he or she] such person sells vapor  
2 products in this state.

3 (f) Every holder of a certificate of registration must notify the  
4 commissioner of changes to any of the information stated on the certif-  
5 icate or changes to any information contained in the application for the  
6 certificate of registration. Such notification must be made on or before  
7 the last day of the month in which a change occurs and must be made  
8 electronically on a form prescribed by the commissioner.

9 (g) Every vapor products distributor and vapor products dealer who  
10 holds a certificate of registration under this [article] section shall  
11 be required to reapply for a certificate of registration for the follow-  
12 ing calendar year on or before the twentieth day of September and such  
13 reapplication shall be subject to the same requirements and conditions,  
14 including grounds for refusal, as an initial registration under this  
15 [article] section, including but not limited to the payment of the three  
16 hundred dollar application fee for each retail location.

17 (h) In addition to any other penalty imposed by this chapter, any  
18 vapor products distributor or vapor products dealer who violates the  
19 provisions of this section, (1) for a first violation is liable for a  
20 civil [fine] penalty not less than five thousand dollars but not to  
21 exceed twenty-five thousand dollars and such certificate of registration  
22 may be [suspended] revoked for a period of not more than six months; and  
23 (2) for a second or subsequent violation within three years following a  
24 prior violation of this section, is liable for a civil [fine] penalty  
25 not less than ten thousand dollars but not to exceed thirty-five thou-  
26 sand dollars and such certificate of registration may be [suspended]  
27 revoked for a period of up to thirty-six months; or (3) for a third  
28 violation within a period of five years, its vapor products certificate  
29 or certificates of registration issued to each place of business owned  
30 or operated by the vapor products distributor or vapor products dealer  
31 in this state, shall be revoked for a period of up to five years.

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

34 § 1184. Administrative provisions. (a) Except as otherwise provided  
35 for in this article, the taxes imposed by this article shall be adminis-  
36 tered and collected in a like manner as and jointly with the taxes  
37 imposed by sections eleven hundred five and eleven hundred ten of this  
38 chapter. In addition, except as otherwise provided in this article, all  
39 of the provisions of article twenty-eight of this chapter (except  
40 sections eleven hundred seven, eleven hundred eight, eleven hundred  
41 nine, and eleven hundred forty-eight) relating to or applicable to the  
42 administration, collection and review of the taxes imposed by such  
43 sections eleven hundred five and eleven hundred ten, including, but not  
44 limited to, the provisions relating to definitions, returns, exemptions,  
45 penalties, tax secrecy, personal liability for the tax, and collection  
46 of tax from the customer, shall apply to the taxes imposed by this arti-  
47 cle so far as such provisions can be made applicable to the taxes  
48 imposed by this article with such limitations as set forth in this arti-  
49 cle and such modifications as may be necessary in order to adapt such  
50 language to the taxes so imposed. Such provisions shall apply with the  
51 same force and effect as if the language of those provisions had been  
52 set forth in full in this article except to the extent that any  
53 provision is either inconsistent with a provision of this article or is  
54 not relevant to the taxes imposed by this article.

55 (b) Notwithstanding the provisions of subdivision (a) of this section,  
56 the exemptions provided in paragraph ten of subdivision (a) of section

1 eleven hundred fifteen of this chapter, and the provisions of section  
2 eleven hundred sixteen, except those provided in paragraphs one, two,  
3 three and six of subdivision (a) of such section, shall not apply to the  
4 taxes imposed by this article.

5 (c) Notwithstanding the provisions of this section or section eleven  
6 hundred forty-six of this chapter, the commissioner may, in [his or her]  
7 their discretion, permit the commissioner of health or [his or her]  
8 their authorized representative to inspect any return related to the  
9 [tax] taxes imposed by this article and may furnish to the commissioner  
10 of health any such return or supply [him or her] such commissioner with  
11 information concerning an item contained in any such return, or  
12 disclosed by any investigation of a liability under this article.

13 (d) Every vapor products distributor and vapor products dealer on whom  
14 tax is imposed under this article shall maintain complete and accurate  
15 records in such form as the commissioner may require and shall provide  
16 such records to the commissioner upon request. Each vapor products  
17 distributor shall make a true duplicate invoice, in the form and manner  
18 prescribed by the commissioner, that identifies the name and address of  
19 the vapor products distributor, such distributor's certificate of regis-  
20 tration number issued by the commissioner, the names and addresses of  
21 any consignors or sellers, the names and addresses of the vapor products  
22 dealer or any consignees or purchasers, the date of delivery or  
23 purchase, the quantities, brands and purchase price of the vapor  
24 products transported, purchased or delivered, the amount of taxes paid  
25 by such distributor pursuant to section eleven hundred eighty-one of  
26 this article on such vapor products, and any other record or information  
27 the commissioner may require. A vapor products distributor shall provide  
28 such invoice to the vapor products dealer when such vapor products are  
29 purchased or received. Such records shall be preserved for a period of  
30 four years after the filing of the return to which such records relate  
31 and shall be provided to the commissioner upon request.

32 (e) (1) In addition to any other penalty provided in this chapter or  
33 otherwise imposed by law, every person subject to the taxes imposed  
34 under this article who fails to maintain or make available to the  
35 commissioner the records required by this section shall be subject to a  
36 penalty not to exceed one thousand dollars for each month, or part ther-  
37 eof, for which the failure occurs. Such penalty may not be imposed more  
38 than once for failures for the same monthly period or part thereof. If  
39 the commissioner determines that a failure to maintain and make avail-  
40 able records in any month was entirely due to reasonable cause and not  
41 due to willful neglect, the commissioner shall abate the penalty for  
42 that month.

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

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

53 § 1185. [Criminal penalties] Enforcement. (a) For purposes of the  
54 efficient administration of the taxes imposed by this article, it is the  
55 intent of the legislature that the distribution and sale of vapor  
56 products be deemed a heavily regulated industry subject to supervision

1 by the commissioner. The commissioner is hereby authorized to conduct  
2 regulatory inspections in the same manner as a regulatory inspection  
3 pursuant to article twenty of this chapter of any place of business or  
4 vehicle where vapor products are placed, stored, sold or offered for  
5 sale and to examine the books, papers, invoices and other records of any  
6 place of business or vehicle where vapor products are placed, stored,  
7 sold or offered for sale. To verify accuracy of the tax imposed and  
8 assessed by this article, any vapor products distributor or vapor  
9 products dealer in possession, control or occupancy of any such business  
10 or vehicle is hereby directed and required upon demand to give to the  
11 commissioner the means, facilities, and opportunity for such inspections  
12 and examinations.

13 (b) If it is determined, after notice and opportunity for a hearing,  
14 that a violation of this article has occurred then such penalties as  
15 provided for in this article may be imposed. Nothing herein shall be  
16 construed to prohibit the commencement of a proceeding for injunctive  
17 relief to compel compliance with this article.

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

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

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

40 (4) Any vapor products distributor who: (i) sells vapor products to a  
41 vapor products dealer that does not possess a valid registration under  
42 section eleven hundred eighty-three of this article, or whose registra-  
43 tion is revoked; (ii) manufactures, sells, imports, or causes to be  
44 imported, into this state any contraband vapor products; or (iii) sells  
45 contraband vapor products in this state shall be subject to a civil  
46 penalty of up to four thousand dollars for the first such violation, and  
47 up to eight thousand dollars for a second or any subsequent violation  
48 within three years.

49 (5) Any vapor products dealer who sells contraband vapor products in  
50 this state shall be liable for a civil penalty of up to four thousand  
51 dollars for a first violation and up to eight thousand dollars for a  
52 second or any subsequent violation within three years following a prior  
53 violation. The possession by a vapor products dealer of more than one  
54 hundred units of any vapor products in a retail location shall be  
55 presumptive evidence that such vapor products are possessed for the  
56 purpose of a sale.

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

7 (d) Forfeiture and seizure. (1) The commissioner, or their duly  
8 authorized representative, shall seize any contraband vapor products  
9 found in any place of business or vehicle where such products are  
10 placed, stored, sold or offered for sale. Such seized contraband vapor  
11 products shall be forfeited to the state. Following notice and opportu-  
12 nity to be heard, a determination by the commissioner that such products  
13 are contraband vapor products and such contraband vapor products are not  
14 the subject of a criminal referral, such contraband vapor products shall  
15 be turned over to the commissioner of health for destruction.

16 (2) Contraband vapor products that have been seized pursuant to this  
17 subdivision that are the subject of a criminal referral shall be held in  
18 the custody of either the commissioner or the prosecutor until such time  
19 as the related criminal action has concluded.

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

22 § 1187. Vapor products registry. (a) The commissioner shall maintain a  
23 publicly available vapor products registry that lists all vapor products  
24 the commissioner has authorized to be sold in this state. Such registry  
25 shall be updated at least monthly.

26 (b) Every manufacturer of vapor products whose vapor products are sold  
27 in this state shall certify to the commissioner each calendar year, or  
28 earlier as necessary, on a form and in a manner prescribed by the  
29 commissioner, that: (1) the manufacturer has received a marketing  
30 authorization or similar order for each such vapor product from the  
31 United States food and drug administration pursuant to section three  
32 hundred eighty-seven-j of the federal food, drug, and cosmetic act; or  
33 (2) each vapor product was marketed in the United States as of August  
34 eighth, two thousand sixteen, a pre-market tobacco product application  
35 was submitted for the vapor product to the United States food and drug  
36 administration pursuant to section three hundred eighty-seven-j of the  
37 federal food, drug, and cosmetic act on or before September ninth, two  
38 thousand twenty, and either the application remains under review by the  
39 United States food and drug administration or a final decision on the  
40 application has not taken effect.

41 (c) (1) A vapor products manufacturer must file an application for  
42 certification to the commissioner or for an amended certification to add  
43 additional vapor products to the vapor products registry if the vapor  
44 product satisfies the requirements provided in this section. Such  
45 certification shall be effective for the calendar year in which it is  
46 issued; provided, however, that any vapor products approved by the  
47 commissioner for inclusion on the vapor products registry shall only be  
48 listed on the registry and sold in this state until the end of the  
49 calendar year, at which time, a manufacturer that intends to continue to  
50 sell such vapor products in this state shall reapply to the commissioner  
51 for such products to remain on the registry for the next calendar year.  
52 The application shall include a schedule, in the manner prescribed by  
53 the commissioner, that separately lists each of the vapor products  
54 intended for sale in the state. The manufacturer shall submit with the  
55 application a non-refundable fee equal to one thousand five hundred

1 dollars per individual vapor product to be listed on the registry for  
2 each calendar year.

3 (2) For each vapor product to be listed on the registry, the applica-  
4 tion to the commissioner shall include a copy of the marketing authori-  
5 zation or similar order for the vapor product issued by the United  
6 States food and drug administration pursuant to section three hundred  
7 eighty-seven-j of the federal food, drug, and cosmetic act, as provided  
8 under paragraph one of subdivision (b) of this section, or evidence that  
9 the pre-market tobacco product application for the vapor product was  
10 submitted to the United States food and drug administration, as provided  
11 under paragraph two of subdivision (b) of this section and a final deci-  
12 sion on the application has not taken effect. Other information, includ-  
13 ing but not limited to, the twelve-digit universal product code, a  
14 picture of the product label, a picture of the product to be listed on  
15 the registry, the manufacturer contact information, and any other infor-  
16 mation as prescribed by the commissioner, shall be included with the  
17 application.

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

24 (e) Any vapor products that cannot be lawfully sold or possessed in  
25 this state shall not be listed on the vapor products registry. Vapor  
26 products distributors and vapor products dealers shall not purchase or  
27 sell any vapor products that are not listed on the vapor products regis-  
28 try.

29 (f) (1) The commissioner shall provide a vapor products manufacturer  
30 with notice and an opportunity to cure deficiencies before removing a  
31 vapor product from the registry. The commissioner may remove a vapor  
32 product from the registry no sooner than ten business days after the  
33 date on which the commissioner provides such notice to the manufacturer  
34 by electronic mail to the address provided on the vapor product manufac-  
35 turer's most recent application for inclusion on the vapor products  
36 registry submitted pursuant to this section.

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

43 (g) (1) When a vapor product is removed from the registry pursuant to  
44 this section, the commissioner shall publish on the vapor products  
45 registry website the name of the vapor product removed, the manufacturer  
46 of such vapor product, the date of the removal of the vapor product from  
47 such registry, and any additional information the commissioner  
48 prescribes.

49 (2) Each vapor products distributor and vapor products dealer that  
50 possesses in its inventory a vapor product that has been removed from  
51 the vapor products registry shall: (i) be notified of such removal by  
52 the manufacturer; and (ii) allow the manufacturer to retrieve the vapor  
53 product from its inventory no later than ten business days after the  
54 date the vapor product has been removed from the registry. After ten  
55 days following removal of a vapor product from the registry, any such  
56 removed vapor product shall be deemed contraband vapor products and

1 subject to seizure, forfeiture, and destruction pursuant to section  
2 eleven hundred eighty-five of this article and shall not be purchased,  
3 sold, or transferred in this state.

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

7 (6) fails to collect any tax required to be collected under articles  
8 twelve-A, eighteen, twenty, twenty-two, twenty-eight [or],  
9 twenty-eight-A, or twenty-eight-C of this chapter, or pursuant to the  
10 authority of article twenty-nine of this chapter;

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

13 § 1814-b. Vapor products taxes. (a) Any person who, while not regis-  
14 tered as a vapor products distributor pursuant to the provisions of  
15 article twenty-eight-C of this chapter, sells more than fifty units of  
16 vapor products to a vapor products dealer for sale within the state,  
17 after due notice and an opportunity for a hearing, liable for a civil  
18 penalty of up to ten thousand dollars for a first violation and up  
19 to twenty-five thousand dollars for a second or subsequent violation  
20 within three years following a prior finding.

21 (b) Any person who, while not registered as a vapor products dealer  
22 pursuant to the provisions of article twenty-eight-C of this chapter,  
23 purchases or possesses with the intent to sell within this state, more  
24 than fifty units of vapor products shall be, after due notice and an  
25 opportunity for a hearing, liable for a civil penalty of up to ten thou-  
26 sand dollars for a first violation and up to twenty-five thousand  
27 dollars for a second or subsequent violation within three years follow-  
28 ing a prior finding.

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

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

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

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

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

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

16 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section  
17 1201 of the tax law, as amended by section 2 of part U of chapter 59 of  
18 the laws of 2023, is amended to read as follows:

19 (2) any issuance or transfer of an interest in a REIT, or in a part-  
20 nership or corporation in which a REIT owns a controlling interest imme-  
21 diately following the issuance or transfer, in connection with a trans-  
22 action described in subparagraph one of this paragraph. Notwithstanding  
23 the foregoing, a transaction described in the preceding sentence shall  
24 not constitute a real estate investment trust transfer unless (A) it  
25 occurs in connection with the initial formation of the REIT and the  
26 conditions described in subparagraphs three and four of this paragraph  
27 are satisfied, or (B) in the case of any real estate investment trust  
28 transfer occurring on or after July thirteenth, nineteen hundred nine-  
29 ty-six and before September first, two thousand [twenty-six]  
30 twenty-nine, the transaction is described in subparagraph five of this  
31 paragraph in which case the provisions of such subparagraph shall apply.

32 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section  
33 11-2102 of the administrative code of the city of New York, as amended  
34 by section 3 of part U of chapter 59 of the laws of 2023, is amended to  
35 read as follows:

36 (B) any issuance or transfer of an interest in a REIT, or in a part-  
37 nership or corporation in which a REIT owns a controlling interest imme-  
38 diately following the issuance or transfer in connection with a trans-  
39 action described in subparagraph (A) of this paragraph. Notwithstanding  
40 the foregoing, a transaction described in the preceding sentence shall  
41 not constitute a real estate investment trust transfer unless (i) it  
42 occurs in connection with the initial formation of the REIT and the  
43 conditions described in subparagraphs (C) and (D) of this paragraph are  
44 satisfied, or (ii) in the case of any real estate investment trust  
45 transfer occurring on or after July thirteenth, nineteen hundred nine-  
46 ty-six and before September first, two thousand [twenty-six]  
47 twenty-nine, the transaction is described in subparagraph (E) of this  
48 paragraph in which case the provision of such subparagraph shall apply.

49 § 4. This act shall take effect immediately.

50

#### PART N

51 Section 1. Notwithstanding any provision of law to the contrary, the  
52 commissioner of taxation and finance is hereby directed to institute a  
53 reregistration program in accordance with this section, to be completed  
54 by December 31, 2030. Such commissioner shall issue a notice of expira-

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

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

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

39 (c) For purposes of this section, an eligible tax liability is a  
40 liability for sales and use taxes imposed by article 28 of the tax law  
41 or pursuant to the authority of article 29 of such law, including any  
42 interest or penalty thereon, that is fixed and final on or before  
43 September 1, 2026, such that the taxpayer no longer has any right to an  
44 administrative or judicial review. An eligible tax liability shall not  
45 include any penalty imposed by paragraphs 2 or 5 of subdivision (a) of  
46 section 1145 of the tax law, or subdivisions (i) or (j) of such section  
47 1145, as added by section 15 of subpart J of part V-1 of chapter 57 of  
48 the laws of 2009. An eligible tax liability shall not include any  
49 assessment that was reduced by a written agreement with the commission-  
50 er, a liability that was compromised pursuant to subdivision eigh-  
51 teenth-a of section 171 of the tax law, or a liability reduced pursuant  
52 to subdivision 3 of section 1700 of the tax law.

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

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

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

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

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

23 § 3. This act shall take effect immediately.

24

#### PART O

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

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

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

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

41

#### PART P

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

45 (B) Until May thirty-first, two thousand [twenty-six] ~~twenty-nine~~, the  
46 food and drink excluded from the exemption provided by clauses (i), (ii)  
47 and (iii) of subparagraph (A) of this paragraph, and bottled water,  
48 shall be exempt under this subparagraph: (i) when sold for one dollar  
49 and fifty cents or less through any vending machine that accepts coin or  
50 currency only; or (ii) when sold for two dollars or less through any  
51 vending machine that accepts any form of payment other than coin or  
52 currency, whether or not it also accepts coin or currency.

1 § 2. This act shall take effect immediately.

2

PART Q

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

6 § 2. This act shall take effect June 1, 2024 and shall expire and be  
7 deemed repealed June 1, [2026] 2028.

8 § 2. This act shall take effect immediately.

9

PART R

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

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



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

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

37

## PART S

38 Section 1. Section 19 of part W-1 of chapter 109 of the laws of 2006  
39 amending the tax law and other laws relating to providing exemptions,  
40 reimbursements and credits from various taxes for certain alternative  
41 fuels, as amended by section 1 of part EE of chapter 59 of the laws of  
42 2021, is amended to read as follows:

43 § 19. This act shall take effect immediately; provided, however, that  
44 sections one through thirteen of this act shall take effect September 1,  
45 2006 and shall be deemed repealed on September 1, [2026] 2031 and such  
46 repeal shall apply in accordance with the applicable transitional  
47 provisions of sections 1106 and 1217 of the tax law, and shall apply to  
48 sales made, fuel compounded or manufactured, and uses occurring on or  
49 after such date, and with respect to sections seven through eleven of  
50 this act, in accordance with applicable transitional provisions of  
51 sections 1106 and 1217 of the tax law; provided, however, that the  
52 commissioner of taxation and finance shall be authorized on and after  
53 the date this act shall have become a law to adopt and amend any rules  
54 or regulations and to take any steps necessary to implement the

1 provisions of this act; provided further that sections fourteen through  
2 sixteen of this act shall take effect immediately and shall apply to  
3 taxable years beginning on or after January 1, 2006.

4 § 2. This act shall take effect immediately.

5

PART T

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

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

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

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

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

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

5 § 4. Subparagraph (A) of paragraph 1 of subsection (eee) of section  
6 606 of the tax law, as amended by section 8 of part A of chapter 73 of  
7 the laws of 2016, is amended to read as follows:

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

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

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

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

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

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

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

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

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

50 § 7. Subparagraph (C) of paragraph 13 of subsection (eee) of section  
51 606 of the tax law, as added by section 1 of part TT of chapter 59 of  
52 the laws of 2017, is amended to read as follows:

53 (C) If the commissioner determines that a taxpayer received a prelimi-  
54 nary advance payment that is above or below the advance payment to which  
55 he or she was entitled under this subsection, the commissioner shall  
56 provide notice to such taxpayer that the next advance payment due to

1 such taxpayer under this subsection shall be adjusted to reconcile such  
2 underpayment or overpayment[; provided, however, the commissioner shall  
3 permit a taxpayer to request that such adjustment be made on an  
4 originally filed timely income tax return for the tax year in which such  
5 overpayment or underpayment occurred, provided such return is filed on  
6 or before the due date for such return, determined without regard to  
7 extensions].

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

11 PART U

12 Section 1. Section 4 of chapter 475 of the laws of 2013 amending the  
13 real property tax law relating to assessment ceilings for local public  
14 utility mass real property, as amended by section 1 of part Y of chapter  
15 59 of the laws of 2022, is amended to read as follows:

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

27 § 2. This act shall take effect immediately.

28 PART V

29 Intentionally Omitted

30 PART W

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

35 2. Beginning with state fiscal year two thousand twenty-six, the  
36 aggregate amount of the pari-mutuel wagering tax paid by a harness track  
37 pursuant to [paragraph (b) of] subdivision one of this section in a  
38 state fiscal year shall not exceed the pari-mutuel wagering tax attrib-  
39 utable to live racing handle paid by such harness track in state fiscal  
40 year two thousand twenty-four.

41 4. Breaks[, as defined in sections two hundred thirty-six, two hundred  
42 thirty-eight, three hundred eighteen, and four hundred eighteen of this  
43 chapter] are not permitted, unless required by another jurisdiction  
44 pursuant to section nine hundred five of this chapter. All distributions  
45 to the holders of winning tickets shall be calculated to the nearest  
46 penny.

47 5. Notwithstanding subdivision four of this section, a racetrack may  
48 round to the nearest nickel for bets made at the facility[, however the]  
49 only if such breaks [must be] are directed to the retired and rescued

1 thoroughbred horse aftercare fund pursuant to section two hundred nine-n  
2 of the tax law if the bet was made on a thoroughbred race, and to the  
3 retired and rescued standardbred horse aftercare fund pursuant to  
4 section two hundred nine-o of the tax law if the bet was made on a  
5 [standardbred] harness race.

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

10 § 236. Disposition of pari-mutuel pools; percentage payable to state  
11 as a tax; authority of counties or certain cities to impose a tax. 1.  
12 Every corporation authorized under this chapter to conduct pari-mutuel  
13 betting at a race meeting on races run thereat, except as provided in  
14 section two hundred thirty-eight of this article with respect to the  
15 franchised corporation, shall distribute all sums deposited in any pari-  
16 mutuel pool to the holders of winning tickets therein, providing such  
17 tickets be presented for payment before April first of the year follow-  
18 ing the year of their purchase, less an amount that shall be established  
19 and retained by such racing corporation of between fourteen to twenty  
20 percent of the total deposits in pools resulting from regular on-track  
21 bets and less sixteen to twenty-two percent of the total deposits in  
22 pools resulting from multiple on-track bets and less twenty to thirty  
23 percent of the total deposits in pools resulting from exotic on-track  
24 bets and less twenty to thirty-six percent of the total pools resulting  
25 from super exotic on-track bets[, plus the breaks]. The retention rate  
26 to be established is subject to the prior approval of the commission.  
27 Such rate may not be changed more than once per calendar quarter to be  
28 effective on the first day of the calendar quarter. "Exotic bets" and  
29 "multiple bets" shall have the meanings set forth in section five  
30 hundred nineteen of this chapter [and breaks are hereby defined as the  
31 odd cents over any multiple of five for payoffs greater than one dollar  
32 five cents but less than five dollars, over any multiple of ten for  
33 payoffs greater than five dollars but less than twenty-five dollars,  
34 over any multiple of twenty-five for payoffs greater than twenty-five  
35 dollars but less than two hundred fifty dollars, or over any multiple of  
36 fifty for payoffs over two hundred fifty dollars]. "Super exotic bets"  
37 shall have the meaning set forth in section three hundred one of this  
38 chapter. Of the amount so retained there shall be paid by such corpo-  
39 ration to the department of taxation and finance as a reasonable tax by  
40 the state for the privilege of conducting pari-mutuel betting on the  
41 races run at the race meeting held by such corporation, which tax is  
42 hereby levied, [the following percentages of the total pool, plus  
43 fifty-five percent of the breaks; the applicable rates for regular and  
44 multiple bets shall be one and one-half percent; the applicable rates  
45 for exotic bets shall be six and three-quarter percent and the applica-  
46 ble rate for super exotic bets shall be seven and three-quarter percent.  
47 Effective on and after September first, nineteen hundred ninety-four,  
48 the applicable tax rate shall be one percent of all wagers, provided  
49 that, an amount equal to one-half the difference between the taxation  
50 rate for on-track regular, multiple and exotic bets as of December thir-  
51 ty-first, nineteen hundred ninety-three and the rates on such on-track  
52 wagers as herein provided shall be used exclusively for purses.  
53 Provided, however, that] in the applicable percentage set forth in  
54 subdivision one of section one hundred thirty-six of this chapter. Any  
55 such racing corporation shall, for any twelve-month period beginning on  
56 April first in nineteen hundred ninety and any year thereafter, [each of

1 the applicable rates set forth above shall be increased by one-quarter  
2 of one percent on all on-track bets of any such racing corporation that  
3 did not] expend an amount equal to at least one-half of one percent of  
4 its on-track bets during the immediately preceding calendar year for  
5 enhancements consisting of capital improvements as defined by section  
6 two hundred thirty-seven of this article, repairs to its physical plant,  
7 structures, and equipment used in its racing or wagering operations [as  
8 certified by the commission to the commissioner of taxation and finance  
9 no later than eighty days after the close of such calendar year,] and  
10 five special events at each track in each calendar year, not otherwise  
11 conducted in the ordinary course of business, the purpose of which shall  
12 be to encourage, attract and promote track attendance and encourage new  
13 and continued patronage, which events shall be subject to the prior  
14 approval of the commission for purposes of this subdivision. In the  
15 determination of the amounts expended for such enhancements, the commis-  
16 sion may consider the immediately preceding twelve-month calendar period  
17 or the average of the two immediately preceding twelve-month calendar  
18 periods. Provided further, however, that of the portion of the increased  
19 amounts retained by such corporation above those amounts retained in  
20 nineteen hundred eighty-four, an amount of such increase shall be  
21 distributed to purses in the same proportion as commissions and purses  
22 were distributed during nineteen hundred eighty-four as certified by the  
23 commission. [Such corporation in the second zone shall receive a credit  
24 against the daily tax imposed by this subdivision in an amount equal to  
25 four-tenths of one percent of total daily pools resulting from the  
26 simulcast of such corporation's races to licensed facilities operated by  
27 regional off-track betting corporations in accordance with section one  
28 thousand eight of this chapter, provided however, that sixty percent of  
29 the amount of such credit shall be used exclusively to increase purses  
30 for overnight races conducted by such corporation; and, provided  
31 further, that in no event shall such total daily credit exceed four-  
32 tenths of one percent of the total daily pool of such corporation.]

33 Such corporation shall pay to the New York state thoroughbred breeding  
34 and development fund one-half of one percent of the total daily on-track  
35 pari-mutuel pools from regular, multiple and exotic bets, and three  
36 percent of super exotic bets. [The corporation shall receive credit as a  
37 reduction of the tax by the state for the privilege of conducting pari-  
38 mutuel betting for the amounts, except amounts paid from super exotic  
39 betting pools, paid to the New York state thoroughbred breeding and  
40 development fund after January first, nineteen hundred seventy-eight.]

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

47 2. The balance of the retained percentage of such pool [and of the  
48 breaks] shall be held by such corporation for its own use and purposes,  
49 except that in addition to any payments to purses provided for in subdi-  
50 vision one of this section, an amount equal to two and one-half percent  
51 of the total pools resulting from on-track regular bets and exotic bets  
52 and an amount equal to three and one-half percent of the total pools  
53 resulting from on-track multiple bets and an amount equal to twelve  
54 percent of on-track super exotic bets shall be used exclusively for the  
55 purpose of increasing purses (including stakes, premiums and prizes)  
56 awarded to horses in races conducted by such corporation. Such two and



1 one-half percent and three and one-half percent shall be in addition to  
2 (i) four and one-half percent of such total pools resulting from regular  
3 and multiple wagers and five and one-half percent of such total pools  
4 resulting from exotic wagers, or (ii) the percentage of such total pools  
5 used for purses (including stakes, premiums and prizes) during the year  
6 nineteen hundred eighty-two, whichever is larger. Such percentage of the  
7 total pools mentioned in this subdivision shall be used for purses  
8 (including stakes, premiums and prizes) in races hereafter conducted by  
9 such corporation, and any portion not so used during any year shall be  
10 so used during the following year[, failing which such portion shall be  
11 payable to the commissioner of taxation and finance as additional tax].  
12 The commission shall report annually, on or before July first, to the  
13 director of the budget, the chair of the senate finance committee and  
14 the chair of the assembly ways and means committee the extent to which  
15 such corporation used and retained percentages [and breakage] for oper-  
16 ations, maintenance, capital improvements, advertising and promotion,  
17 administration and general overhead and evaluate the effectiveness and  
18 make recommendations with respect to the application of the [reduced]  
19 rates of taxation [as provided for in subdivision one of this section in  
20 accomplishing the objectives stated therein]. Such report shall also  
21 specify the amount of such retained percentages [and breakage] used for  
22 investments not directly related to racing activities and such amounts  
23 used to declare dividends or other profit distributions, additions to  
24 capital stock, its sale and transfer and additions to retained earnings.  
25 Such reports shall also include an analysis of any such agreements or  
26 proposals to conduct or otherwise expand wagers authorized under article  
27 ten of this chapter and present its conclusions with respect to the  
28 conduct of such wagering, the nature of such proposals and agreements,  
29 and recommendations to ensure the future maintenance of the intent of  
30 this article.

31 3. [Tax rates in event of a failure to maintain] Maintenance of pari-  
32 mutuel racing activity. [a. Notwithstanding any other provision of this  
33 section to the contrary, for] For any calendar year commencing on or  
34 after January first, nineteen hundred eighty-nine, [in which] a racing  
35 corporation in zone two [does] shall not conduct [a minimum number of]  
36 fewer pari-mutuel programs and pari-mutuel races at its facilities  
37 [equal to at least] than ninety percent of the programs and races so  
38 conducted during nineteen hundred eighty-five or during nineteen hundred  
39 eighty-six, whichever is less, [in lieu of the tax rates set forth in  
40 subdivision one of this section the applicable pari-mutuel tax rates for  
41 such corporation with respect to on-track pari-mutuel betting pools  
42 during such year shall be increased by one percent of regular, multiple  
43 and exotic betting pools. Notwithstanding the foregoing, no increase  
44 shall be proposed unless such corporation has been afforded notice and  
45 opportunity to be heard. The commission shall promulgate rules and regu-  
46 lations to implement the provisions relating to notice and hearing.

47 b. The provisions of this subdivision shall not apply to a corporation  
48 for any calendar year for which the commission certifies to the commis-  
49 sioner of taxation and finance:

50 (i) by December fifteenth of the year immediately preceding such year,  
51 that such corporation has been assigned for such year, from the programs  
52 and races it requested, at least the minimum number of programs and  
53 races prescribed in paragraph a of this subdivision, or, if fewer than  
54 such number were assigned for such year, that the assignment of such  
55 lesser number was for] unless such corporation demonstrates to the  
56 satisfaction of the commission good cause due to factors beyond the

1 control of such corporation or because the commission [found] finds that  
2 it would be uneconomical or impractical for such corporation to be  
3 assigned or conduct the prescribed number[; and

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

11 c. For any calendar year for which the commission does not certify  
12 pursuant to the provisions of subparagraph (i) of paragraph b of this  
13 subdivision with respect to a corporation, the tax imposed by this  
14 section shall be computed by substituting the provisions of paragraph a  
15 of this subdivision for the provisions of subdivision one of this  
16 section and shall pay the tax so computed to the commissioner of taxa-  
17 tion and finance. In such computation and payment, all other provisions  
18 of this section shall apply as if the provisions of this paragraph and  
19 of paragraph a of this subdivision had been incorporated in whole in  
20 subdivision one of this section.

21 d. For any calendar year for which the commission does not certify  
22 pursuant to the provisions of subparagraph (ii) of paragraph b of this  
23 subdivision with respect to a corporation, the tax required to be paid  
24 hereunder for such year shall be equal to the difference between the tax  
25 imposed pursuant to paragraph a of this subdivision and the tax imposed  
26 pursuant to the provisions of subdivision one of this section less one-  
27 half of such difference in recognition of purses that were required to  
28 be paid, plus an additional amount equal to ten percent of such tax in  
29 the event of a willful failure to comply with the provisions of subpara-  
30 graph (ii) of paragraph b of this subdivision, and such corporation  
31 shall pay the tax so computed to the commissioner of taxation and  
32 finance on or before March fifteenth of the following year. Notwith-  
33 standing the provisions of this subdivision, in the event that upon  
34 appeal from the determination of the commission that the certification  
35 provided in paragraph b of this subdivision will not be made, it is  
36 finally determined that the commission erred in failing to so certify  
37 and that any moneys received by the commissioner of taxation and finance  
38 under paragraph c of this subdivision were paid in error, the same shall  
39 be refunded at the rate of interest of six percent per annum. Payment of  
40 such balance of tax due, or the anticipation of such payment, shall not  
41 affect the determination of purses in the year in which such tax arises  
42 or in the year in which such payment is made nor shall such payment in  
43 any other manner be considered in any statutory or contractual calcu-  
44 lation of purse obligations.

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

51 4. The payment of the state tax imposed by this section shall be made  
52 to the commissioner of taxation and finance on the last business day of  
53 each month and shall cover taxes due for the period from the sixteenth  
54 day of the preceding month through the fifteenth day of the current  
55 month provided, however, that such payments required to be made on March  
56 thirty-first shall include all taxes due and accruing through the last

1 full week of racing in March of the current year or as otherwise deter-  
2 mined by the commissioner of taxation and finance, and shall be accompa-  
3 nied by a report under oath, showing the total of all such contrib-  
4 utions, together with such other information as the commissioner of  
5 taxation and finance may require. A penalty of five [per centum] percent  
6 and interest at the rate of one [per centum] percent per month from the  
7 date the report is required to be filed to the date of payment of the  
8 tax shall be payable in case any tax imposed by this section is not paid  
9 when due. If the commissioner of taxation and finance determines that  
10 any moneys received under this subdivision were paid in error, the  
11 commissioner of taxation and finance may cause the same to be refunded  
12 without interest out of any moneys collected thereunder, provided an  
13 application therefor is filed with the commissioner of taxation and  
14 finance within one year from the time the erroneous payment was made.  
15 Such taxes, interest and penalties when collected, after the deduction  
16 of refunds of taxes erroneously paid, shall be paid by the commissioner  
17 of taxation and finance into the general fund of the state treasury.

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

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

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

48 Such rate may not be changed more than once per calendar quarter to be  
49 effective on the first day of the calendar quarter. "Exotic bets" and  
50 "multiple bets" shall have the meanings set forth in section five  
51 hundred nineteen of this chapter. "Super exotic bets" shall have the  
52 meaning set forth in section three hundred one of this chapter. For  
53 purposes of this section, a "pick six bet" shall mean a single bet or  
54 wager on the outcomes of six races. [The breaks are hereby defined as  
55 the odd cents over any multiple of five for payoffs greater than one  
56 dollar five cents but less than five dollars, over any multiple of ten

1 for payoffs greater than five dollars but less than twenty-five dollars,  
2 over any multiple of twenty-five for payoffs greater than twenty-five  
3 dollars but less than two hundred fifty dollars, or over any multiple of  
4 fifty for payoffs over two hundred fifty dollars.] Out of the amount so  
5 retained there shall be paid by such franchised corporation to the  
6 commissioner of taxation and finance, as a reasonable tax by the state  
7 for the privilege of conducting pari-mutuel betting on the races run at  
8 the race meetings held by such franchised corporation, which tax is  
9 hereby levied, in the [following percentages of the total pool for regu-  
10 lar and multiple bets five percent of regular bets and four percent of  
11 multiple bets plus twenty percent of the breaks; for exotic wagers seven  
12 and one-half percent plus twenty percent of the breaks, and for super  
13 exotic bets seven and one-half percent plus fifty percent of the breaks.

14 For the period April first, two thousand one through December thirty-  
15 first, two thousand twenty-six, such tax on all wagers shall be one and  
16 six-tenths percent, plus, in each such period, twenty percent of the  
17 breaks] applicable percentage set forth in subdivision one of section  
18 one hundred thirty-six of this chapter. Payment to the New York state  
19 thoroughbred breeding and development fund by such franchised corpo-  
20 ration shall be one-half of one percent of total daily on-track pari-mu-  
21 tuel pools resulting from regular, multiple and exotic bets and three  
22 percent of super exotic bets and for the period April first, two thou-  
23 sand one through December thirty-first, two thousand twenty-six, such  
24 payment shall be seven-tenths of one percent of regular, multiple and  
25 exotic pools.

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

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

35 (d) (i) [The pari-mutuel tax rate authorized by paragraph (a) of this  
36 subdivision shall be effective so long as a franchised corporation noti-  
37 fies the commission by August fifteenth of each year that such pari-mu-  
38 tuel tax rate is effective of its intent to] The franchised corporation  
39 shall conduct a race meeting at Aqueduct racetrack during the months of  
40 December, January, February, March and April. For purposes of this para-  
41 graph such race meeting shall consist of not less than ninety-five days  
42 of racing unless otherwise agreed to in writing by the New York  
43 Thoroughbred Breeders Inc., the New York thoroughbred horsemen's associ-  
44 ation (or such other entity as is certified and approved pursuant to  
45 section two hundred twenty-eight of this article) and approved by the  
46 commission. Not later than May first of each year [that such pari-mutuel  
47 tax rate is effective], the commission shall determine whether a race  
48 meeting at Aqueduct racetrack consisted of the number of days as  
49 required by this [paragraph] subparagraph. In determining the number of  
50 race days, cancellation of a race day because of an act of God that the  
51 commission approves or because of weather conditions that are unsafe or  
52 hazardous that the commission approves shall not be construed as a fail-  
53 ure to conduct a race day. Additionally, cancellation of a race day  
54 because of circumstances beyond the control of such franchised corpo-  
55 ration for which the commission gives approval shall not be construed as  
56 a failure to conduct a race day. [If the commission determines that the

1 number of days of racing as required by this paragraph have not occurred  
2 then the pari-mutuel tax rate in paragraph (a) of this subdivision shall  
3 revert to the pari-mutuel tax rates in effect prior to January first,  
4 nineteen hundred ninety-five.]

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

9 2. a. Subject to the provisions of this section the payment of such  
10 state tax shall be made to the commissioner of taxation and finance on  
11 the last business day of each month and shall cover taxes due for the  
12 period from the sixteenth day of the preceding month through the  
13 fifteenth day of the current month provided, however, that such payments  
14 required to be made on March thirty-first shall include all taxes due  
15 and accruing through the last full week of racing in March of the  
16 current year or as otherwise determined by the commissioner, and shall  
17 be accompanied by a report under oath, showing such information as the  
18 commissioner may require. A penalty of five [per centum] percent and  
19 interest at the rate of one [per centum] percent per month from the date  
20 the report is required to be filed to the date of the payment of the tax  
21 shall be payable in case any tax imposed by this section is not paid  
22 when due. If the commissioner determines that any moneys received by the  
23 commissioner under this section were paid in error, the commissioner may  
24 cause the same to be refunded without interest out of any moneys  
25 collected thereunder, provided an application therefor is filed with the  
26 commissioner within one year from the time the erroneous payment was  
27 made. Such taxes, interest and penalties when collected, after the  
28 deduction of refunds of taxes erroneously paid, shall be paid by the  
29 commissioner into the general fund of the state treasury.

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

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

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

54 [4. Notwithstanding any inconsistent provision of this chapter, when-  
55 ever the franchised corporation operates the Breeder's Cup Meet at one  
56 of its racing facilities, such franchised corporation shall not be

1 required to pay to the department of taxation and finance pursuant to  
2 this section the pari-mutuel tax on the pari-mutuel pools of such fran-  
3 chised corporation's races during the Breeder's Cup Meet. For the  
4 purposes of this subdivision, the Breeder's Cup Meet shall consist of  
5 three days: the day on which the Breeder's Cup races are conducted, the  
6 day preceding such races and the day subsequent to such races.]

7 § 4. Subdivisions 1, 4 and 5 of section 318 of the racing, pari-mutuel  
8 wagering and breeding law, subdivisions 1 and 5 as amended by chapter  
9 243 of the laws of 2020, and subdivision 4 as amended by chapter 261 of  
10 the laws of 1988, are amended to read as follows:

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

27 "Exotic bets" and "multiple bets" shall have the meanings set forth in  
28 section five hundred nineteen of this chapter[, "super"]. "Super exotic  
29 bets" shall have the meaning set forth in subdivision four of section  
30 three hundred one of this article [and "the breaks" are hereby defined  
31 as the odd cents over any multiple of ten for regular and multiple bets,  
32 or for exotic bets, over any multiple of fifty, or for super exotic  
33 bets, over any multiple of one hundred calculated on the basis of one  
34 dollar and otherwise payable to a patron, provided however, that effec-  
35 tive after October fifteenth, nineteen hundred ninety-four breaks are  
36 hereby defined as the odd cents over any multiple of five for payoffs  
37 greater than one dollar five cents but less than five dollars, over any  
38 multiple of ten for payoffs greater than five dollars but less than  
39 twenty-five dollars, over any multiple of twenty-five for payoffs great-  
40 er than twenty-five dollars but less than two hundred fifty dollars, or  
41 over any multiple of fifty for payoffs over two hundred fifty dollars].

42 a. Of the sum so retained from on-track pari-mutuel betting pools,  
43 such association or corporation authorized to operate in Westchester or  
44 Nassau county: (i) shall pay to the commissioner of taxation and finance  
45 as a reasonable tax for the privilege of conducting pari-mutuel betting  
46 at races run at race meetings held by such corporation or association, a  
47 tax, which is hereby levied, [at the rate of one-half of one percent of  
48 all wagers from total daily on-track pools. Such association or corpo-  
49 ration shall receive credit as a reduction of the daily tax by the state  
50 for the privilege of conducting pari-mutuel betting of amounts equal to  
51 four-tenths percent of total daily pools resulting from the simulcast of  
52 such association's or corporation's races to licensed facilities oper-  
53 ated by regional off-track betting corporations in accordance with  
54 section one thousand eight of this chapter; provided, however, that in  
55 no event shall total daily credit exceed four-tenths percent of the  
56 total daily pool of such association or corporation. An amount equal to

1 fifty percent of such credit shall be used to increase purses; provided,  
2 however, that] in the applicable percentage set forth in subdivision one  
3 of section one hundred thirty-six of this chapter as limited by subdivi-  
4 sion two of section one hundred thirty-six of this chapter. Any such  
5 association or corporation shall, for any twelve-month period beginning  
6 on April first in nineteen hundred ninety and any year thereafter, [each  
7 of the applicable rates set forth above shall be increased by one-half  
8 of one percent on all on-track bets of any such racing association or  
9 corporation that did not] expend an amount equal to at least one-half of  
10 one percent of its on-track bets during the immediately preceding calen-  
11 dar year for enhancements consisting of capital improvements as defined  
12 by section three hundred nineteen of this article, repairs to its phys-  
13 ical plant, structures, and equipment used in its racing or wagering  
14 operations, [as certified by the commission to the commissioner of taxa-  
15 tion and finance no later than eighty days after the close of such  
16 calendar year,] and five special events at each track in each calendar  
17 year, not otherwise conducted in the ordinary course of business, the  
18 purpose of which shall be to encourage, attract and promote track  
19 attendance and encourage new and continued patronage, which events shall  
20 be subject to the approval of the commission for purposes of this subdivi-  
21 sion. In the determination of the amounts expended for such enhance-  
22 ments, the commission shall consider the average of the two immediately  
23 preceding twelve-month calendar periods. [Notwithstanding the foregoing  
24 no increase shall be imposed unless such corporation or association has  
25 been afforded notice and opportunity to be heard. The commission shall  
26 promulgate rules and regulations to implement the provisions relating to  
27 notice and hearing.]

28 (ii) except as otherwise provided in this paragraph an amount equal to  
29 six and eight-tenths percent of the total pool resulting from on-track  
30 regular bets, an amount equal to seven and ninety-five one hundredths  
31 percent of the total pool resulting from on-track multiple bets, an  
32 amount equal to ten and one-half percent of the total pool resulting  
33 from on-track exotic bets, an amount equal to fifteen and one-half  
34 percent of the total daily pool resulting from on-track super exotic  
35 bets shall be used exclusively for purses, of which an amount of not  
36 less than ninety percent shall be used exclusively for purses for over-  
37 night races conducted by such association or corporation. Such amounts  
38 may be reduced upon an application approved by the commission and an  
39 agreement between the licensed harness racing corporation or association  
40 and the representative horsemen's organization as a condition to reduce  
41 the amounts of retained percentages as provided for in this section.  
42 However, of the total amount available for purses, an amount as deter-  
43 mined by contractual obligations between an organization representing at  
44 least fifty-one percent of the owners and trainers using the facilities  
45 of such association or corporation for racing, training or stabling  
46 purposes and the association or corporation, shall be used for the  
47 administrative purposes of said organization and for such welfare and  
48 medical plans for regularly employed backstretch employees principally  
49 employed at the facilities of such corporation or association as  
50 provided by said organization, provided, however, that eligibility for  
51 benefits in such plans shall not be conditioned upon membership in such  
52 organization by any employee or employer thereof, and any denial of  
53 eligibility for benefits in such plans which, upon investigation and  
54 review by the commission, is determined to have resulted from a person,  
55 firm, association, corporation or organization knowingly aiding in or  
56 permitting eligibility for benefits being conditioned upon membership in



1 such organization shall subject such organization to the penalties  
2 imposed under sections three hundred ten and three hundred twenty-one of  
3 this article but the ratio between the amounts actually expended for  
4 such welfare and medical plans and the cost actually incurred in admin-  
5 istering such welfare and medical plans for fiscal years of such corpo-  
6 ration or association, on or after July twenty-fourth, nineteen hundred  
7 eighty-one, shall not be less than the ratio between such amounts actu-  
8 ally expended and such costs actually incurred for the fiscal year imme-  
9 diately prior to such date. Such organization shall annually on or  
10 before July first certify to the commission that it represents at least  
11 fifty-one percent of such owners and trainers and provide copies of such  
12 certification to such association or corporation. Any other organization  
13 claiming to represent at least fifty-one percent of such owners and  
14 trainers may file a challenge with the commission within fifteen days of  
15 such original certification. The commission shall examine such claim and  
16 may undertake studies and conduct hearings to determine the validity of  
17 such claim. Within sixty days of receiving such challenge and based  
18 upon the findings of such studies and hearings, the commission shall  
19 render a decision on the validity of such claim and advise such organ-  
20 izations and association or corporation of its determination. Upon  
21 receipt of such original certification by such organization, the associ-  
22 ation or corporation shall make such payments to said organization and,  
23 in the event of a challenge brought to any other organization, such  
24 payments shall continue to be made until such time as the commission  
25 renders its decision on such challenge; and

26 (iii) the balance of the retained percentage of such pools [and the  
27 balance of the breaks] may be held by such association or corporation  
28 for its own use and purposes except as provided in paragraph c of this  
29 subdivision and in subdivision four of section three hundred one of this  
30 article, provided, however, that the commission shall report annually,  
31 on or before July first, to the director of the budget, the chair of the  
32 senate finance committee and the chair of the assembly ways and means  
33 committee the extent to which such corporations and associations used  
34 such retained percentages [and breakage] for operations, maintenance,  
35 capital improvements, advertising and promotion, administration and  
36 general overhead and evaluate the effectiveness and make recommendations  
37 with respect to the application of the [reduced] rates of taxation as  
38 provided for in subparagraph (i) of this paragraph in accomplishing the  
39 objectives stated therein. Such report shall also specify the amounts of  
40 such retained percentages [and breakage] used for investments not  
41 directly related to racing activities and such amounts used to declare  
42 dividends or other profit distributions, additions to capital stock, its  
43 sale and transfer and additions to retained earnings. Such reports shall  
44 also include an analysis of any such agreements or proposals to conduct  
45 or otherwise expand wagers authorized under article ten of this chapter  
46 and present its conclusions with respect to the conduct of such wager-  
47 ing, the nature of such proposals and agreements, and recommendations to  
48 ensure the future maintenance of the intent of this article and article  
49 ten of this chapter.

50 b. (i) Of the sums retained by any other licensed harness racing asso-  
51 ciation or corporation other than those described in paragraph a of this  
52 subdivision, such association or corporation shall pay to the commis-  
53 sioner of taxation and finance as a reasonable tax for the privilege of  
54 conducting pari-mutuel betting at races run at race meetings held by  
55 such corporation or association, a tax, which is hereby levied, in the  
56 applicable [tax rates for regular bets shall be six-tenths of one

1 percent; for multiple bets shall be one and one-tenth percent; for exot-  
2 ic bets shall be five and six-tenths percent and for super exotic bets  
3 shall be seven percent, plus fifty percent of the breaks. Effective  
4 September first, nineteen hundred ninety-four, for all licensed harness  
5 racing associations and corporations that have entered into a contract  
6 with their representative horsemen's association on and after such date,  
7 such tax shall be one-half of one percent of all wagers, plus fifty  
8 percent of the breaks.

9 Provided, however, that] percentage set forth in subdivision one of  
10 section one hundred thirty-six of this chapter, as limited by subdivi-  
11 sion two of section one hundred thirty-six of this chapter. Any such  
12 racing association or corporation shall for any twelve-month period  
13 beginning on April first in nineteen hundred ninety and any year there-  
14 after, [each of the applicable rates set forth above shall be increased  
15 by one-quarter of one percent on all on-track bets of any such racing  
16 association or corporation that did not] expend an amount equal to at  
17 least one-half of one percent of its on-track bets during the immedi-  
18 ately preceding calendar year for enhancements consisting of capital  
19 improvements as defined by section three hundred nineteen of this arti-  
20 cle, repairs to its physical plant, structures, and equipment used in  
21 its racing or wagering operations, [as certified by the commission to  
22 the commissioner of taxation and finance no later than eighty days after  
23 the close of such calendar year, and five special events at each track  
24 in each calendar year,] not otherwise conducted in the ordinary course  
25 of business, the purpose of which shall be to encourage, attract and  
26 promote track attendance and encourage new and continued patronage,  
27 which events shall be subject to the approval of the commission for  
28 purposes of this subdivision. In this regard, expenditures by a county  
29 agricultural society pursuant to section three hundred nineteen of this  
30 article shall be credited to the applicable harness racing association  
31 or corporation for this purpose. In the determination of the amounts  
32 expended for such enhancements, the commission may consider the imme-  
33 diately preceding twelve-month calendar period or the average of the two  
34 immediately preceding twelve-month calendar periods. [Notwithstanding  
35 the foregoing no increase shall be imposed unless such corporation or  
36 association has been afforded a notice and opportunity to be heard. The  
37 commission shall promulgate rules and regulations to implement the  
38 provisions relating to notice and hearing.

39 Such associations or corporations shall receive credit as a reduction  
40 of the daily tax by the state for the privilege of conducting pari-mutu-  
41 el betting of amounts equal to four-tenths percent of total daily pools  
42 resulting from the simulcast of such association's or corporation's  
43 races to licensed facilities operated by regional off-track betting  
44 corporations in accordance with section one thousand eight of this chap-  
45 ter, provided however, that in no event shall the total daily credit  
46 exceed four-tenths percent of the total daily pool of such association  
47 or corporation which tax is hereby levied and shall be paid to the  
48 commissioner of taxation and finance as a reasonable tax imposed by the  
49 state for the privilege of conducting pari-mutuel betting at races run  
50 at race meetings held by such association or corporation.] The commis-  
51 sion shall report annually, before July first, to the director of the  
52 budget, the chair of the senate finance committee and the chair of the  
53 assembly ways and means committee the extent to which such corporations  
54 and associations used such retained percentages [and breakage] for oper-  
55 ations, maintenance, capital improvements, advertising and promotion,  
56 administration and general overhead and evaluate the effectiveness and

1 make recommendations with respect to the application of the [reduced]  
2 rates of taxation as provided for in this subparagraph in accomplishing  
3 the objectives stated therein. Such report shall also specify the  
4 amounts of such retained percentages [and breakage] used for investments  
5 not directly related to racing activities and such amounts used to  
6 declare dividends or other profit distributions, additions to capital  
7 stock, its sale and transfer and additions to retained earnings. Such  
8 reports shall also include an analysis of any such agreements or  
9 proposals to conduct or otherwise expand wagers authorized under article  
10 ten of this chapter and present its conclusions with respect to the  
11 conduct of such wagering, the nature of such proposals and agreements,  
12 and recommendations to ensure the future maintenance of the intent of  
13 this article.

14 (ii) Of the sums retained by such association or corporation, an  
15 amount equal to one and three-quarters percent of the total pool result-  
16 ing from on-track regular, multiple and exotic bets shall be used exclu-  
17 sively for the purpose of increasing purses awarded in overnight races  
18 conducted by such association or corporation. Such amounts shall be in  
19 addition to purse moneys otherwise provided pursuant to existing  
20 contractual obligations. In this regard an amount equal to twelve  
21 percent of the total bets in super exotic pools shall be used for purses  
22 in lieu of any such contractual obligations that might otherwise apply  
23 to purses to be awarded on super exotic bets. Any portion of such amount  
24 not so used during any year shall be so used during the following year[,  
25 failing which such portion shall be payable to the commissioner of taxa-  
26 tion and finance as additional tax]. In addition to the amounts  
27 required in this paragraph, fifty percent of all additional sums  
28 retained, as a result of tax reductions provided in this section after  
29 September first, nineteen hundred ninety-four to qualified licensed  
30 harness racing associations, shall be used exclusively for purposes of  
31 increasing purses awarded in overnight races conducted by such associ-  
32 ation or corporation, provided that such association or corporation has  
33 entered into a written agreement with its representative horsemen's  
34 organization on and after September first, nineteen hundred ninety-four.  
35 Notwithstanding anything contained herein to the contrary, in a harness  
36 special betting district the amount to be used for purses or the method-  
37 ology for calculating the amount to be used for purses may be specified  
38 in a written contract between a harness racing association or corpo-  
39 ration and its representative horsemen's association. The balance of the  
40 retained percentage of such pool may be held by such corporation or  
41 association for its own use and purposes.

42 (iii) [Of the amount of the breaks from on-track regular, multiple,  
43 exotic and super exotic bets such association or corporation shall pay  
44 fifty percent to the commissioner of taxation and finance. The balance  
45 of such breaks may be held by such association or corporation for its  
46 own use and purposes.

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

54 Any other horsemen's organization may apply to the commission to be  
55 approved as the qualified organization to receive payment of the one  
56 percent of all purses by submitting to the commission proof of both,

1 that (i) such organization represents more than fifty-one percent of all  
2 the owners and trainers using the same facilities and (ii) the  
3 horsemen's organization previously approved as qualified by the commis-  
4 sion does not represent fifty-one percent of all the owners and trainers  
5 using the same facilities. If the commission is satisfied that the  
6 documentation submitted with the application of any other horsemen's  
7 organization is conclusive with respect to subparagraphs (i) and (ii) of  
8 this paragraph, the commission may approve the applicant as the quali-  
9 fied recipient organization.

10 In the best interests of racing, upon receipt of such an application,  
11 the commission may direct the payments to the previously qualified  
12 horsemen's organization to continue uninterrupted, or it may direct the  
13 payments to be withheld and placed in interest-bearing accounts for a  
14 period not to exceed ninety days, during which time the commission shall  
15 review and approve or disapprove the application. Funds held in such  
16 manner shall be paid to the organization approved by the commission. In  
17 no event shall the commission accept more than one such application in  
18 any calendar year from the same horsemen's organization.

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

24 c. Of the sums retained by any harness racing association or corpo-  
25 ration, an amount equal to one percent of the total pools resulting from  
26 on-track regular, multiple and exotic bets and an amount equal to three  
27 percent of the total pools resulting from on-track super exotic bets  
28 shall be paid to the agriculture and New York state horse breeding  
29 development fund.

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

34 4. Notwithstanding any other provisions of this chapter, there shall  
35 be no pari-mutuel tax imposed upon the compensation received by any  
36 harness racing association or corporation in consideration for (a)  
37 permission to have wagering conducted outside this state on races run by  
38 such association or corporation, and (b) the simulcasting outside this  
39 state of races run by such association or corporation, except for such  
40 permission or such simulcasting as may be granted to an off-track  
41 betting operator in the state of Connecticut by a harness racing associ-  
42 ation or corporation located in Nassau or Westchester county. Any such  
43 association or corporation so simulcasting to an off-track betting oper-  
44 ator in the state of Connecticut shall pay to the New York commissioner  
45 of taxation and finance a reasonable tax for such permission and privi-  
46 lege for such simulcasting, which is hereby levied, at the following  
47 rates: one and one-tenth [per centum] percent of total daily regular and  
48 multiple bets; three and one-tenth [per centum] percent of total daily  
49 exotic bets; and three and one-half [per centum] percent of total daily  
50 super exotic bets.

51 5. [Tax rates in event of failure to maintain] Maintenance of pari-mu-  
52 tuel racing activity. [a. Notwithstanding any other provision of this  
53 section to the contrary, for] For any calendar year commencing on or  
54 after January first, nineteen hundred eighty-nine, [in which] a harness  
55 racing association or corporation [does] shall not conduct [a minimum  
56 number of] fewer pari-mutuel programs and pari-mutuel races at its

1 facilities [equal to at least] than ninety percent of the programs and  
2 races so conducted during nineteen hundred eighty-five or during nine-  
3 teen hundred eighty-six, whichever is less, [in lieu of the tax rates  
4 set forth in subdivision one of this section the applicable pari-mutuel  
5 tax rates for such association or corporation with respect to on-track  
6 pari-mutuel betting pools during such year shall be as follows:

7 (i) For such an association or corporation authorized to operate in  
8 Westchester or Nassau county: of total daily on-track pools resulting  
9 from regular bets, three and seventy-five hundredths percent of the  
10 first five hundred thousand dollars comprising such pools and five and  
11 twenty-five hundredths percent of the amount in excess of five hundred  
12 thousand dollars, plus fifty percent of the breaks; of total daily  
13 on-track pools resulting from multiple bets, four and seventy-five  
14 hundredths percent of the first three hundred thousand dollars compris-  
15 ing such pools and six and twenty-five hundredths percent of the amount  
16 in excess of three hundred thousand dollars, plus fifty percent of the  
17 breaks; of total daily on-track pools resulting from exotic bets, eight  
18 and seventy-five hundredths percent of the first two hundred thousand  
19 dollars comprising such pools, and ten and twenty-five hundredths  
20 percent of the amount in excess of two hundred thousand dollars, plus  
21 fifty percent of the breaks; and of total daily on-track pools resulting  
22 from super exotic bets, seven percent, plus fifty percent of the breaks;  
23 and

24 (ii) For any harness racing association or corporation other than one  
25 described in subparagraph (i) of this paragraph: of total daily on-track  
26 pools resulting from regular bets, one and one-half percent, plus fifty  
27 percent of the breaks; of total daily on-track pools resulting from  
28 multiple bets, two percent, plus fifty percent of the breaks; of total  
29 daily on-track pools resulting from exotic bets, six and one-half  
30 percent, plus fifty percent of the breaks; and of total daily on-track  
31 pools resulting from super exotic bets, seven percent, plus fifty  
32 percent of the breaks.

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

36 (i) by December fifteenth of the year immediately preceding such year,  
37 that such association or corporation has been assigned for such year,  
38 from the programs and races it requested, at least the minimum number of  
39 programs and races prescribed in paragraph a of this subdivision, or, if  
40 fewer than such number were assigned for such year, that the assignment  
41 of such lesser number was for] unless such association or corporation  
42 demonstrates to the satisfaction of the commission good cause due to  
43 factors beyond the control of such association or corporation or because  
44 the commission [found] finds that it would be uneconomical or impracti-  
45 cal for such association or corporation to be assigned or conduct the  
46 prescribed number[; and

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

54 c. For any calendar year for which the commission does not certify  
55 pursuant to the provisions of subparagraph (i) of paragraph b of this  
56 subdivision with respect to an association or corporation, the tax

1 imposed by this section shall be computed by substituting the provisions  
2 of paragraph a of this subdivision for the provisions of paragraph a or  
3 b, whichever is applicable, of subdivision one of this section and shall  
4 pay the tax so computed to the commissioner of taxation and finance. In  
5 such computation and payment, all other provisions of this section shall  
6 apply as if the provisions of this paragraph and of paragraph a of this  
7 subdivision had been incorporated in whole in paragraph a or b, whichev-  
8 er is applicable, of subdivision one of this section.

9 d. For any calendar year for which the commission does not certify  
10 pursuant to the provisions of subparagraph (ii) of paragraph b of this  
11 subdivision with respect to an association or corporation, the tax  
12 required to be paid hereunder for such year shall be equal to the  
13 difference between the tax imposed pursuant to the provisions of para-  
14 graph a of this subdivision and the tax imposed pursuant to the  
15 provisions of paragraph a or b, whichever is applicable, of subdivision  
16 one of this section, less one-half of such difference in recognition of  
17 purses that were required to be paid, plus an additional amount equal to  
18 ten percent of such tax in the event of a willful failure to comply with  
19 the provisions of subparagraph (ii) of paragraph b of this subdivision  
20 and such association or corporation shall pay the tax so computed to the  
21 commissioner of taxation and finance on or before March fifteenth of the  
22 following year. Notwithstanding the provisions of this subdivision, in  
23 the event that upon appeal from the determination of the commission that  
24 the certification provided in paragraph b of this subdivision will not  
25 be made, it is finally determined that the commission erred in failing  
26 to so certify and that any moneys received by the commissioner of taxa-  
27 tion and finance under paragraph c of this subdivision were paid in  
28 error, the same shall be refunded at the rate of interest of six percent  
29 per annum. Payment of such tax due, or the anticipation of such payment,  
30 shall not affect the determination of purses in the year in which such  
31 tax arises or in the year in which such payment is made nor shall such  
32 payment in any other manner be considered in any statutory or contractu-  
33 al calculation of purse obligations.

34 e. Written notice of the certification of the commission pursuant to  
35 the provisions of paragraph b of this subdivision shall be given by the  
36 commission to the applicable association or corporation by the dates  
37 therein specified. In like manner, written notice that such certifi-  
38 cation will not be made shall be given by the commission to the commis-  
39 sioner of taxation and finance and the applicable association or corpo-  
40 ration by such dates].

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

44 1. Every association or corporation authorized under [sections two  
45 hundred twenty-two through seven] section four hundred five of this  
46 [chapter] article to conduct pari-mutuel betting at a quarter horse race  
47 meeting on races run thereat shall distribute all sums deposited in any  
48 pari-mutuel pool to the holders of winning tickets therein provided such  
49 tickets be presented for payment before April first of the year follow-  
50 ing the year of their purchase, less seventeen percent of the total  
51 deposits in pools resulting from regular on-track bets and less nineteen  
52 percent of the total deposits in pools resulting from multiple bets and  
53 less twenty-five percent of the total deposits in pools resulting from  
54 exotic on-track bets[, plus the breaks]. "Multiple bet" or "multiple  
55 wager" shall mean a single bet or wager on two horses, evidenced by a  
56 single ticket and representing an interest in a single betting pool.



1 "Exotic bet" or "exotic wager" shall mean a single bet or wager on three  
2 or more horses, evidenced by a single ticket and representing an inter-  
3 est in a single betting pool. [The breaks for regular bets and multiple  
4 bets are hereby defined as the odd cents over any multiple of ten or for  
5 exotic bets, over any multiple of fifty calculated on the basis of one  
6 dollar and otherwise payable to a patron.] Of the sum so retained [the  
7 applicable tax rates for regular bets shall be three percent; the appli-  
8 cable tax rates for multiple bets shall be three and one-half percent;  
9 the applicable tax rates for exotic bets] there shall be eight percent,  
10 plus sixty-five percent of the amount of the breaks from on-track regu-  
11 lar, multiple and exotic bets shall be paid by such corporation or asso-  
12 ciation to the department of taxation and finance as a reasonable tax by  
13 the state for the privilege of conducting pari-mutuel betting on the  
14 races run at the quarter horse race meetings held by such corporation or  
15 association, which tax is hereby levied, [and the balance of the  
16 retained percentage of such pool and of the breaks may be held by such  
17 corporation or association for its own use and purposes] in the applica-  
18 ble percentage set forth in subdivision one of section one hundred thir-  
19 ty-six of this chapter. The payment of such state tax shall be made to  
20 the department of taxation and finance at such regular intervals as the  
21 department of taxation and finance may require, and shall be accompanied  
22 by a report under oath showing the total of all such contributions  
23 together with such other information as the department of taxation and  
24 finance may require. A penalty of five percent and interest at the rate  
25 of one percent per month from the date the report is required to be  
26 filed to the date of payment of the tax shall be payable in case any tax  
27 imposed by this section is not paid when due. If the department of taxa-  
28 tion and finance determines that any moneys received under this section  
29 were paid in error, it may cause the same to be refunded without inter-  
30 est out of any moneys collected thereunder, provided an application  
31 therefor is filed with it within one year from the time the erroneous  
32 payment was made. Such taxes, interest and penalties when collected,  
33 after the deduction of refunds of taxes erroneously paid, shall be paid  
34 by the department of taxation and finance into the general fund of the  
35 state treasury. [Ten percent of the breaks shall be paid to the New York  
36 state quarter horse breeding and development fund.]

37 § 6. Subdivisions 1, 5, 7 and 8 of section 527 of the racing, pari-mu-  
38 tuel wagering and breeding law, as amended by chapter 18 of the laws of  
39 2008, the opening paragraph of subdivision 1 and subdivision 5 as  
40 amended by chapter 243 of the laws of 2020, are amended to read as  
41 follows:

42 1. The disposition of the retained commission from pools resulting  
43 from regular, multiple or exotic bets, as the case may be, whether  
44 placed on races run within a region or outside a region, conducted by  
45 racing corporations, harness racing associations or corporations, quar-  
46 ter horse racing associations or corporations or races run outside the  
47 state shall be governed by the tables in paragraphs a and b of this  
48 subdivision. [The rate denominated "state tax"] There shall [represent  
49 the rate of] be paid by each regional corporation conducting off-track  
50 betting, as a reasonable tax imposed upon the retained commission for  
51 the privilege of conducting off-track pari-mutuel betting, which tax is  
52 hereby levied [and], a percentage of all money wagered on live races  
53 through such corporation, which shall be payable in the manner set forth  
54 in this section and in subdivision one of section one hundred thirty-six  
55 of this chapter. Each off-track betting corporation shall pay to the  
56 commission as a regulatory fee, which fee is hereby levied, six-tenths

1 of one percent of the total daily pools of such corporation. Each corpo-  
 2 ration shall also pay twenty percent of the breaks derived from bets on  
 3 out-of-state harness races and fifty percent of the breaks derived from  
 4 bets on all other out-of-state races to the agriculture and New York  
 5 State horse breeding and development fund and to the thoroughbred breed-  
 6 ing and development fund, the total of such payments to be apportioned  
 7 fifty percent to each such fund. For the purposes of this section, the  
 8 New York city, Suffolk, Nassau, and the Catskill regions shall consti-  
 9 tute a single region and any thoroughbred track located within the Capi-  
 10 tal District region shall be deemed to be within such single region. A  
 11 "regional meeting" shall refer to either harness or thoroughbred meet-  
 12 ings, or both, except that a franchised corporation shall not be a  
 13 regional track for the purpose of receiving distributions from bets on  
 14 thoroughbred races conducted by a thoroughbred track in the Catskill  
 15 region conducting a mixed meeting. With the exception of a harness  
 16 racing association or corporation first licensed to conduct pari-mutuel  
 17 wagering at a track located in Tioga, Saratoga or Westchester county  
 18 after January first, two thousand five, racing corporations first  
 19 licensed to conduct pari-mutuel racing after January first, nineteen  
 20 hundred eighty-six or a harness racing association or corporation first  
 21 licensed to conduct pari-mutuel wagering at a track located in Genesee  
 22 County after January first, two thousand five, and quarter horse tracks  
 23 shall not be "regional tracks"; if there is more than one harness track  
 24 within a region, such tracks shall evenly divide payments made pursuant  
 25 to the tables in paragraphs a and b of this subdivision when neither  
 26 track is running. In the event a track elects to reduce its retained  
 27 percentage from any or all of its pari-mutuel pools, the payments to the  
 28 track holding the race and the regional track required by paragraphs a  
 29 and b of this subdivision shall be reduced in proportion to such  
 30 reduction. Nothing in this section shall be construed to authorize the  
 31 conduct of off-track betting contrary to the provisions of section five  
 32 hundred twenty-three of this article.

33 a. Regular and multiple bets:

	Track holding race	Regional track	[State] [tax]
37 Pools on races run by:			
38 Franchised corporations:			
39 in region;.....	3.50	N/A	[.30]
40 out-region, during a regional			
41 meeting;.....	1.00	2.50	[.30]
42 out-region, no regional			
43 meeting;.....	1.75	1.75	[.30]
44 Racing corporations			
45 in special			
46 betting district:			
47 in-special betting district;...	3.80	N/A	[1.00]
48 out-district, during a regional			
49 meeting;.....	1.00	2.80	[1.00]
50 out-district, no regional			
51 meeting;.....	1.90	1.90	[1.00]
52 Harness racing associations or			
53 corporations within Suffolk,			
54 Nassau, or Catskill regions:			

1	in region;.....	4.00	N/A	[.70]
2	out-region, during a regional			
3	meeting;.....	1.00	3.00	[.70]
4	out-region, no regional			
5	meeting;.....	2.00	2.00	[.70]
6	Harness racing associations or			
7	corporations:			
8	in-special betting			
9	district;.....	4.00	N/A	[.50]
10	out-district, during a			
11	regional meeting;.....	1.00	3.00	[.50]
12	out-district, no regional			
13	meeting;.....	2.00	2.00	[.50]
14	Other harness racing associations			
15	or corporations:			
16	in region;.....	4.00	N/A	[.50]
17	out-region, during a regional			
18	meeting;.....	1.00	3.00	[.50]
19	out-region, no regional			
20	meeting;.....	2.00	2.00	[.50]
21	Quarter horse racing associations			
22	or corporations;.....	3.50	N/A	[1.10]
23	Out-of-state tracks:.....	3.50 divided		[1.10]
24		pursuant to		
25		paragraph		
26		g of this		
27		subdivision		
28	b. Exotic bets:			
29		Track		
30		holding	Regional	[State]
31		race	track	[tax]
32	Pools on races run by:			
33	Franchised corporations:			
34	in region;.....	6.50	N/A	[1.30]
35	out-region, during a regional			
36	meeting;.....	2.00	4.50	[1.30]
37	out-region, no regional			
38	meeting;.....	3.25	3.25	[1.30]
39	Racing corporations			
40	in special			
41	betting district:			
42	in-special betting districts;..	6.80	N/A	[3.00]
43	out-district, during a regional			
44	meeting;.....	2.00	4.80	[3.00]
45	out-district, no regional			
46	meeting;.....	3.40	3.40	[3.00]
47	Harness racing associations or			
48	corporations within Suffolk,			
49	Nassau, or Catskill			
50	regions:			
51	in region;.....	7.00	N/A	[2.70]
52	out-region, during a regional			
53	meeting;.....	2.00	5.00	[2.70]

1	out-region, no regional			
2	meeting;.....	3.50	3.50	[2.70]
3	Harness racing associations			
4	or corporations:			
5	in-special betting			
6	district;.....	7.00	N/A	[2.50]
7	out-district, during a			
8	regional meeting;.....	2.00	5.00	[2.50]
9	out-district, no regional			
10	meeting;.....	3.50	3.50	[2.50]
11	Other harness racing associa-			
12	tions or corporations:			
13	in-region;.....	7.00	N/A	[2.50]
14	out-region, during a			
15	regional meeting;.....	2.00	5.00	[2.50]
16	out-region, no regional			
17	meeting;.....	3.50	3.50	[2.50]
18	Quarter horse racing associa-			
19	tions or corporations;.....	6.50	N/A	[3.10]
20	Out-of-state tracks:.....	6.50 divided		[3.10]
21		pursuant to		
22		paragraph		
23		g of this		
24		subdivision		
25	c. Super Exotic Bets:			
26		Track		
27		holding	Regional	[State]
28		race	track	[tax]
29	Pools on races run by:			
30	Franchised corporations:			
31	in region;.....	12.00	N/A	[3.50]
32	out-region, during a regional			
33	meeting;.....	3.00	10.00	[2.50]
34	out-region, no regional			
35	meeting;.....	6.00	6.00	[3.50]
36	Racing corporations			
37	in special			
38	betting district:			
39	in-special betting districts;..	12.00	N/A	[3.50]
40	out-district, during a regional			
41	meeting;.....	3.00	10.00	[2.50]
42	out-district, no regional			
43	meeting;.....	6.00	6.00	[3.50]
44	Harness racing associations or			
45	corporations within Suffolk,			
46	Nassau, or Catskill regions:			
47	in-region;.....	12.00	N/A	[3.50]
48	out-region, during a regional			
49	meeting;.....	3.00	10.00	[2.50]
50	out-region, no regional			
51	meeting;.....	6.00	6.00	[3.50]
52	Harness racing associations			
53	or corporations:			
54	in-special betting			

1	district;.....	12.00	N/A	[3.50]
2	out-district, during a			
3	regional meeting;.....	3.00	10.00	[2.50]
4	out-district, no regional			
5	meeting;.....	6.00	6.00	[3.50]
6	Other harness racing associations			
7	or corporations:			
8	in-region;.....	12.00	N/A	[3.50]
9	out-region, during a			
10	regional meeting;.....	3.00	10.00	[2.50]
11	out-region, no regional			
12	meeting;.....	6.00	6.00	[3.50]

13 d. For the portion of the Western region included within a thorough-  
 14 bred special betting district and not within a harness special betting  
 15 district, when no thoroughbred race meeting is conducted by a racing  
 16 corporation located within such thoroughbred special district, the  
 17 distribution of the retained commission to "regional tracks" by such  
 18 regional corporation derived from wagers placed within such special  
 19 betting district shall be divided as follows:

20 (i) when a harness corporation located in such district is conducting  
 21 a meet the full amount to such harness corporation; and when a harness  
 22 corporation in the region but not located in such district is conducting  
 23 a meet, forty percent to the thoroughbred racing corporation and sixty  
 24 percent to the harness corporation conducting a meet;

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

28 (iii) when no racing is being conducted and no more than one harness  
 29 racing association is licensed during the calendar year to conduct a  
 30 race meeting, fifty [per centum] percent to the thoroughbred racing  
 31 corporation and fifty [per centum] percent to the harness racing associ-  
 32 ation located in such region.

33 e. For the portions of the Capital District, Catskill, Central and  
 34 Western regions included within a harness racing special betting  
 35 district, except those portions described in paragraph e of this subdi-  
 36 vision, the harness track located in such special district shall be the  
 37 "regional track" for the purposes of the distributions made pursuant to  
 38 paragraphs a and b of this subdivision.

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

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

48 (ii) when a thoroughbred corporation located in the thoroughbred  
 49 special betting district is conducting a meet and no harness race meet-  
 50 ing is being conducted by a harness association located in the harness  
 51 special betting district, the full amount to such thoroughbred corpo-  
 52 ration;

53 (iii) when no racing is being conducted the amount to be divided even-  
 54 ly between the thoroughbred track located in such thoroughbred special

1 betting district and the harness track located in such harness special  
2 betting district.

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

9 (i) for the betting region composed of the New York city, Suffolk and  
10 Nassau regions and the portion of the Catskill region outside a special  
11 betting district: when both harness and thoroughbred meets are in  
12 progress in such betting region, the balance to the association or  
13 corporation holding the same type of meet as the out-of-state race; when  
14 only a harness meet is in progress in such betting region, the balance  
15 to the harness track operator; when only a thoroughbred meet is in  
16 progress in such betting region, the balance to the thoroughbred track  
17 operator; when no meet is in progress, fifty [per centum] percent of the  
18 balance to the franchised corporation and the remainder divided among  
19 harness racing corporations or associations within such betting region;

20 (ii) for the Capital District region and the portion of the Western  
21 region outside a special betting district: when a harness meet is in  
22 progress in such region and a thoroughbred meet is in progress outside a  
23 special betting district, the balance to whichever operator is conduct-  
24 ing the same type of meet as the out-of-state race; when no harness meet  
25 is in progress, the balance to the racing association outside a special  
26 betting district; and when no meet is in progress within such region and  
27 no thoroughbred meet is in progress outside a special betting district,  
28 fifty [per centum] percent of the balance to the racing association  
29 outside a special betting district and the remainder to the licensed  
30 harness racing corporations or associations within such region;

31 (iii) for the portion of the Western region within a thoroughbred  
32 special betting district but not within a harness special betting  
33 district: when a harness meet and a thoroughbred meet are in progress  
34 within such region and the district, the balance to the association or  
35 corporation conducting the same type of meet as the out-of-state or  
36 out-of-region race; when a harness meet is in progress in such region  
37 but no thoroughbred meet is in progress in the special betting district,  
38 the balance to the harness track operator within such region; when only  
39 a thoroughbred meet is in progress in such betting region, the balance  
40 to the thoroughbred track operator; and when no meet is in progress  
41 within such region the balance is divided, forty [per centum] percent to  
42 the thoroughbred racing corporation within the district and the remain-  
43 der divided between the harness racing associations or corporations  
44 within the region provided, however, that if no more than one harness  
45 racing association or corporation is licensed to conduct a race meeting,  
46 fifty [per centum] percent to the thoroughbred racing corporation within  
47 the district and fifty [per centum] percent to the licensed harness  
48 racing association within the region;

49 (iv) for the portions of the Capital District, Catskill, Central and  
50 Western regions included in a harness special betting district: when a  
51 harness meeting is in progress in such harness special betting district  
52 and a thoroughbred meeting is in progress outside the thoroughbred  
53 special betting district, the balance to the association or corporation  
54 holding the same kind of race; when no harness meet is in progress, the  
55 balance to the racing corporation holding a thoroughbred race meeting  
56 outside the thoroughbred special betting district; when a harness meet-

1 ing is in progress in the harness special betting district and no  
2 thoroughbred meeting is in progress outside the thoroughbred special  
3 betting district, the balance to the harness track operating in such  
4 harness special betting district; when no harness meet is being held  
5 within such harness special betting district and no thoroughbred meet is  
6 being held outside the thoroughbred special betting district, fifty [per  
7 centum] percent of such amount to the harness racing corporation in such  
8 harness special betting district and fifty [per centum] percent to the  
9 thoroughbred track operator outside the thoroughbred special betting  
10 district;

11 (v) for the portions of the Catskill and Western regions included in  
12 both a thoroughbred special betting district and a harness special  
13 betting district: when a harness meet and a thoroughbred meet are in  
14 progress within both such districts the balance to the association or  
15 corporation conducting the same type of meet as the out-of-state race;  
16 when a harness meet is in progress but no thoroughbred meet the balance  
17 to the harness track operator within such district; when a thoroughbred  
18 meet is in progress but no harness meet the balance to the thoroughbred  
19 track operator in the district; and when no meet is in progress the  
20 balance to be divided evenly between the harness track operator in the  
21 harness special betting district and the thoroughbred operator located  
22 within the thoroughbred special betting district;

23 (vi) notwithstanding any contrary provision contained in this section,  
24 the portion of retained commissions from off-track pools distributable  
25 to the track holding the race shall be for regular and multiple bets:  
26 five and three-quarters [per centum] percent and for exotic bets: seven  
27 and three-quarters [per centum] percent for the three races commonly  
28 referred to as the Triple Crown consisting of the Kentucky Derby, the  
29 Preakness and the Belmont Stakes, run respectively at Churchill Downs,  
30 Kentucky, at Pimlico, Maryland and at Belmont Park, New York; addi-  
31 tionally the same commissions shall apply to the series of races known  
32 as the Breeders' Cup and the portion distributable from retained commis-  
33 sions shall be paid to the Breeders' Cup, ltd. irrespective of whether  
34 the races are held at a track within or without the state; provided,  
35 however, that as a condition precedent to the obligation of a regional  
36 corporation to make the foregoing distributions as required in this  
37 subparagraph with respect to wagers on the Belmont Stakes, such regional  
38 corporation shall have accepted wagers on at least one or both of the  
39 immediately preceding Kentucky Derby and Preakness races; and provided  
40 further that the distributable portion of such retained commissions with  
41 respect to the Belmont Stakes shall be deemed to include the additional  
42 amounts payable pursuant to the provisions of paragraph b of subdivision  
43 three of this section; and provided further, notwithstanding the forego-  
44 ing provisions of this subparagraph, that of the retained commissions  
45 resulting from off-track wagers placed in a special betting district on  
46 the Belmont Stakes, the track holding the race shall receive one per  
47 centum from regular and multiple bets and two [per centum] percent from  
48 exotic bets, and the thoroughbred track conducting racing within such  
49 district shall receive four and three-quarters [per centum] percent from  
50 regular and multiple bets, and five and three-quarters [per centum]  
51 percent from exotic bets.

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

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

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

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

24 8. From the nineteen [per centum] percent of the total deposits in  
25 pools resulting from multiple bets on thoroughbred races outside this  
26 state, two [per centum] percent shall be paid to a franchised corpo-  
27 ration to be used exclusively for the purpose of increasing purses,  
28 including stakes, premiums and prizes. Any portion of said amount not so  
29 used during any year shall be used during the following year, failing  
30 which it shall be returned to the regional corporation on or before  
31 April first in the year following the year in which it is not so used to  
32 be distributed to the participating local governments. Notwithstanding  
33 the provisions of section fifteen of chapter three hundred sixty-three  
34 of the laws of nineteen hundred eighty-four, the provisions of this  
35 subdivision shall not expire.

36 § 7. Subdivisions 1, 3, 3-a and 6 of section 532 of the racing, pari-  
37 mutuel wagering and breeding law, subdivisions 1 and 3 as amended by  
38 chapter 243 of the laws of 2020, subparagraph (vi) of paragraph b of  
39 subdivision 3 as amended by chapter 526 of the laws of 2022, and subdivi-  
40 sions 3-a and 6 as added by chapter 346 of the laws of 1990, are  
41 amended to read as follows:

42 1. Notwithstanding any other provision of law, each regional off-track  
43 betting corporation, or off-track betting operator, including the New  
44 York city off-track betting corporation, conducting off-track betting  
45 shall impose a surcharge of five percent on the portion of pari-mutuel  
46 wagering pools distributable to persons having placed bets at off-track  
47 betting facilities located within such region. The revenues derived from  
48 such surcharge[, plus the breaks,] shall be held separate and apart from  
49 any amounts otherwise authorized to be retained from pari-mutuel pools.  
50 Such surcharge is hereby levied subject to the conditions set forth in  
51 this subdivision and article ten of this chapter.

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

55 a. fifty percent to such city, or to the counties and cities entitled  
56 to receive revenues from the regional corporation pursuant to section

1 five hundred sixteen of this chapter and in the same proportion as  
2 provided therein, or to an off-track betting operator; and

3 b. the balance as follows:

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

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

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

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

17 (v) where the track conducting the race is located in a thoroughbred  
18 special betting district and is simulcasting pursuant to section one  
19 thousand eight of this chapter outside such special betting district,  
20 ninety percent to the off-track betting operator and ten percent to the  
21 county in which such track is located; and

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

26 3-a. Such five [per centum] percent surcharge herein provided is here-  
27 by increased by a supplemental one [per centum] percent surcharge on the  
28 portion of pari-mutuel wagering pools of multiple, exotic and super  
29 exotic bets distributable to persons having placed bets at off-track  
30 betting facilities to be distributed in accordance with the provisions  
31 of section five hundred nine-a or six hundred nine-a of this chapter,  
32 whichever may be applicable to the corporation with which such bets  
33 originated.

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

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

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

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

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

53 c. Every association and corporation shall distribute all sums depos-  
54 ited in any pari-mutuel pool to the holders of winning tickets therein,  
55 providing such tickets be presented for payment before April first of  
56 the year following the year of their purchase, less an amount that it

1 shall retain at the same rate established by the sending track [plus the  
2 breaks].

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

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

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

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

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

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

30 (v) The total amount of the combined pool less the combined total of  
31 all allocations as determined in subparagraphs (iii) and (iv) of this  
32 paragraph shall be credited to a special breakage account. The amount in  
33 such account giving appropriate weight to rates established for breakage  
34 shall be allocated as breaks among all operators in the combined pool in  
35 accordance with the rules and regulations of the commission. Should a  
36 minus pool eventuate in which the total combined pool is insufficient to  
37 reimburse each operator for the allocation due to it then the allocation  
38 due to each such operator shall be reduced as may be appropriate and  
39 such operator shall be responsible for satisfying its liability from its  
40 own operating capital.

41 4. In those instances in which the retention rates of the out-of-state  
42 track are different from the retention rates authorized in this section,  
43 distribution to each of the entities entitled to receive payment under  
44 section five hundred twenty-seven or article ten of this chapter after  
45 payment of state taxes and regulatory fees shall be adjusted proportion-  
46 ately in an appropriate manner to account for higher or lower retention  
47 rates. For purposes of determining payment on out-of-state wagers the  
48 retention rate shall be the amount sufficient to pay holders of winning  
49 wagers plus any payments required to be made to the out-of-state track  
50 which exceeds two [per centum] percent of handle.

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

54 a. Of the sums retained by the receiving track from simulcast pools  
55 the pari-mutuel tax shall be levied at the [lower of the pari-mutuel  
56 tax] rate [in effect on December thirty-first, nineteen hundred ninety-

1 three at the receiving track, plus ten percent of the breaks or the  
2 following rates: two percent of simulcast pools generated by regular  
3 wagers, two and one-half percent of simulcast pools generated by multi-  
4 ple wagers, and seven percent of simulcast pools generated by exotic and  
5 super exotic wagers, plus ten percent of the breaks] set forth in subdivi-  
6 vision one of section one hundred thirty-six of this chapter.

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

10 a. Of the sums retained by the operator as provided in this subdivi-  
11 sion, the pari-mutuel tax shall be levied at the [following rates plus  
12 twenty percent of the breaks: from wagers on thoroughbred races, eight-  
13 tenths of one percent of pools generated from regular wagers; one and  
14 three-tenths percent of pools generated from multiple wagers; two and  
15 eight-tenths percent of pools generated from exotic wagers; and three  
16 and one-half percent of pools generated from super exotic wagers; and  
17 from wagers on harness races, one-half of one percent of pools generated  
18 from regular wagers; one percent of pools generated from multiple  
19 wagers; two and one-half percent of pools generated from exotic wagers  
20 and three percent of pools generated from super exotic wagers] rate set  
21 forth in subdivision one of section one hundred thirty-six of this chap-  
22 ter.

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

26 i. Any facility authorized to accept wagers on out-of-state tracks  
27 shall distribute all sums deposited in any pari-mutuel pool to the hold-  
28 ers of winning tickets therein, provided such tickets are presented for  
29 payment prior to April first of the year following the year of their  
30 purchase less eighteen percent of the total deposits in pools resulting  
31 from regular bets, less twenty-one percent of the total deposits in  
32 pools resulting from multiple bets, less twenty-six percent of the total  
33 deposits in pools resulting from exotic bets, less thirty-six percent of  
34 the total deposits in pools resulting from super exotic bets [plus the  
35 breaks as defined in section two hundred thirty-six of this chapter]  
36 except that the retention rates and breaks shall be as prescribed by  
37 another state or country if such wagers are combined with those in the  
38 other state or country pursuant to section nine hundred five of this  
39 chapter.

40 (1) Of the sum so retained, the applicable tax rate shall be [one and  
41 one-half percent of all such wagers plus fifty percent of the breaks;  
42 provided, however, fifty percent of the breaks accruing from off-track  
43 betting corporations licensed in accordance with section one thousand  
44 eight of this article and from simulcast theaters licensed in accordance  
45 with section one thousand nine of this article, shall be paid to the  
46 agriculture and New York state horse breeding and development fund and  
47 to the thoroughbred breeding and development fund, the total of such  
48 payments to be apportioned fifty percent to each such fund] rate set  
49 forth in subdivision one of section one hundred thirty-six of this chap-  
50 ter.

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

1 (3) Of the sum so retained, two percent of all wagers shall be paid to  
2 a franchised corporation to be used exclusively for the purpose of  
3 increasing purses, including stakes, premiums and prizes, provided  
4 further that such amount shall not exceed the amount paid to such non-  
5 profit racing association in nineteen hundred ninety-three from wagers  
6 placed on out-of-state tracks on a day when no racing was being  
7 conducted by the non-profit racing association and a racing program was  
8 being conducted by a thoroughbred racing corporation located in the  
9 state. The excess, if any, shall be paid to a thoroughbred racing corpo-  
10 ration located in the state until August thirty-first, nineteen hundred  
11 ninety-five and on and after July nineteen, nineteen hundred ninety-six  
12 to be used exclusively for the purpose of increasing purses, including  
13 stakes, premiums and prizes.

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

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

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

34 § 14. Paragraph a, the opening paragraph of paragraph b, subparagraph  
35 1 of paragraph b, clauses (A) and (B) of subparagraph 3 of paragraph b,  
36 clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B)  
37 and (D) of subparagraph 5 of paragraph b, and clauses (A) and (B) of  
38 subparagraph 6 of paragraph b of subdivision 1 of section 1016 of the  
39 racing, pari-mutuel wagering and breeding law, paragraph a, clauses (A)  
40 and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subpar-  
41 agraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of  
42 paragraph b, clauses (A) and (B) of subparagraph 6 of paragraph b as  
43 amended by chapter 18 of the laws of 2008, the opening paragraph and  
44 subparagraph 1 of paragraph b as amended by chapter 243 of the laws of  
45 2020, are amended to read as follows:

46 a. Each off-track betting branch office accepting wagers on an out-of-  
47 state track shall accept wagers on races run at all in-state thorough-  
48 bred tracks [which] that are conducting racing programs and every simul-  
49 casting facility licensed in accordance with sections one thousand eight  
50 and one thousand nine of this article [which] that is accepting wagers  
51 and displaying the simulcast signal from an out-of-state track shall  
52 similarly accept wagers and display the signal from all in-state  
53 thoroughbred tracks conducting racing programs.

54 Any facility authorized to accept wagers on out-of-state tracks shall  
55 distribute all sums deposited in any pari-mutuel pool to the holders of  
56 winning tickets therein, provided such tickets are presented for payment

1 prior to April first of the year following the year of their purchase  
 2 less eighteen percent of the total deposits in pools resulting from  
 3 regular bets, less twenty-one percent of the total deposits in pools  
 4 resulting from multiple bets, less twenty-six percent of the total  
 5 deposits in pools resulting from exotic bets, and less twenty-seven  
 6 percent of the total deposits in pools resulting from super exotic bets,  
 7 [plus the breaks as defined in section two hundred thirty-six of this  
 8 chapter] may be required by another jurisdiction except that the  
 9 retention rates and breaks shall be as prescribed by another state or  
 10 country if such wagers are combined with those in the other state or  
 11 country pursuant to section nine hundred five of this chapter.

12 (1) Of the sums so retained, the applicable tax rates shall be as  
 13 [governed by clauses (A) and (B) of subparagraphs three, four, five and  
 14 six of this paragraph plus fifty percent of the breaks; provided, howev-  
 15 er, fifty percent of the breaks accruing from off-track betting corpo-  
 16 rations licensed in accordance with section one thousand eight of this  
 17 article and from simulcast theaters licensed in accordance with section  
 18 one thousand nine of this article, shall be paid to the agriculture and  
 19 New York State horse breeding and development fund and to the thorough-  
 20 bred breeding and development fund, the total of such payments to be  
 21 apportioned fifty percent to each such fund] as set forth in subdivision  
 22 one of section one hundred thirty-six of this chapter.

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

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
29 [State Tax	1.50	1.50	1.50	1.50]
30 Non-franchised				
31 Thoroughbred Racing				
32 corporation	0.50	0.50	0.50	0.50
33 Non-franchised				
34 Thoroughbred Racing				
35 corporation payments to purses	1.50	2.00	1.50	2.00
36 Franchised corporation	0.50	0.50	0.50	0.50
37 Franchised corporation				
38 payments to purses	2.00	2.00	2.50	4.00

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

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
44 [State Tax	1.00	1.00	1.00	1.00]
45 Non-franchised				
46 Thoroughbred Racing				
47 corporation	0.50	0.50	0.50	0.00

1	Non-franchised				
2	Thoroughbred Racing				
3	corporation payments to purses	0.50	0.50	0.50	0.50
4	Franchised corporation	2.00	1.50	1.50	2.00
5	Franchised corporation				
6	payments to purses	2.00	3.00	3.00	5.00
7	(A) Of the sums so retained on days when a franchised corporation is				
8	not conducting a race meeting within the state and a thoroughbred racing				
9	corporation is conducting a race meeting				
10					Super-
11		Regular	Multiple	Exotic	exotic
12		bets	bets	bets	bets
13	[State Tax	1.00	1.00	1.00	1.00]
14	Non-franchised				
15	Thoroughbred Racing	2.00	2.00	2.00	2.50
16	corporation payments to purses				
17	Franchised corporation	1.00	1.00	1.00	1.00
18	Franchised corporation				
19	payments to purses	2.00	2.00	2.50	4.00
20	(B) Of the sums so retained on days when a franchised corporation is				
21	conducting a race meeting within the state				
22					Super-
23		Regular	Multiple	Exotic	exotic
24		bets	bets	bets	bets
25	[State Tax	0.50	0.50	0.50	0.50]
26	Non-franchised				
27	Thoroughbred racing	0.50	0.25	0.50	0.50
28	corporation				
29	Non-franchised				
30	Thoroughbred racing	0.50	0.25	0.50	0.50
31	corporation payments to purses				
32	Franchised corporation	2.25	2.25	2.00	2.50
33	Franchised corporation				
34	payments to purses	2.25	3.25	3.00	4.50
35	(A) Of the sums so retained on days when a franchised corporation is				
36	not conducting a race meeting within the state and a thoroughbred racing				
37	corporation is conducting a race meeting				
38					Super-
39		Regular	Multiple	Exotic	exotic
40		bets	bets	bets	bets
41	[State Tax	1.50	1.50	1.50	1.50]

1	Non-franchised				
2	Thoroughbred racing	0.25	0.25	0.25	0.50
3	corporation				
4	Non-franchised				
5	Thoroughbred racing	0.75	1.00	0.75	1.00
6	corporation payments to purses				
7	Franchised corporation	0.25	0.25	0.25	0.25
8	Franchised corporation				
9	payments to purses	1.00	1.00	2.25	2.00
10	(B) Of the sums so retained on days when a franchised corporation is				
11	conducting a race meeting within the state				
12					Super-
13		Regular	Multiple	Exotic	exotic
14		bets	bets	bets	bets
15	[State Tax	1.00	1.00	1.00	1.00]
16	Non-franchised				
17	Thoroughbred racing				
18	corporation	0.25	0.25	0.25	0.25
19	Non-franchised				
20	Thoroughbred racing				
21	corporation payments to purses	0.25	0.25	0.25	0.25
22	Franchised corporation	1.00	0.75	0.75	1.00
23	Franchised corporation				
24	payments to purses	1.00	1.50	1.50	2.50
25	(D) For wagers placed at a thoroughbred racing corporation the state				
26	tax shall be the amounts specified in [clauses (A) and (B) of this				
27	subparagraph] <u>subdivision one of section one hundred thirty-six of this</u>				
28	<u>chapter</u> and retention thereafter shall be identical to sums retained for				
29	each type of on-track wager.				
30	(A) Of the sums so retained on days when a franchised corporation is				
31	not conducting a race meeting within the state and a thoroughbred racing				
32	corporation is conducting a race meeting				
33					Super-
34		Regular	Multiple	Exotic	exotic
35		bets	bets	bets	bets
36	[State Tax	1.00	1.00	1.00	1.00]
37	Non-franchised				
38	Thoroughbred Racing				
39	corporation payments to purses	1.00	1.00	1.00	1.25
40	Franchised corporation	0.50	0.50	0.50	0.50
41	Franchised corporation				
42	payments to purses	1.00	1.00	1.25	2.00

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

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
3				
4				
5				
6 [State Tax	0.50	0.50	0.50	0.50]
7 Non-franchised				
8 Thoroughbred Racing				
9 corporation	0.25	0.25	0.25	0.25
10 Non-franchised				
11 Thoroughbred Racing				
12 corporation payments to purses	0.25	0.25	0.25	0.25
13 Franchised corporation	1.25	1.25	1.00	1.25
14 Franchised corporation				
15 payments to purses	1.25	2.00	1.50	2.25

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

19 1. Of the sums so retained, the applicable tax rates shall be as set  
 20 forth in [this paragraph plus fifty percent of the breaks; provided,  
 21 however, fifty percent of the breaks accruing from an off-track betting  
 22 corporation licensed in accordance with section one thousand eight of  
 23 this article and from simulcast theatres licensed in accordance with  
 24 section one thousand nine of this article, shall be paid to the agricul-  
 25 ture and New York state horse breeding and development fund] subdivision  
 26 one of section one hundred thirty-six of this chapter.

27 § 16. This act shall take effect immediately.

28

#### PART X

29 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel  
 30 wagering and breeding law, as amended by section 1 of part HH of chapter  
 31 59 of the laws of 2025, is amended to read as follows:

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

42 b. Notwithstanding any other provision of law or regulation to the  
 43 contrary, from April first, two thousand twenty-two to March thirty-  
 44 first, two thousand twenty-three, twenty-three percent of the funds, not  
 45 to exceed two and one-half million dollars, in the Catskill off-track  
 46 betting corporation's capital acquisition fund established pursuant to  
 47 this section, and twenty-three percent of the funds, not to exceed four  
 48 hundred forty thousand dollars, in the Capital off-track betting corpo-



1 ration's capital acquisition fund established pursuant to this section,  
2 shall be available to such off-track betting corporations for the  
3 purposes of statutory obligations, payroll, and expenditures necessary  
4 to accept authorized wagers.

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

22 d. Notwithstanding any other provision of law or regulation to the  
23 contrary, from April first, two thousand twenty-four to March thirty-  
24 first, two thousand twenty-five, twenty-three percent of the funds, not  
25 to exceed two and one-half million dollars, in the Catskill off-track  
26 betting corporation's capital acquisition fund established pursuant to  
27 this section, and one million dollars in the Capital off-track betting  
28 corporation's capital acquisition fund established pursuant to this  
29 section, shall be available to such off-track betting corporation for  
30 the purposes of expenditures necessary to accept authorized wagers; past  
31 due statutory obligations to New York licensed or franchised racing  
32 corporations or associations; past due contractual obligations due to  
33 other racing associations or organizations for the costs of acquiring a  
34 simulcast signal; past due statutory payment obligations due to the New  
35 York state thoroughbred breeding and development fund corporation, agri-  
36 culture and New York state horse breeding development fund, and the  
37 Harry M. Zweig memorial fund for equine research; and past due obli-  
38 gations due the state.

39 e. Notwithstanding any other provision of law or regulation to the  
40 contrary, from April first, two thousand twenty-five to March thirty-  
41 first, two thousand twenty-six, one million dollars in the Capital off-  
42 track betting corporation's capital acquisition fund established pursu-  
43 ant to this section shall be available to such off-track betting  
44 corporation for the purposes of expenditures necessary to accept author-  
45 ized wagers; past due statutory obligations to New York licensed or  
46 franchised racing corporations or associations; past due contractual  
47 obligations due to other racing associations or organizations for the  
48 cost of acquiring a simulcast signal; past due statutory payment obli-  
49 gations due to the New York state thoroughbred breeding and development  
50 fund corporation, agriculture and New York state horse breeding develop-  
51 ment fund, and the Harry M. Zweig memorial fund for equine research; and  
52 past due obligations due the state.

53 f. Notwithstanding any other provision of law or regulation to the  
54 contrary, from April first, two thousand twenty-six to March thirty-  
55 first, two thousand twenty-seven, one million dollars in the Capital  
56 off-track betting corporation's capital acquisition fund established



1 pursuant to this section, shall be available to such off-track betting  
2 corporation for the purposes of expenditures necessary to accept author-  
3 ized wagers; past due statutory obligations to New York licensed or  
4 franchised racing corporations or associations; past due contractual  
5 obligations due to other racing associations or organizations for the  
6 cost of acquiring a simulcast signal; past due statutory payment obli-  
7 gations due to the New York state thoroughbred breeding and development  
8 fund corporation, agriculture and New York state horse breeding develop-  
9 ment fund, and the Harry M. Zweig memorial fund for equine research; and  
10 past due obligations due the state.

11 g. Prior to a corporation being able to utilize the funds authorized  
12 by paragraph c, d [or], e or f of this subdivision, the corporation must  
13 attest that the surcharge monies from section five hundred thirty-two of  
14 this chapter are being held separate and apart from any amounts other-  
15 wise authorized to be retained from pari-mutuel pools and all surcharge  
16 monies have been and will continue to be paid to the localities as  
17 prescribed in law. Once this condition is satisfied, the corporation  
18 must submit an expenditure plan to the gaming commission for review.  
19 Such plan shall include the corporation's outstanding liabilities,  
20 projected revenue for the upcoming year, a detailed explanation of how  
21 the funds will be used, and any other information necessary to detail  
22 such plan as determined by the commission. Upon review, the commission  
23 shall make a determination as to whether the requirements of this para-  
24 graph have been satisfied and notify the corporation of expenditure plan  
25 approval. In the event the commission determines the requirements of  
26 this paragraph have not been satisfied, the commission shall notify the  
27 corporation of all deficiencies necessary for approval. As a condition  
28 of such expenditure plan approval, the corporation shall provide a  
29 report to the commission no later than the last day of the calendar year  
30 for which the funds are requested, which shall include an accounting of  
31 the use of such funds. At such time, the commission may cause an inde-  
32 pendent audit to be conducted of the corporation's books to ensure that  
33 all moneys were spent as indicated in such approved plan. The audit  
34 shall be paid for from money in the fund established by this section. If  
35 the audit determines that a corporation used the money authorized under  
36 this section for a purpose other than one listed in their expenditure  
37 plan, then the corporation shall reimburse the capital acquisition fund  
38 for the unauthorized amount.

39 § 2. This act shall take effect immediately.

40

#### PART Y

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

45 (a) Any racing association or corporation or regional off-track  
46 betting corporation, authorized to conduct pari-mutuel wagering under  
47 this chapter, desiring to display the simulcast of horse races on which  
48 pari-mutuel betting shall be permitted in the manner and subject to the  
49 conditions provided for in this article may apply to the commission for  
50 a license so to do. Applications for licenses shall be in such form as  
51 may be prescribed by the commission and shall contain such information  
52 or other material or evidence as the commission may require. No license  
53 shall be issued by the commission authorizing the simulcast transmission  
54 of thoroughbred races from a track located in Suffolk county. The fee

1 for such licenses shall be five hundred dollars per simulcast facility  
2 and for account wagering licensees that do not operate either a simul-  
3 cast facility that is open to the public within the state of New York or  
4 a licensed racetrack within the state, twenty thousand dollars per year  
5 payable by the licensee to the commission for deposit into the general  
6 fund. Except as provided in this section, the commission shall not  
7 approve any application to conduct simulcasting into individual or group  
8 residences, homes or other areas for the purposes of or in connection  
9 with pari-mutuel wagering. The commission may approve simulcasting into  
10 residences, homes or other areas to be conducted jointly by one or more  
11 regional off-track betting corporations and one or more of the follow-  
12 ing: a franchised corporation, thoroughbred racing corporation or a  
13 harness racing corporation or association; provided (i) the simulcasting  
14 consists only of those races on which pari-mutuel betting is authorized  
15 by this chapter at one or more simulcast facilities for each of the  
16 contracting off-track betting corporations which shall include wagers  
17 made in accordance with [section] sections one thousand fifteen, one  
18 thousand sixteen and one thousand seventeen of this article; provided  
19 further that the contract provisions or other simulcast arrangements for  
20 such simulcast facility shall be no less favorable than those in effect  
21 on January first, two thousand five; (ii) that each off-track betting  
22 corporation having within its geographic boundaries such residences,  
23 homes or other areas technically capable of receiving the simulcast  
24 signal shall be a contracting party; (iii) the distribution of revenues  
25 shall be subject to contractual agreement of the parties except that  
26 statutory payments to non-contracting parties, if any, may not be  
27 reduced; provided, however, that nothing herein to the contrary shall  
28 prevent a track from televising its races on an irregular basis primari-  
29 ly for promotional or marketing purposes as found by the commission. For  
30 purposes of this paragraph, the provisions of section one thousand thir-  
31 teen of this article shall not apply. Any agreement authorizing an  
32 in-home simulcasting experiment commencing prior to May fifteenth, nine-  
33 teen hundred ninety-five, may, and all its terms, be extended until June  
34 thirtieth, two thousand [twenty-six] twenty-seven; provided, however,  
35 that any party to such agreement may elect to terminate such agreement  
36 upon conveying written notice to all other parties of such agreement at  
37 least forty-five days prior to the effective date of the termination,  
38 via registered mail. Any party to an agreement receiving such notice of  
39 an intent to terminate, may request the commission to mediate between  
40 the parties new terms and conditions in a replacement agreement between  
41 the parties as will permit continuation of an in-home experiment until  
42 June thirtieth, two thousand [twenty-six] twenty-seven; and (iv) no  
43 in-home simulcasting in the thoroughbred special betting district shall  
44 occur without the approval of the regional thoroughbred track.

45 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
46 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
47 section 2 of subpart B of part FF of chapter 59 of the laws of 2025, is  
48 amended to read as follows:

49 (iii) Of the sums retained by a receiving track located in Westchester  
50 county on races received from a franchised corporation, for the period  
51 commencing January first, two thousand eight and continuing through June  
52 thirtieth, two thousand [twenty-six] twenty-seven, the amount used  
53 exclusively for purses to be awarded at races conducted by such receiv-  
54 ing track shall be computed as follows: of the sums so retained, two and  
55 one-half percent of the total pools. Such amount shall be increased or  
56 decreased in the amount of fifty percent of the difference in total

1 commissions determined by comparing the total commissions available  
2 after July twenty-first, nineteen hundred ninety-five to the total  
3 commissions that would have been available to such track prior to July  
4 twenty-first, nineteen hundred ninety-five.

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

9 The provisions of this section shall govern the simulcasting of races  
10 conducted at thoroughbred tracks located in another state or country on  
11 any day during which a franchised corporation is conducting a race meet-  
12 ing in Saratoga county at Saratoga thoroughbred racetrack until June  
13 thirtieth, two thousand [twenty-six] twenty-seven and on any day regard-  
14 less of whether or not a franchised corporation is conducting a race  
15 meeting in Saratoga county at Saratoga thoroughbred racetrack after June  
16 thirtieth, two thousand [twenty-six] twenty-seven. On any day on which  
17 a franchised corporation has not scheduled a racing program but a  
18 thoroughbred racing corporation located within the state is conducting  
19 racing, each off-track betting corporation branch office and each simul-  
20 casting facility licensed in accordance with section one thousand seven  
21 (that has entered into a written agreement with such facility's repre-  
22 sentative horsemen's organization, as approved by the commission), one  
23 thousand eight, or one thousand nine of this article shall be authorized  
24 to accept wagers and display the live simulcast signal from thoroughbred  
25 tracks located in another state or foreign country subject to the  
26 following provisions:

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

30 1. The provisions of this section shall govern the simulcasting of  
31 races conducted at harness tracks located in another state or country  
32 during the period July first, nineteen hundred ninety-four through June  
33 thirtieth, two thousand [twenty-six] twenty-seven. This section shall  
34 supersede all inconsistent provisions of this chapter.

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

39 The provisions of this section shall govern the simulcasting of races  
40 conducted at thoroughbred tracks located in another state or country on  
41 any day during which a franchised corporation is not conducting a race  
42 meeting in Saratoga county at Saratoga thoroughbred racetrack until June  
43 thirtieth, two thousand [twenty-six] twenty-seven. Every off-track  
44 betting corporation branch office and every simulcasting facility  
45 licensed in accordance with section one thousand seven that have entered  
46 into a written agreement with such facility's representative horsemen's  
47 organization as approved by the commission, one thousand eight or one  
48 thousand nine of this article shall be authorized to accept wagers and  
49 display the live full-card simulcast signal of thoroughbred tracks  
50 (which may include quarter horse or mixed meetings provided that all  
51 such wagering on such races shall be construed to be thoroughbred races)  
52 located in another state or foreign country, subject to the following  
53 provisions; provided, however, no such written agreement shall be  
54 required of a franchised corporation licensed in accordance with section  
55 one thousand seven of this article:



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

4 Notwithstanding any other provision of this chapter, for the period  
5 commencing July twenty-fifth, two thousand one through September eighth,  
6 two thousand [twenty-five] twenty-six, when a franchised corporation is  
7 conducting a race meeting within the state at Saratoga Race Course,  
8 every off-track betting corporation branch office and every simulcasting  
9 facility licensed in accordance with section one thousand seven (that  
10 has entered into a written agreement with such facility's representative  
11 horsemen's organization as approved by the commission), one thousand  
12 eight or one thousand nine of this article shall be authorized to accept  
13 wagers and display the live simulcast signal from thoroughbred tracks  
14 located in another state, provided that such facility shall accept  
15 wagers on races run at all in-state thoroughbred tracks which are  
16 conducting racing programs subject to the following provisions;  
17 provided, however, no such written agreement shall be required of a  
18 franchised corporation licensed in accordance with section one thousand  
19 seven of this article.

20 § 7. Section 54 of chapter 346 of the laws of 1990, amending the  
21 racing, pari-mutuel wagering and breeding law and other laws relating to  
22 simulcasting and the imposition of certain taxes, as amended by section  
23 8 of subpart B of part FF of chapter 59 of the laws of 2025, is amended  
24 to read as follows:

25 § 54. This act shall take effect immediately; provided, however,  
26 sections three through twelve of this act shall take effect [on] January  
27 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
28 ing law, as added by section thirty-eight of this act, shall expire and  
29 be deemed repealed on July 1, [2026] 2027; and section eighteen of this  
30 act shall take effect [on] July 1, 2008 and sections fifty-one and  
31 fifty-two of this act shall take effect as of the same date as chapter  
32 772 of the laws of 1989 took effect.

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

37 (a) The franchised corporation authorized under this chapter to  
38 conduct pari-mutuel betting at a race meeting or races run thereat shall  
39 distribute all sums deposited in any pari-mutuel pool to the holders of  
40 winning tickets therein, provided such tickets are presented for payment  
41 before April first of the year following the year of their purchase,  
42 less an amount that shall be established and retained by such franchised  
43 corporation of between twelve to seventeen percent of the total deposits  
44 in pools resulting from on-track regular bets, and fourteen to twenty-  
45 one percent of the total deposits in pools resulting from on-track  
46 multiple bets and fifteen to twenty-five percent of the total deposits  
47 in pools resulting from on-track exotic bets and fifteen to thirty-six  
48 percent of the total deposits in pools resulting from on-track super  
49 exotic bets[, plus the breaks]. The retention rate to be established is  
50 subject to the prior approval of the commission. Such rate may not be  
51 changed more than once per calendar quarter to be effective on the first  
52 day of the calendar quarter. "Exotic bets" and "multiple bets" shall  
53 have the meanings set forth in section five hundred nineteen of this  
54 chapter. "Super exotic bets" shall have the meaning set forth in section  
55 three hundred one of this chapter. For purposes of this section, a "pick  
56 six bet" shall mean a single bet or wager on the outcomes of six races.

1 [The breaks are hereby defined as the odd cents over any multiple of  
2 five for payoffs greater than one dollar five cents but less than five  
3 dollars, over any multiple of ten for payoffs greater than five dollars  
4 but less than twenty-five dollars, over any multiple of twenty-five for  
5 payoffs greater than twenty-five dollars but less than two hundred fifty  
6 dollars, or over any multiple of fifty for payoffs over two hundred  
7 fifty dollars.] Out of the amount so retained there shall be paid by  
8 such franchised corporation to the commissioner of taxation and finance,  
9 as a reasonable tax by the state for the privilege of conducting pari-  
10 mutuel betting on the races run at the race meetings held by such fran-  
11 chised corporation, the following percentages of the total pool for  
12 regular and multiple bets plus five percent of regular bets and four percent  
13 of multiple bets plus twenty percent of the breaks; for exotic wagers  
14 seven and one-half percent plus twenty percent of the breaks, and for  
15 super exotic bets seven and one-half percent plus fifty percent of the  
16 breaks.

17 For the period April first, two thousand one through December thirty-  
18 first, two thousand [twenty-six] twenty-seven, such tax on all wagers  
19 shall be one and six-tenths percent, plus, in each such period, twenty  
20 percent of the breaks. Payment to the New York state thoroughbred breed-  
21 ing and development fund by such franchised corporation shall be one-  
22 half of one percent of total daily on-track pari-mutuel pools resulting  
23 from regular, multiple and exotic bets and three percent of super exotic  
24 bets and for the period commencing April first, two thousand one through  
25 December thirty-first, two thousand [twenty-six] twenty-seven, such  
26 payment shall be seven-tenths of one percent of regular, multiple and  
27 exotic pools.

28 § 9. This act shall take effect immediately.

29

#### PART Z

30 Section 1. Subdivision 1 of section 220 of the racing, pari-mutuel  
31 wagering and breeding law, as amended by section 2 of part NN of chapter  
32 59 of the laws of 2025, is amended to read as follows:

33 1. For the purpose of maintaining a proper control over race meetings  
34 conducted pursuant to sections two hundred five and two hundred six of  
35 this article, the commission shall license owners, which term shall be  
36 deemed to include part-owners and lessees, trainers, assistant trainers  
37 and jockeys, jockey agents, stable employees, non-publicly appointed  
38 members of the board of a franchised corporation, and such other persons  
39 as the commission may by rule prescribe at running races and at steeple-  
40 chases, provided, however, that no such license shall be required for  
41 seasonal employees hired solely to work for no longer than six weeks  
42 during the summer meet at Saratoga racetrack, and any such other times  
43 as race dates historically assigned to Belmont Park are conducted at the  
44 Saratoga racetrack in two thousand twenty-four [and], two thousand twen-  
45 ty-five and two thousand twenty-six as approved in writing by the  
46 commission. In the event that a proposed licensee is other than a  
47 natural person, the commission shall require by regulation disclosure of  
48 the names and addresses of all owners of an interest in such entity. The  
49 commission may retain, employ or appoint such officers, employees and  
50 agents, as it may deem necessary to receive, examine and make recommen-  
51 dations, for the consideration of the commission, in respect of applica-  
52 tions for such licenses; prescribe their duties in connection therewith,  
53 and fix their compensation therefor within the limitations prescribed by  
54 law. Each applicant for a license shall pay to the commission an annual

1 license fee as follows: owner's license, if a renewal, fifty dollars,  
 2 and if an original application, one hundred dollars; trainer's license,  
 3 thirty dollars; assistant trainer's license, thirty dollars; jockey's  
 4 license, fifty dollars; jockey agent's license, twenty dollars; and  
 5 stable employee's license, five dollars. Each applicant may apply for a  
 6 two-year or three-year license by payment to the commission of the  
 7 appropriate multiple of the annual fee. The commission may by rule fix  
 8 the license fees to be paid by other persons required to be licensed by  
 9 the rules of the commission, not to exceed thirty dollars per category.  
 10 The application for the license shall be in writing in such form as the  
 11 commission may prescribe, and contain such information as the commission  
 12 may require. The commission shall henceforth cause all applicants for  
 13 licenses to be photographed and fingerprinted and may issue identifica-  
 14 tion cards to licensees. Such fingerprints shall be submitted to the  
 15 division of criminal justice services for a state criminal history  
 16 record check, as defined in subdivision one of section three thousand  
 17 thirty-five of the education law, and may be submitted to the federal  
 18 bureau of investigation for a national criminal history record check. A  
 19 fee equal to the actual cost of issuance shall be charged for the  
 20 initial issuance of such identification cards. Each such license unless  
 21 revoked for cause shall be for the period of no more than one, two or  
 22 three years, determined by rule of the commission, expiring on the  
 23 applicant's birth date. Licenses of non-publicly appointed members of  
 24 the board of a franchised corporation shall be issued without fee and  
 25 remain in effect for the duration of their board service. Licenses  
 26 current on the effective date of this provision shall not be reduced in  
 27 duration by this provision. An applicant who applies for a license that,  
 28 if issued, would take effect less than six months prior to the appli-  
 29 cant's birth date may, by payment of a fifty percent higher fee, receive  
 30 a license which shall not expire until the applicant's second succeeding  
 31 birth date. All receipts of the commission derived from the operation of  
 32 this section shall be paid by it into the state treasury on or before  
 33 the tenth day of each month. All officials connected with the actual  
 34 conduct of racing shall be subject to approval by the commission.

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

40

## PART AA

41 Section 1. Clause (vii) of subparagraph (B) of paragraph 1 of  
 42 subsection (a) of section 601 of the tax law, as amended by section 1 of  
 43 part B of chapter 59 of the laws of 2025, is amended as follows:

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

47 If the New York taxable income is:	The tax is:
48 Not over \$17,150	[3.90%] <u>3.75%</u> of the New York taxable
49	income
50 Over \$17,150 but not over \$23,600	[\$669] <u>\$643</u> plus [4.40%]
51	<u>4%</u> of excess over
52	\$17,150
53 Over \$23,600 but not over \$27,900	[\$953] <u>\$901</u> plus [5.15%]
54	<u>4.25%</u> of excess over



1		\$23,600
2	Over \$27,900 but not over \$161,550	[\$1,174] <u>\$1,084</u> plus
3		[5.40%] <u>4.50%</u> of excess over
4		\$27,900
5	Over \$161,550 but not over \$323,200	[\$8,391] <u>\$7,098</u> plus
6		[5.90%] <u>5%</u> of excess over
7		\$161,550
8	Over \$323,200 but not over	[\$17,928] <u>\$15,181</u> plus 6.85% of
9	\$2,155,350	excess over \$323,200
10	Over \$2,155,350 but not over	[\$143,430] <u>\$140,683</u> plus 9.65% of
11	\$5,000,000	excess over \$2,155,350
12	Over \$5,000,000 but not over	[\$417,939] <u>\$415,192</u> plus [10.30%]
13	[\$25,000,000] <u>\$10,000,000</u>	<u>10.50%</u> of excess over
14		\$5,000,000
15	<u>Over \$10,000,000 but not</u>	<u>\$940,192 plus 10.75% of excess</u>
16	<u>over \$25,000,000</u>	<u>over \$10,000,000</u>
17	Over \$25,000,000 <u>but not</u>	[\$2,477,939] <u>\$2,552,692</u> plus
18	<u>over \$100,000,000</u>	[10.90%] <u>11.75%</u> of
19		excess over \$25,000,000
20	<u>Over \$100,000,000</u>	<u>\$11,365,192 plus 12% of excess</u>
21		<u>over \$10,000,000</u>

22 § 2. Clause (viii) of subparagraph (B) of paragraph 1 of subsection  
 23 (a) of section 601 of the tax law is REPEALED and clause (ix) of such  
 24 subparagraph, as added by section 2 of part B of chapter 59 of the laws  
 25 of 2025, is renumbered clause (viii) and amended to read as follows:

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

28	If the New York taxable income is:	The tax is:
29	Not over \$17,150	[3.80%] <u>3.75%</u> of the New York taxable income
30		
31	Over \$17,150 but not over \$23,600	[\$652] <u>\$643</u> plus [4.30%] <u>4%</u> of excess over \$17,150
32		
33	Over \$23,600 but not over \$27,900	[\$929] <u>\$901</u> plus [5.05%] <u>4.25%</u> of excess over \$23,600
34		
35	Over \$27,900 but not over \$161,550	[\$1,146] <u>\$1,084</u> plus [5.30%] <u>4.50%</u> of excess over \$27,900
36		
37	Over \$161,550 but not over \$323,200	[\$8,229] <u>\$7,098</u> plus [5.80%] <u>5%</u> of excess over \$161,550
38		
39		
40	Over \$323,200 but not over	[\$17,605] <u>\$15,181</u> plus 6.85% of
41	\$2,155,350	excess over \$323,200
42	Over \$2,155,350	[\$143,107] <u>\$140,683</u> plus 8.82% of
43		excess over \$2,155,350

44 § 3. Clause (vii) of subparagraph (B) of paragraph 1 of subsection (b)  
 45 of section 601 of the tax law, as amended by section 3 of part B of  
 46 chapter 59 of the laws of 2025, is amended to read as follows:

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

50	If the New York taxable income is:	The tax is:
51	Not over \$12,800	[3.90%] <u>3.75%</u> of the New York taxable income
52		
53	Over \$12,800 but not over	[\$499] <u>\$480</u> plus [4.40%] <u>4%</u> of excess over \$12,800
54	\$17,650	

1	Over \$17,650 but not over	[\$712] <u>\$674</u> plus [5.15%]
2	\$20,900	<u>4.25%</u> of excess over \$17,650
3	Over \$20,900 but not over	[\$879] <u>\$812</u> plus [5.40%]
4	\$107,650	<u>4.50%</u> of excess over \$20,900
5	Over \$107,650 but not over	[\$5,564] <u>\$4,716</u> plus [5.90%]
6	\$269,300	<u>5%</u> of excess over \$107,650
7	Over \$269,300 but not over	[\$15,101] <u>\$12,798</u> plus 6.85%
8	\$1,616,450	of excess over \$269,300
9	Over \$1,616,450 but not over	[\$107,381] <u>\$105,078</u> plus 9.65%
10	\$5,000,000	of excess over \$1,616,450
11	Over \$5,000,000 but not over	[\$433,894] <u>\$431,591</u> plus
12	[\$25,000,000] <u>\$10,000,000</u>	[10.30%] <u>10.50%</u> of excess
13		over \$5,000,000
14	<u>Over \$10,000,000 but not over</u>	<u>\$956,591</u> plus <u>10.75%</u> of excess
15	<u>\$25,000,000</u>	<u>over \$10,000,000</u>
16	Over \$25,000,000 <u>but not</u>	[\$2,493,894] <u>\$2,569,091</u>
17	<u>over \$100,000,000</u>	plus [10.90%] <u>11.75%</u> of
18		excess over \$25,000,000
19	<u>Over \$100,000,000</u>	<u>\$11,381,591</u> plus <u>12%</u> of excess
20		<u>over \$10,000,000</u>

21 § 4. Clause (viii) of subparagraph (B) of paragraph 1 of subsection  
 22 (b) of section 601 of the tax law is REPEALED and clause (ix) of such  
 23 subparagraph, as added by section 4 of part B of chapter 59 of the laws  
 24 of 2025, is renumbered clause (viii) and amended to read as follows:  
 25 (viii) For taxable years beginning after two thousand thirty-two the  
 26 following rates shall apply:

27	If the New York taxable income is:	The tax is:
28	Not over \$12,800	[3.80%] <u>3.75%</u> of the New York
29		taxable income
30	Over \$12,800 but not over	[\$486] <u>\$480</u> plus [4.30%]
31	\$17,650	<u>4%</u> of excess over \$12,800
32	Over \$17,650 but not over	[\$695] <u>\$674</u> plus [5.05%]
33	\$20,900	<u>4.25%</u> of excess over \$17,650
34	Over \$20,900 but not over	[\$859] <u>\$812</u> plus [5.30%]
35	\$107,650	<u>4.50%</u> of excess over \$20,900
36	Over \$107,650 but not over	[\$5,457] <u>\$4,716</u> plus [5.80%]
37	\$269,300	<u>5%</u> of excess over \$107,650
38	Over \$269,300 but not over	[\$14,833] <u>\$12,798</u> plus
39	\$1,616,450	6.85% of excess over \$269,300
40	Over \$1,616,450	[\$107,113] <u>\$105,078</u> plus 8.82%
41		of excess over \$1,616,450

42 § 5. Clause (vii) of subparagraph (B) of paragraph 1 of subsection (c)  
 43 of section 601 of the tax law, as amended by section 5 of part B of  
 44 chapter 59 of the laws of 2025, is amended to read as follows:

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

48	If the New York taxable income is:	The tax is:
49	Not over \$8,500	[3.90%] <u>3.75%</u> of the New York
50		taxable income
51	Over \$8,500 but not over \$11,700	[\$332] <u>\$319</u> plus [4.40%]
52		<u>4%</u> of excess over \$8,500
53	Over \$11,700 but not over \$13,900	[\$473] <u>\$447</u> plus [5.15%]

1		<u>4.25%</u> of excess over \$11,700
2	Over \$13,900 but not over \$80,650	[\$586] <u>\$540</u> plus [5.40%]
3		<u>4.50%</u> of excess over \$13,900
4	Over \$80,650 but not over \$215,400	[\$4,191] <u>\$3,544</u> plus [5.90%]
5		<u>5%</u> of excess over \$80,650
6	Over \$215,400 but not over	[\$12,141] <u>\$10,282</u> plus 6.85%
7	\$1,077,550	of excess over \$215,400
8	Over \$1,077,550 but not over	[\$71,198] <u>\$69,339</u> plus 9.65%
9	\$5,000,000	of excess over \$1,077,550
10	Over \$5,000,000 but not over	[\$449,714] <u>\$447,855</u> plus [10.30%]
11	[\$25,000,000] <u>\$10,000,000</u>	<u>10.50%</u> of excess over \$5,000,000
12	<u>Over \$10,000,000 but</u>	<u>\$972,855</u> plus <u>10.75%</u> of excess
13	<u>not over \$25,000,000</u>	<u>over \$10,000,000</u>
14	<u>Over \$25,000,000 but</u>	[\$2,509,714] <u>\$2,585,355</u> plus
15	<u>not over \$100,000,000</u>	[10.90%] <u>11.75%</u> of excess
16		over \$25,000,000
17	<u>Over \$100,000,000</u>	<u>\$11,397,855</u> plus <u>12% of excess</u>
18		<u>over \$100,000,000</u>

19 § 6. Clause (viii) of subparagraph (B) of paragraph 1 of subsection  
20 (c) of section 601 of the tax law is REPEALED and clause (ix) of such  
21 subparagraph, as added by section 6 of part B of chapter 59 of the laws  
22 of 2025, is renumbered clause (viii) and amended to read as follows:

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

25	If the New York taxable income is:	The tax is:
26	Not over \$8,500	[3.80%] <u>3.75%</u> of the New York taxable income
27		
28	Over \$8,500 but not over \$11,700	[\$323] <u>\$319</u> plus [4.30%]
29		<u>4%</u> of excess over \$8,500
30	Over \$11,700 but not over \$13,900	[\$461] <u>\$447</u> plus [5.05%]
31		<u>4.25%</u> of excess over \$11,700
32	Over \$13,900 but not over \$80,650	[\$572] <u>\$540</u> plus [5.30%]
33		<u>4.50%</u> of excess over \$13,900
34	Over \$80,650 but not over \$215,400	[\$4,110] <u>\$3,544</u> plus [5.80%]
35		<u>5%</u> of excess over \$80,650
36	Over \$215,400 but not over	[\$11,926] <u>\$10,282</u> plus 6.85% of
37	\$1,077,550	excess over \$215,400
38	Over \$1,077,550	[\$70,983] <u>\$69,339</u> plus 8.82% of
39		excess over \$1,077,550

40 § 7. Subsection (d-6) of section 601 of the tax law is REPEALED and  
41 subsection (d-7) is relettered subsection (d-6).

42 § 8. Subsections (d-5) and (d-6) of Section 601 of the tax law, as  
43 added by section 8 of part B of chapter 59 of the laws of 2025, and  
44 subsection (d-6) as relettered by section seven of this act, are amended  
45 to read as follows:

46 (d-5) Alternative tax table benefit recapture. Notwithstanding the  
47 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4) [,] or (d-6) [or  
48 (d-7)] of this section, for taxable years beginning on or after two  
49 thousand twenty-six and before two thousand [twenty-seven] thirty-three,  
50 there is hereby imposed a supplemental tax in addition to the tax  
51 imposed under subsections (a), (b) and (c) of this section for the  
52 purpose of recapturing the benefit of the tax tables contained in such  
53 subsections. During these taxable years, any reference in this chapter

1 to subsection (d), (d-1), (d-2), (d-3), (d-4) [,] or (d-6) [or (d-7)] of  
 2 this section shall be read as a reference to this subsection.

3 (1) For resident married individuals filing joint returns and resident  
 4 surviving spouses:

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

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

9 Greater than	Not over	Recapture Base	Incremental Benefit
10 \$27,900	\$161,550	\$0	[\$333] \$172
11 \$161,550	\$323,200	[\$333] \$172	\$807
12 \$323,200	\$2,155,350	[\$1,140] \$979	
13			[\$3,071] \$5,979
14 \$2,155,350	\$5,000,000	[\$4,211] \$6,959	\$60,350
15 \$5,000,000	[\$25,000,000]	\$10,000,000	
16		[\$64,561] \$67,308	[\$32,500] \$42,500
17 \$10,000,000	\$25,000,000	\$109,808	\$25,000

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

20 Greater than	Not over	Applicable Amount
21 \$27,900	\$161,550	New York adjusted gross income minus \$107,650
22 \$161,550	\$323,200	New York adjusted gross income minus \$161,550
23 \$323,200	\$2,155,350	New York adjusted gross income minus \$323,200
24 \$2,155,350	\$5,000,000	New York adjusted gross income minus \$2,155,350
25 \$5,000,000	[\$25,000,000]	New York adjusted gross income minus \$5,000,000
26	\$10,000,000	
27 \$10,000,000	\$25,000,000	<u>New York adjusted gross income minus</u> \$10,000,000

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

32 (iv) the supplemental tax due shall equal the sum of the recapture  
 33 base and the product of (i) the incremental benefit and (ii) the phase-  
 34 in fraction. Provided, however, that if the New York taxable income of  
 35 the taxpayer is less than twenty-seven thousand nine hundred dollars,  
 36 the supplemental tax shall equal the difference between the product of  
 37 [5.40] 4.50 percent and New York taxable income and the tax table compu-  
 38 tation on the New York taxable income set forth in paragraph one of  
 39 subsection (a) of this section, multiplied by a fraction, the numerator  
 40 of which is the lesser of fifty thousand dollars or New York adjusted  
 41 gross income minus one hundred seven thousand six hundred fifty dollars,  
 42 and the denominator of which is fifty thousand dollars.

43 (B) If New York adjusted gross income is greater than twenty-five  
 44 million dollars but less than or equal to one hundred million dollars,  
 45 the supplemental tax due shall equal the difference between the product  
 46 of [10.90] 11.75 percent and New York taxable income and the tax table  
 47 computation on the New York taxable income set forth in paragraph one of  
 48 subsection (a) of this section.

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

54 (2) For resident heads of households:

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

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

3 Greater than	Not over	Recapture Base	Incremental Benefit
4 \$107,650	\$269,300	\$0	[\$787] <u>\$667</u>
5 \$269,300	\$1,616,450	[\$787] <u>\$667</u>	[\$2,559] <u>\$4,982</u>
6 \$1,616,450	\$5,000,000	[\$3,346] <u>\$5,649</u>	\$45,260
7 \$5,000,000	[\$25,000,000]	[\$48,606]	[\$32,500]
8	<u>\$10,000,000</u>	<u>\$50,909</u>	<u>\$42,500</u>
9 <u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>\$93,409</u>	<u>\$25,000</u>

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

12 Greater than	Not over	Applicable Amount
13 \$107,650	\$269,300	New York adjusted gross income minus \$107,650
14 \$269,300	\$1,616,450	New York adjusted gross income minus \$269,300
15 \$1,616,450	\$5,000,000	New York adjusted gross income minus \$1,616,450
16 \$5,000,000	[\$25,000,000]	New York adjusted gross income minus \$5,000,000
17	<u>\$10,000,000</u>	
18 <u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus</u> <u>\$10,000,000</u>

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

23 (iv) the supplemental tax due shall equal the sum of the recapture  
24 base and the product of (i) the incremental benefit and (ii) the phase-  
25 in fraction. Provided, however, that if the New York taxable income of  
26 the taxpayer is less than one hundred seven thousand six hundred fifty  
27 dollars, the supplemental tax shall equal the difference between the  
28 product of [5.90] 5 percent and New York taxable income and the tax  
29 table computation on the New York taxable income set forth in paragraph  
30 one of subsection (b) of this section, multiplied by a fraction, the  
31 numerator of which is the lesser of fifty thousand dollars or New York  
32 adjusted gross income minus one hundred seven thousand six hundred fifty  
33 dollars, and the denominator of which is fifty thousand dollars.

34 (B) If New York adjusted gross income is greater than twenty-five  
35 million dollars but less than or equal to one hundred million dollars,  
36 the supplemental tax due shall equal the difference between the product  
37 of [10.90] 11.75 percent and New York taxable income and the tax table  
38 computation on the New York taxable income set forth in paragraph one of  
39 subsection (b) of this section.

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

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

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

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

51 Greater than	Not over	Recapture Base	Incremental Benefit
52 \$80,650	\$215,400	\$0	[\$567] <u>\$488</u>
53 \$215,400	\$1,077,550	[\$567] <u>\$488</u>	[\$2,047] <u>\$3,985</u>
54 \$1,077,550	\$5,000,000	[\$2,614] <u>\$4,473</u>	\$30,172
55 \$5,000,000	[\$25,000,000]	[\$32,786]	[\$32,500]

1		<u>\$10,000,000</u>	<u>\$34,645</u>	<u>\$42,500</u>
2	<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>\$77,145</u>	<u>\$25,000</u>

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

5	Greater than	Not over	Applicable Amount	
6	\$80,650	\$215,400	New York adjusted gross income minus	\$107,650
7	\$215,400	\$1,077,550	New York adjusted gross income minus	\$215,400
8	\$1,077,550	\$5,000,000	New York adjusted gross income minus	\$1,077,550
9	\$5,000,000	[\$25,000,000]	New York adjusted gross income minus	\$5,000,000
10		<u>\$10,000,000</u>		
11	<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus</u>	
12			<u>\$10,000,000</u>	

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

16 (iv) the supplemental tax due shall equal the sum of the recapture  
17 base and the product of (i) the incremental benefit and (ii) the phase-  
18 in fraction. Provided, however, that if the New York taxable income of  
19 the taxpayer is less than eighty thousand six hundred fifty dollars, the  
20 supplemental tax shall equal the difference between the product of  
21 [5.90] 5 percent and New York taxable income and the tax table computa-  
22 tion on the New York taxable income set forth in paragraph one of  
23 subsection (c) of this section, multiplied by a fraction, the numerator  
24 of which is the lesser of fifty thousand dollars or New York adjusted  
25 gross income minus one hundred seven thousand six hundred fifty dollars,  
26 and the denominator of which is fifty thousand dollars.

27 (B) If New York adjusted gross income is greater than twenty-five  
28 million dollars but less than or equal to one hundred million dollars,  
29 the supplemental tax due shall equal the difference between the product  
30 of [10.90] 11.75 percent and New York taxable income and the tax table  
31 computation on the New York taxable income set forth in paragraph one of  
32 subsection (c) of this section.

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

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

48 (1) For resident married individuals filing joint returns and resident  
49 surviving spouses:

50 (A) If New York adjusted gross income is greater than \$107,650:  
51 (i) the recapture base and incremental benefit shall be determined by  
52 New York taxable income as follows:

53	Greater than	Not over	Recapture Base	Incremental Benefit
54	\$27,900	\$161,550	\$0	[\$333] <u>\$172</u>
55	\$161,550	\$323,200	[\$333] <u>\$172</u>	\$808
56	\$323,200	\$2,155,350	[\$1,141] <u>\$979</u>	[\$3,393] <u>\$5,979</u>

1 \$2,155,350 [4,534] \$6,959 \$42,461

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

4 Greater than	Not over	Applicable Amount	
5 \$27,900	\$161,550	New York adjusted gross income minus	\$107,650
6 \$161,550	\$323,200	New York adjusted gross income minus	\$161,550
7 \$323,200	\$2,155,350	New York adjusted gross income minus	\$323,200
8 \$2,155,350		New York adjusted gross income minus	\$2,155,350

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

12 (iv) the supplemental tax due shall equal the sum of the recapture  
13 base and the product of (i) the incremental benefit and (ii) the phase-  
14 in fraction. Provided, however, that if the New York taxable income of  
15 the taxpayer is less than twenty-seven thousand nine hundred dollars,  
16 the supplemental tax shall equal the difference between the product of  
17 [5.30] 4.50 percent and New York taxable income and the tax table compu-  
18 tation on the New York taxable income set forth in paragraph one of  
19 subsection (a) of this section, multiplied by a fraction, the numerator  
20 of which is the lesser of fifty thousand dollars or New York adjusted  
21 gross income minus one hundred seven thousand six hundred fifty dollars,  
22 and the denominator of which is fifty thousand dollars.

23 (2) For resident heads of households:

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

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

27 Greater than	Not over	Recapture Base	Incremental Benefit
28 \$107,650	\$269,300	\$0	[\$787] <u>\$667</u>
29 \$269,300	\$1,616,450	[\$787] <u>\$667</u>	[\$2,827] <u>\$4,982</u>
30 \$1,616,450		[\$3,614] <u>\$5,649</u>	\$31,844

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

33 Greater than	Not over	Applicable Amount	
34 \$107,650	\$269,300	New York adjusted gross income minus	\$107,650
35 \$269,300	\$1,616,450	New York adjusted gross income minus	\$269,300
36 \$1,616,450		New York adjusted gross income minus	\$1,616,450

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

40 (iv) the supplemental tax due shall equal the sum of the recapture  
41 base and the product of (i) the incremental benefit and (ii) the phase-  
42 in fraction. Provided, however, that if the New York taxable income of  
43 the taxpayer is less than one hundred seven thousand six hundred fifty  
44 dollars, the supplemental tax shall equal the difference between the  
45 product of [5.80] 5 percent and New York taxable income and the tax  
46 table computation on the New York taxable income set forth in paragraph  
47 one of subsection (b) of this section, multiplied by a fraction, the  
48 numerator of which is the lesser of fifty thousand dollars or New York  
49 adjusted gross income minus one hundred seven thousand six hundred fifty  
50 dollars, and the denominator of which is fifty thousand dollars.

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

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

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

	Greater than	Not over	Recapture Base	Incremental Benefit
1				
2	\$80,650	\$215,400	\$0	[\$568] \$488
3	\$215,400	\$1,077,550	[\$568] \$488	[\$2,261] \$3,985
4	\$1,077,550		[\$2,829] \$4,473	\$21,228

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

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

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

14 (iv) the supplemental tax due shall equal the sum of the recapture  
15 base and the product of (i) the incremental benefit and (ii) the phase-  
16 in fraction. Provided, however, that if the New York taxable income of  
17 the taxpayer is less than eighty thousand six hundred fifty dollars, the  
18 supplemental tax shall equal the difference between the product of  
19 [5.80] 5 percent and New York taxable income and the tax table computa-  
20 tion on the New York taxable income set forth in paragraph one of  
21 subsection (c) of this section, multiplied by a fraction, the numerator  
22 of which is the lesser of fifty thousand dollars or New York adjusted  
23 gross income minus one hundred seven thousand six hundred fifty dollars,  
24 and the denominator of which is fifty thousand dollars.

25 § 9. This act shall take effect immediately.

26

## PART BB

27 Section 1. Short title. This act shall be known and may be cited as  
28 the "protecting our wallets energy rebate (POWER) check program".

29 § 2. Legislative intent. In an effort to provide relief to the rising  
30 cost of utility bills, this act will provide direct financial assistance  
31 to residential utility ratepayers in the form of a rebate check to miti-  
32 gate increased energy costs and promote affordability.

33 § 3. Section 606 of the tax law is amended by adding a new subsection  
34 (uuu) to read as follows:

35 (uuu) Protecting our wallets energy rebate (POWER) credit. (1) Defi-  
36 initions. For the purpose of this subsection:

37 (a) "Department" means the New York state department of taxation and  
38 finance.

39 (b) "Commission" means the New York state public service commission.

40 (c) "Commissioner" means the New York state commissioner of the  
41 department of taxation and finance.

42 (d) "Electric corporation" shall have the same meaning as such term is  
43 defined in section two of the public service law.

44 (e) "Combination gas and electric corporation" shall have the same  
45 meaning as such term is defined in section two of the public service  
46 law.

47 (f) "Municipality" shall have the same meaning as such term is defined  
48 in section two of the public service law.

49 (g) "Residential utility ratepayer" means a natural person who was a  
50 full-year resident in the state of New York in tax year two thousand  
51 twenty-four, as determined by the department, and who is receiving resi-  
52 dential electric service, as of January first, two thousand twenty-six,  
53 from an electric corporation, combination gas and electric corporation,  
54 municipality, or from the Long Island power authority or its service



1 provider; and who shall have had New York adjusted gross income of three  
2 hundred thousand dollars or less in tax year two thousand twenty-four if  
3 they filed a New York state resident income tax return, regardless of  
4 filing status.

5 (h) "Taxpayer" shall mean residential utility ratepayer, for purposes  
6 of this subsection only.

7 (2) A taxpayer who meets the eligibility standards in paragraph one of  
8 this subsection shall be allowed a credit against the taxes imposed by  
9 this article in the amount specified in paragraph three of this  
10 subsection for tax year two thousand twenty-six. Notwithstanding any  
11 other provision of law, rule or regulation to the contrary, the depart-  
12 ment and the department of public service shall be required to work in  
13 conjunction to develop and administer this credit, which shall be called  
14 the "protecting our wallets energy rebate" credit program. Provided,  
15 however, the department shall ultimately be responsible for issuing  
16 credit pursuant to this subsection, with direct consultation from the  
17 department of public service and the commission on eligibility and other  
18 standards. Provided, further, the department, the department of public  
19 service, and the commission, shall have the authority to promulgate any  
20 rules and regulations to effectuate the purposes of this subsection.

21 (3) (a) For taxpayers who meet the eligibility standards in paragraph  
22 one of this subsection who filed a New York state resident income tax  
23 return, regardless of filing status with New York adjusted gross income  
24 of greater than one hundred fifty thousand dollars but no greater than  
25 three hundred thousand dollars in tax year two thousand twenty-four, the  
26 credit amount shall be three hundred dollars.

27 (b) For taxpayers who meet the eligibility standards in paragraph one  
28 of this subsection who filed a New York state resident income tax  
29 return, regardless of filing status, with New York adjusted gross income  
30 of no greater than one hundred fifty thousand dollars, the credit amount  
31 shall be five hundred dollars. Provided, however, under no circumstance  
32 shall an eligible taxpayer receive more than one credit under this  
33 subsection.

34 (4) The amount of credit shall be treated as an overpayment of tax to  
35 be credited or refunded in accordance with the provisions of section six  
36 hundred eighty-six of this article, provided, however, that no interest  
37 shall be paid thereon. The commissioner shall determine the taxpayer's  
38 eligibility for this credit, pursuant to the provisions of paragraph one  
39 of this subsection, utilizing the information available to the commis-  
40 sioner pursuant to the provisions of paragraph five of this subsection.  
41 For those taxpayers whom the commissioner has determined eligible for  
42 this credit authorized by this subsection, in direct consultation with  
43 the department of public service and the commission, the commissioner  
44 shall advance a payment in the amount specified in paragraph three of  
45 this subsection, which shall be delivered to eligible taxpayers on or  
46 before the fifteenth of October of two thousand twenty-six. A taxpayer  
47 who failed to receive an advance payment that they believe was due, or  
48 who received an advance payment that they believe is less than the  
49 amount that was due, may request payment of the claimed deficiency in a  
50 manner prescribed by the commissioner.

51 (5) Notwithstanding any other provision of law, rule or regulation to  
52 the contrary, employees and officers of an electric corporation, combi-  
53 nation gas and electric corporation, municipality, or the Long Island  
54 power authority or its service provider, shall be allowed and are  
55 directed to share and exchange information required to identify residen-  
56 tial utility ratepayers eligible for the credit allowed pursuant to this



1 subsection, with the department and the department of public service.  
 2 Provided, however, any such information shared pursuant to this  
 3 subsection shall remain confidential and shall be used only for the  
 4 purposes of this subsection.

5 (6) Notwithstanding any other provision of law, rule or regulation to  
 6 the contrary, any credit paid pursuant to this subsection, to the extent  
 7 includible in gross income for federal income tax purposes, shall not be  
 8 subject to state or local income tax.

9 § 4. This act shall take effect immediately.

10

## PART CC

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

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

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

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

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

27	<u>If the number of</u>	<u>Income no greater than:</u>
28	<u>dependents is:</u>	
29	<u>1</u>	<u>\$37,874</u>
30	<u>2</u>	<u>\$47,718</u>
31	<u>3</u>	<u>\$56,154</u>
32	<u>4</u>	<u>\$62,873</u>
33	<u>5</u>	<u>\$70,422</u>
34	<u>6</u>	<u>\$77,421</u>
35	<u>7 or more</u>	<u>\$94,613</u>

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

39	<u>If the number of</u>	<u>Income no greater than:</u>
40	<u>dependents is:</u>	
41	<u>1</u>	<u>\$32,432</u>
42	<u>2</u>	<u>\$37,910</u>
43	<u>3</u>	<u>\$47,883</u>
44	<u>4</u>	<u>\$55,295</u>
45	<u>5</u>	<u>\$61,697</u>
46	<u>6</u>	<u>\$67,650</u>
47	<u>7</u>	<u>\$76,766</u>
48	<u>8 or more</u>	<u>\$90,968</u>

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

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

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

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

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

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

28 (3) For purposes of this subsection:

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

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

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

37

## PART DD

38 Section 1. Short title. This act shall be known and may be cited as  
39 the "savings accounts for a variable economy (SAVE) for small businesses  
40 act".

41 § 2. The tax law is amended by adding a new section 50 to read as  
42 follows:

43 § 50. Small business savings accounts. (a) General. (1) The commis-  
44 sioner shall establish a program to administer small business savings  
45 accounts under this section.

46 (2) The commissioner shall establish minimum standards for small busi-  
47 ness savings accounts and shall establish accounts, or enter into agree-  
48 ments that meet these standards to administer such accounts. In estab-  
49 lishing such standards and making such agreements the commissioner  
50 shall, to the extent practicable, seek to minimize fees, minimize risk  
51 of loss of principal, and ensure a range of investment risk options  
52 available to account beneficiaries. Any eligible small business may  
53 establish a small business savings account with respect to such business  
54 under terms which meet the requirements of this section.



1 (b) Definition. For the purposes of this section, the term "small  
2 business savings account" means a tax preferred savings account which is  
3 designated at the time of establishment of the plan as a small business  
4 savings account. Such designation shall be made in such manner as the  
5 commissioner may by regulation prescribe.

6 (c) Contributions. (1) There shall be allowed as a deduction an amount  
7 equal to the contributions to a small business savings account for the  
8 taxable year.

9 (2) The aggregate amount of contributions for any taxable year to all  
10 small business savings accounts maintained for the benefit of an eligi-  
11 ble small business shall not exceed an amount equal to ten percent of  
12 the entire net income of greater than zero but less than two hundred  
13 fifty thousand dollars for article nine-A taxpayers and ten percent of  
14 the New York source gross income of greater than zero but less than two  
15 hundred fifty thousand dollars for a limited liability company, partner-  
16 ship, or New York S corporation.

17 (d) Distributions. (1) Any qualified distribution from a small busi-  
18 ness savings account shall not be includible in gross income.

19 (2) Any amounts distributed out of a small business savings account  
20 that are not qualified distributions shall be included in gross income  
21 for the taxable year of the distribution.

22 (3) For purposes of this section:

23 (A) The term "qualified distribution" means any amount:

24 (i) distributed from a small business savings account during a speci-  
25 fied period of economic hardship; and

26 (ii) the distribution of which is certified by the taxpayer as part of  
27 a plan which provides for the reinvestment of such distribution for the  
28 funding of worker hiring or financial stabilization for the purposes of  
29 job retention or creation.

30 (B) The term "specified period of economic hardship" means:

31 (i) any one-year period beginning immediately after the end of any two  
32 consecutive quarters during which the annual rate of real gross domestic  
33 product (as determined by the Bureau of Economic Analysis of the Depart-  
34 ment of Commerce) decreases, or

35 (ii) any period, in no event shorter than one year, specified by the  
36 commissioner for purposes of this section.

37 (C) The commissioner may specify a period under clause (ii) of subpara-  
38 graph (B) of this paragraph with respect to a specified area in the  
39 case of an area determined by the governor to warrant assistance from  
40 the Federal Government under the Robert T. Stafford Disaster Relief and  
41 Emergency Assistance Act.

42 (D) The commissioner shall, for each specified period of economic  
43 hardship establish a distribution limitation for qualified distributions  
44 from eligible small business accounts with respect to such period. The  
45 aggregate qualified distributions for any such period from all accounts  
46 with respect to an eligible small business shall not exceed such limita-  
47 tion.

48 (E) Any distribution not used in the manner certified under subpara-  
49 graph (A) of this paragraph shall be treated as a distribution other  
50 than a qualified distribution in the taxable year of such distribution.

51 (F) Any amount contributed to a small business savings account (and  
52 any earnings attributable thereto), once distributed, shall not be  
53 treated as a qualified distribution unless such distribution is made not  
54 later than eight years after the date of such contribution. For purposes  
55 of this subparagraph, amounts (and the earnings attributable thereto)  
56 shall be treated as distributed on a first-in first-out basis.

1 (e) Eligible small business. For purposes of this section:

2 (1) The term "eligible small business" means, with respect to any  
3 calendar year, any person if the annual average number of full-time  
4 employees employed by such person during the preceding calendar year was  
5 twenty-five or fewer and such person has an annual net income of less  
6 than two hundred fifty thousand dollars. For purposes of this paragraph,  
7 a preceding calendar year may be taken into account only if the person  
8 was in existence throughout the year.

9 (2) (A) The term "full-time employee" means, with respect to any year,  
10 an employee who is employed on average at least forty hours of service  
11 per week.

12 (B) The commissioner shall prescribe such regulations, rules, and  
13 guidance as may be necessary to determine the hours of service of an  
14 employee, including rules for the application of this subdivision to  
15 employees who are not compensated on an hourly basis.

16 (f) Effect of pledging account as security. If, during any taxable  
17 year of the eligible small business for whose benefit an account is  
18 established, the account or any portion thereof is pledged as security  
19 for a loan, the portion so pledged shall be treated as distributed in a  
20 distribution other than a qualified distribution.

21 (g) Annual report. The commissioner shall prepare and deliver an annu-  
22 al report on the efficacy of small business savings accounts to the  
23 temporary president of the senate and the speaker of the assembly. Such  
24 report shall include, but not be limited to, an evaluation as to whether  
25 small business savings accounts contribute to financial stabilization of  
26 the small business during times of economic hardship, job retention or  
27 creation.

28 § 3. Paragraph (a) of subdivision 9 of section 208 of the tax law is  
29 amended by adding a new subparagraph 24 to read as follows:

30 (24) For taxable years beginning on or after January first, two thou-  
31 sand twenty-six, contributions and qualified distributions by an eligi-  
32 ble small business, as such term is defined pursuant to section fifty of  
33 this chapter.

34 § 4. Paragraph (b) of subdivision 9 of section 208 of the tax law is  
35 amended by adding a new subparagraph 28 to read as follows:

36 (28) For taxable years beginning on or after January first, two thou-  
37 sand twenty-six, any amounts of ineligible contributions and distrib-  
38 utions described in section fifty of this chapter.

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

41 (48) For taxable years beginning on or after January first, two thou-  
42 sand twenty-six, contributions and qualified distributions by an eligi-  
43 ble small business, as such term is defined pursuant to section fifty of  
44 this chapter.

45 § 6. Subsection (b) of section 612 of the tax law is amended by adding  
46 a new paragraph 44 to read as follows:

47 (44) For taxable years beginning on or after January first, two thou-  
48 sand twenty-six, any amounts of ineligible contributions and distrib-  
49 utions described in section fifty of this chapter.

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

52

PART EE



1 Section 1. Subparagraph (A) of paragraph 39 of subsection (c) of  
2 section 612 of the tax law, as amended by section 1 of part C of chapter  
3 59 of the laws of 2022, is amended to read as follows:

4 (A) In the case of a taxpayer who is a small business or a taxpayer  
5 who is a member, partner, or shareholder of a limited liability company,  
6 partnership, or New York S corporation, respectively, that is a small  
7 business, who or which has business income and/or farm income as defined  
8 in the laws of the United States, an amount equal to [fifteen] twenty-  
9 five percent of the net items of income, gain, loss and deduction  
10 attributable to such business or farm entering into federal adjusted  
11 gross income, but not less than zero.

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

14

## PART FF

15 Section 1. Section 210-B of the tax law is amended by adding a new  
16 subdivision 63 to read as follows:

17 63. Credit for certain food donations to qualified community-based  
18 organizations. (a) Allowance of credit. (i) In the case of an eligible  
19 taxpayer that is a food service establishment, there shall be allowed a  
20 credit, to be computed as hereinafter provided against the tax imposed  
21 by this article for taxable years beginning on and after January first,  
22 two thousand twenty-six. The amount of the credit shall be fifty  
23 percent of the fair market value of the taxpayer's qualified donations  
24 up to seven dollars per qualified donation made to any eligible communi-  
25 ty-based organization during the taxable year, not to exceed ten thou-  
26 sand dollars total per taxable year. If the taxpayer is a partner in a  
27 partnership, then the cap imposed by the preceding sentence shall be  
28 applied at the entity level, so the aggregate credit allowed to all  
29 partners of such entity in the taxable year does not exceed ten thousand  
30 dollars.

31 (ii) In the case of an eligible taxpayer that is not a food service  
32 establishment, there shall be allowed a credit, to be computed as here-  
33 inafter provided against the tax imposed by this article for taxable  
34 years beginning on and after January first, two thousand twenty-six. The  
35 amount of the credit shall be fifty percent of the fair market value of  
36 the taxpayer's qualified donations made to any eligible community-based  
37 organization during the taxable year, not to exceed fifty thousand  
38 dollars total per taxable year. If the taxpayer is a partner in a part-  
39 nership, then the cap imposed by the preceding sentence shall be applied  
40 at the entity level, so the aggregate credit allowed to all partners of  
41 such entity in the taxable year does not exceed fifty thousand dollars.

42 (b) Definitions. For the purposes of this subdivision, the following  
43 terms shall have the following meanings:

44 (i) "Eligible taxpayer" means a "food service establishment" or a  
45 manufacturer, distributor, wholesaler, or retailer primarily engaged in  
46 the sale, manufacture, or distribution of food within New York state.

47 (ii) "Food service establishment" means a taxpayer whose federal gross  
48 income from prepared food sales for the taxable year is at least half of  
49 such taxpayer's federal gross income.

50 (iii) "Qualified food donation" means any wholesome, edible food fit  
51 for human consumption, including perishable or prepared foods, donated  
52 to an eligible community-based organization in compliance with applica-  
53 ble state and federal food safety laws. A qualified donation shall not  
54 be transferred by the eligible taxpayer to the eligible community-based



1 organization in exchange for money, property, services, or any other  
2 consideration.

3 (iv) "Eligible community-based organization" means any program operat-  
4 ing within this state that accepts or distributes perishable or prepared  
5 meals and has qualified for tax exemption under section 501(c)(3) of the  
6 internal revenue code.

7 (c) Record of donation. (i) To claim a credit under this subdivision,  
8 a taxpayer must get and keep a receipt from the eligible community-based  
9 organization showing: (1) the name of the eligible community-based  
10 organization; (2) the date and location of the qualified donation; and  
11 (3) a reasonably detailed description of the qualified food donation, in  
12 a manner to be prescribed by the commissioner.

13 (ii) A letter or other written communication from the eligible commu-  
14 nity-based organization acknowledging receipt of the contribution and  
15 containing the information in clauses one, two, and three of subpara-  
16 graph (i) of this paragraph shall serve as a receipt.

17 (d) Refundability. If the amount of credit allowed under this subdi-  
18 vision for any taxable year reduces the tax due for such year to less  
19 than the fixed dollar minimum amount prescribed in paragraph (d) of  
20 subdivision one of section two hundred ten of this article or if the  
21 taxpayer otherwise pays tax based on the fixed dollar minimum amount,  
22 any amount of credit due in such taxable year shall be treated as an  
23 overpayment of tax to be credited or refunded in accordance with the  
24 provisions of section one thousand eighty-six of this chapter. Provided,  
25 however, the provisions of subsection (c) of section one thousand eight-  
26 y-eight of this chapter notwithstanding, no interest shall be paid ther-  
27 eon.

28 (e) Allocation of credit. (i) The aggregate amount of tax credits  
29 allowed under this subdivision in any taxable year for eligible taxpay-  
30 ers that are food service establishments shall be ten million dollars.

31 (ii) The aggregate amount of tax credits allowed under this subdivision  
32 in any taxable year for eligible taxpayers not considered a food service  
33 establishment shall be fifteen million dollars. (iii) Such credit shall  
34 be allocated by the department in order of priority based upon the date  
35 of filing an application for allocation of credit for qualified food  
36 donations to eligible community-based organizations with such depart-  
37 ment. (iv) If the total amount of allocated credits applied for in any  
38 particular year exceeds the aggregate amount of tax credits allowed for  
39 such year under this subdivision, such excess shall be treated as having  
40 been applied for on the first day of the subsequent taxable year. (v)  
41 Provided, however, that for taxable years beginning on or after January  
42 first, two thousand twenty-six, if the total amount of allocated credits  
43 applied for in any particular year is less than the aggregate amount of  
44 tax credits allowed for such year under this subdivision, any unused  
45 portion may be carried over and added to the aggregate amount of credits  
46 allowed in the next succeeding taxable year or years.

47 (f) Rules and regulations. The commissioner shall have the authority  
48 to promulgate rules and regulations as may be necessary for the documen-  
49 tation, certification, application procedures, and granting of tax cred-  
50 its and refunds under this subdivision.

51 § 2. Section 606 of the tax law is amended by adding a new subsection  
52 (www) to read as follows:

53 (www) Credit for certain food donations to qualified community-based  
54 organizations. (a) Allowance of credit. (i) In the case of an eligible  
55 taxpayer that is a food service establishment, there shall be allowed a  
56 credit, to be computed as hereinafter provided against the tax imposed

1 by this article for taxable years beginning on and after January first,  
2 two thousand twenty-six. The amount of the credit shall be fifty percent  
3 of the fair market value of the taxpayers qualified donations up to  
4 seven dollars per qualified donation made to any eligible community-  
5 based organization during the taxable year, not to exceed ten thousand  
6 dollars total per taxable year. If the taxpayer is a partner in a part-  
7 nership or a shareholder of a New York S corporation, then the cap  
8 imposed by the preceding sentence shall be applied at the entity level,  
9 so the aggregate credit allowed to all partners or shareholders of such  
10 entity in the taxable year does not exceed ten thousand dollars.

11 (ii) In the case of an eligible taxpayer that is not a food service  
12 establishment, there shall be allowed a credit, to be computed as here-  
13 inafter provided against the tax by this article for taxable years  
14 beginning on and after January first, two thousand twenty-six. The  
15 amount of the credit shall be fifty percent of the fair market value of  
16 the taxpayer's qualified donations made to any eligible community-based  
17 organization during the taxable year, not to exceed fifty thousand  
18 dollars per taxable year. If the taxpayer is a partner in a partnership  
19 or a shareholder of a New York S corporation, then the cap imposed by  
20 the preceding sentence shall be applied at the entity level, so the  
21 aggregate credit allowed to all partners or shareholders of such entity  
22 in the taxable year does not exceed fifty thousand dollars.

23 (b) Definitions. For purposes of this subsection, the following terms  
24 shall have the following meanings:

25 (i) "Eligible taxpayer" means a "food service establishment" or a  
26 manufacturer, distributor, wholesaler, or retailer primarily engaged in  
27 the sale, manufacture, or distribution of food within New York state.

28 (ii) "Food service establishment" means a taxpayer whose federal gross  
29 income from prepared food sales for the taxable year is at least half of  
30 such taxpayer's federal gross income.

31 (iii) "Qualified food donation" means any wholesome, edible food fit  
32 for human consumption, including perishable or prepared foods, donated  
33 to an eligible community-based organization in compliance with the  
34 applicable state and federal food safety laws. A qualified donation  
35 shall not be transferred by the eligible taxpayer to the eligible commu-  
36 nity-based organization in exchange for money, property, services, or  
37 any other consideration.

38 (iv) "Eligible community-based organization" means any program operat-  
39 ing within this state that accepts or distributes perishable or prepared  
40 meals and has qualified for the tax exemption under section 501(c) (3) of  
41 the internal revenue code.

42 (c) Record of donation. (i) To claim a credit under this subsection, a  
43 taxpayer shall obtain and keep a receipt from the eligible community-  
44 based organization showing: (1) the name of the eligible community-based  
45 organization; (2) the date and location of the qualified donation; and  
46 (3) a reasonably detailed description of the qualified food donation, in  
47 a manner to be prescribed by the commissioner.

48 (d) Refundability. If the amount of credit allowed under this  
49 subsection for any taxable year shall exceed the eligible taxpayer's tax  
50 for such year, the excess shall be treated as an overpayment of tax to  
51 be credited or refunded in accordance with the provisions of section six  
52 hundred eighty-six of this article, provided, however, that no interest  
53 shall be paid thereon.

54 (e) Allocation of credit. (i) The aggregate amount of tax credits  
55 allowed under this subsection in any taxable year for eligible taxpayers  
56 that are food service establishments shall be ten million dollars. (ii)

1 The aggregate amount of tax credits allowed under this subsection in any  
 2 taxable year for eligible taxpayers not considered a food service estab-  
 3 lishment shall be fifteen million dollars. (iii) Such credit shall be  
 4 allocated by the department in order of priority based upon the date of  
 5 filing an application for allocation of credit for qualified food  
 6 donations to eligible community-based organizations with such depart-  
 7 ment. (iv) If the total amount of allocated credits applied for in any  
 8 particular year exceeds the aggregate amount of tax credits allowed for  
 9 such year under this subsection, such excess shall be treated as having  
 10 been applied for on the first day of the subsequent taxable year. (v)  
 11 Provided, however, that for taxable years beginning on or after January  
 12 first, two thousand twenty-six, if the total amount of allocated credits  
 13 applied for in any particular year is less than the aggregate amount of  
 14 tax credits allowed for such year under this subsection, any unused  
 15 portion may be carried over and added to the aggregate amount of credits  
 16 allowed in the next succeeding taxable year or years.

17 (f) Rules and regulations. The commissioner shall have the authority  
 18 to promulgate rules and regulations as may be necessary for the documen-  
 19 tation, certification, application procedures, and granting of tax cred-  
 20 its and refunds under this subsection.

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

24 <u>(liii) Tax credit for certain</u>	<u>Amount of credit under</u>
25 <u>food donations to qualified</u>	<u>subdivision sixty-three</u>
26 <u>community-based organizations</u>	<u>of section two hundred</u>
27 <u>under subsection (www).</u>	<u>ten-B</u>

28 § 4. Authority to issue tax credit. Any city in this state having a  
 29 population of one million or more inhabitants, acting through its local  
 30 legislative body, is hereby authorized and empowered to adopt and amend  
 31 local laws and rules offering a tax credit according to the provisions  
 32 in this act for the city personal income tax under article thirty of the  
 33 tax law.

34 § 5. This act shall take effect immediately, and shall apply to taxa-  
 35 ble years beginning on or after January 1, 2026.

36

## PART GG

37 Section 1. Paragraph (a) of subdivision 52 of section 210-B of the tax  
 38 law, as added by section 4 of part DDD of chapter 59 of the laws of  
 39 2017, is amended to read as follows:

40 (a) General. In the case of a taxpayer that is an eligible farmer,  
 41 there shall be allowed a credit, to be computed as hereinafter provided  
 42 against the tax imposed by this article for taxable years beginning on  
 43 and after January first, two thousand eighteen and before January first,  
 44 two thousand twenty-six. The amount of the credit shall be twenty-five  
 45 percent of the fair market value of the taxpayer's qualified donations  
 46 made to any eligible food pantry during the taxable year, not to exceed  
 47 five thousand dollars per taxable year. If the taxpayer is a partner in  
 48 a partnership, then the cap imposed by the preceding sentence shall be  
 49 applied at the entity level, so that the aggregate credit allowed to all  
 50 partners of such entity in the taxable year does not exceed five thou-  
 51 sand dollars. Provided, however, that for taxable years beginning on and  
 52 after January first, two thousand twenty-six the amount of the credit  
 53 shall be fifty percent of the fair market value of the taxpayer's quali-  
 54 fied donations made to any eligible food pantry during the taxable year,



1 not to exceed twenty thousand dollars per taxable year. If the taxpayer  
2 is a partner in a partnership, then the cap imposed by the preceding  
3 sentence shall be applied at the entity level, so that the aggregate  
4 credit allowed to all partners of such entity in the taxable year does  
5 not exceed twenty thousand dollars.

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

9 (1) General. In the case of a taxpayer who is an eligible farmer,  
10 there shall be allowed a credit, to be computed as hereinafter provided,  
11 against the tax imposed by this article for taxable years beginning on  
12 and after January first, two thousand eighteen and before January first,  
13 two thousand twenty-six. The amount of the credit shall be twenty-five  
14 percent of the fair market value of the taxpayer's qualified donations  
15 made to any eligible food pantry during the taxable year, not to exceed  
16 five thousand dollars per taxable year. If the taxpayer is a partner in  
17 a partnership or a shareholder of a New York S corporation, then the cap  
18 imposed by the preceding sentence shall be applied at the entity level,  
19 so that the aggregate credit allowed to all partners or shareholders of  
20 such entity in the taxable year does not exceed five thousand dollars.  
21 Provided, however, that for taxable years beginning on and after January  
22 first, two thousand twenty-six the amount of the credit shall be fifty  
23 percent of the fair market value of the taxpayer's qualified donations  
24 made to any eligible food pantry during the taxable year, not to exceed  
25 twenty thousand dollars per taxable year. If the taxpayer is a partner  
26 in a partnership or a shareholder of a New York S corporation, then the  
27 cap imposed by the preceding sentence shall be applied at the entity  
28 level, so that the aggregate credit allowed to all partners or share-  
29 holders of such entity in the taxable year does not exceed twenty thou-  
30 sand dollars.

31 § 3. This act shall take effect immediately.

32

#### PART HH

33 Section 1. Paragraphs 2 and 3 of subsection (pp) of section 606 of the  
34 tax law, paragraph 2 as amended by section 4 of part RR of chapter 59 of  
35 the laws of 2018 and paragraph 3 as added by chapter 547 of the laws of  
36 2006, are amended and a new paragraph 13 is added to read as follows:

37 (2) (A) With respect to any particular residence of a taxpayer, the  
38 credit allowed under paragraph one of this subsection shall not exceed  
39 fifty thousand dollars for taxable years beginning on or after January  
40 first, two thousand ten and before January first, two thousand twenty-  
41 five and twenty-five thousand dollars for taxable years beginning on or  
42 after January first, two thousand twenty-five and before January first,  
43 two thousand twenty-six. Provided, however, for taxable years beginning  
44 on or after January first, two thousand twenty-six the credit allowed  
45 under paragraph one of this subsection shall not exceed fifty thousand  
46 dollars. In the case of a [husband and wife] married couple, the amount  
47 of the credit shall be divided between them equally or in such other  
48 manner as they may both elect. If a taxpayer incurs qualified rehabili-  
49 tation expenditures in relation to more than one residence in the same  
50 year, the total amount of credit allowed under paragraph one of this  
51 subsection for all such expenditures shall not exceed fifty thousand  
52 dollars for taxable years beginning on or after January first, two thou-  
53 sand ten and before January first, two thousand twenty-five and twenty-  
54 five thousand dollars for taxable years beginning on or after January

1 first, two thousand twenty-five and before January first, two thousand  
2 twenty-six. Provided, however, for taxable years beginning on or after  
3 January first, two thousand twenty-six the credit allowed under para-  
4 graph one of this subsection for all such expenditures shall not exceed  
5 fifty thousand dollars.

6 (B) For taxable years beginning on or after January first, two thou-  
7 sand ten and before January first, two thousand twenty-five, if the  
8 amount of credit allowable under this subsection shall exceed the  
9 taxpayer's tax for such year, and the taxpayer's New York adjusted gross  
10 income for such year does not exceed sixty thousand dollars, 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. If  
14 the taxpayer's New York adjusted gross income for such year exceeds  
15 sixty thousand dollars, the excess credit [that] may be carried over to  
16 the following year or years and may be deducted from the taxpayer's tax  
17 for such year or years. For taxable years beginning on or after January  
18 first, two thousand twenty-five and before January first, two thousand  
19 twenty-six, if the amount of credit allowable under this subsection  
20 shall exceed the taxpayer's tax for such year, the excess may be carried  
21 over to the following year or years and may be deducted from the taxpay-  
22 er's tax for such year or years. Provided, further, for taxable years  
23 beginning on or after January first, two thousand twenty-six, if the  
24 amount of credit allowable under this subsection shall exceed the  
25 taxpayer's tax for such year, and the taxpayer's New York adjusted gross  
26 income for such year does not exceed sixty thousand dollars, the excess  
27 shall be treated as an overpayment of tax to be credited or refunded in  
28 accordance with the provisions of section six hundred eighty-six of this  
29 article, provided, however, that no interest shall be paid thereon.

30 (3) (A) The term "qualified rehabilitation expenditure" means, for  
31 purposes of this subsection, any amount properly chargeable to a capital  
32 account:

33 (i) in connection with the certified rehabilitation of a qualified  
34 historic home, and

35 (ii) for property for which depreciation would be allowable under  
36 section 168 of the internal revenue code if the qualified historic home  
37 were used in a trade or business.

38 (B) Such term shall not include (i) the cost of acquiring any building  
39 or interest therein, (ii) any expenditure attributable to the enlarge-  
40 ment of an existing building, or (iii) any expenditure made prior to  
41 January first, two thousand seven.

42 (C) [Such term shall not include any expenditure in connection with  
43 the rehabilitation of a qualified historic home unless at least five  
44 percent of the total expenditures made in the rehabilitation process are  
45 allocable to the rehabilitation of the exterior of such building.

46 (D) If only a portion of a building is used as a residence of the  
47 taxpayer, only qualified rehabilitation expenditures which are properly  
48 allocable to such residential portion shall be taken into account under  
49 this subsection.

50 (13) The commissioner shall report annually on or before the first day  
51 of November, on the aggregate amount of credits claimed and awarded  
52 pursuant to this subsection on returns filed during the preceding calen-  
53 dar year. Such report shall be provided to the governor, temporary  
54 president of the senate, speaker of the assembly, chair of the senate  
55 finance committee and chair of the assembly ways and means committee,  
56 shall be made publicly available on the department's website.

1 § 2. Section 14.05 of the parks, recreation and historic preservation  
2 law is amended by adding a new subdivision 5 to read as follows:

3 5. The commissioner shall report annually on or before the first day  
4 of November, on the tax credit projects applied for pursuant to  
5 subsection (pp) of section six hundred six of the tax law on returns  
6 filed during the preceding calendar year. Such report shall be provided  
7 to the governor, temporary president of the senate, speaker of the  
8 assembly, chair of the senate finance committee and chair of the assem-  
9 bly ways and means committee, shall be made publicly available on the  
10 office's website and shall include the following information:

11 (a) the number and value of tax credit projects applied for during the  
12 state fiscal year, organized by municipality and county, and project  
13 size;

14 (b) the number and value of tax credit projects certified by the  
15 office during the state fiscal year, organized by municipality and coun-  
16 ty, and project size;

17 (c) the total value of credits certified annually for each of the  
18 taxable years beginning on or after January first, two thousand seven to  
19 the present, by municipality and county;

20 (d) the number of housing units before and after rehabilitation; and

21 (e) the number of projects certified for state credits by the office.

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

24 PART II

25 Section 1. The tax law is amended by adding a new section 186-h to  
26 read as follows:

27 § 186-h. Excise tax on energy used in digital asset mining using  
28 proof-of-work authentication methods. 1. For the purposes of this  
29 section, the following terms shall have the following meanings:

30 (a) "Affiliate" means, with respect to any specified entity, an entity  
31 that directly, or indirectly through one or more intermediaries,  
32 controls or is controlled by, or is under common control with, the enti-  
33 ty specified.

34 (b) "Blockchain" means data that is:

35 (i) shared across a network to create a ledger of verified trans-  
36 actions or information among network participants linked using cryptog-  
37 raphy to maintain the integrity of the ledger and to execute other func-  
38 tions; and

39 (ii) distributed among network participants in an automated fashion to  
40 concurrently update network participants on the state of the ledger and  
41 any other functions.

42 (c) "Control" (including the terms controlling, controlled by and  
43 under common control with) means the possession, direct or indirect, of  
44 the power to direct or cause the direction of the management and poli-  
45 cies of an entity, whether through the ownership of voting securities,  
46 by contract, or otherwise.

47 (d) "Controlled group" means two or more entities that are affiliates  
48 of each other.

49 (e) "Digital asset" means an asset that is issued, transferred, or  
50 both, using distributed ledger or blockchain technology, including, but  
51 not limited to, digital currencies, digital coins, digital non-fungible  
52 tokens or other similar assets.

1 (f) "Distributed ledger or blockchain technology" means a digital  
2 system for recording, storing, and sharing data or transactions across  
3 multiple computers or devices:

4 (i) in which each participant maintains an identical copy of the  
5 ledger and updates are validated through a consensus mechanism among the  
6 participants rather than by a single centralized authority; and

7 (ii) which employs cryptographic methods to ensure data integrity,  
8 chronological ordering, and resistance to unauthorized alteration of  
9 records.

10 (iii) may take the form of a blockchain network or other data struc-  
11 tures that provide decentralized validation, transparency, and synchro-  
12 nization of records among participants, whether permissioned or permis-  
13 sionless, public or private.

14 (g) "Digital asset mining using proof-of-work authentication methods"  
15 means the operation of specialized computer hardware or devices, includ-  
16 ing but not limited to application-specific integrated circuits (ASICs)  
17 or graphics processing units (GPUs) for the purpose of validation or  
18 authentication of transactions, recording data, or securing consensus on  
19 a distributed ledger or blockchain network through the repeated perform-  
20 ance of computational algorithms. Such processes, commonly referred to  
21 as "proof-of-work", involve solving cryptographic or mathematical  
22 puzzles of increasing difficulty in order to create new units of digital  
23 assets or to receive compensation in the form of transaction fees or  
24 block rewards, and are characterized by continuous, high-intensity elec-  
25 tricity consumption for the purpose of verifying transactions and main-  
26 taining the integrity of the blockchain.

27 2. (a) There is hereby imposed on any taxpayer engaged in the business  
28 of digital asset mining using proof-of-work authentication methods a tax  
29 on the annual consumption of electricity purchased, produced, or  
30 acquired by such taxpayer during a taxable year and used by such taxpay-  
31 er with respect to such business in this state.

32 (b) The rate of tax imposed by this section shall be as follows:

33 (i) For every kilowatt-hour less than or equal to 2.25 million kilo-  
34 watt-hours per year, 0 cents per kilowatt-hour.

35 (ii) For every kilowatt-hour over 2.25 million to 5 million kilowatt-  
36 hours per year, 2 cents per kilowatt-hour.

37 (iii) For every kilowatt-hour over 5 million to 10 million kilowatt-  
38 hours per year, 3 cents per kilowatt-hour.

39 (iv) For every kilowatt-hour over 10 million to 20 million kilowatt-  
40 hours per year, 4 cents per kilowatt-hour.

41 (v) For every kilowatt-hour over 20 million kilowatt-hours per year, 5  
42 cents per kilowatt-hour.

43 (c) For the purposes of this section, taxpayers in a controlled group  
44 are treated as a single entity for the purpose of determining annual  
45 consumption of electricity used with respect to the business of digital  
46 asset mining using proof-of-work authentication methods in this state,  
47 and shall be jointly and severally liable for any payment owed pursuant  
48 to this section by any entity in the controlled group.

49 (d) The administrative procedures set forth in article twenty-seven of  
50 this chapter shall apply unless specific provisions to the contrary are  
51 set forth in this section.

52 (e) The department of taxation and finance may prescribe such rules  
53 and regulations as may be necessary to carry out this section.

54 3. All taxes, interest, and penalties collected or received from taxes  
55 imposed by this section shall be used to provide utility ratepayer  
56 relief.

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

3 PART JJ

4 Section 1. The real property tax law is amended by adding a new  
5 section 997 to read as follows:

6 § 997. Vacancy surcharge on vacant and abandoned property in cities.

7 1. (a) Local option; vacancy surcharge. Notwithstanding any other  
8 provisions of law to the contrary, a city is hereby authorized and  
9 empowered to adopt and amend local laws to impose, in addition to any  
10 other tax imposed pursuant to this chapter, a real property tax  
11 surcharge on vacant and abandoned property, hereinafter referred to as a  
12 "vacancy surcharge." Such surcharge shall be imposed on the assessed  
13 value of such property and collected in the same manner as real property  
14 taxes.

15 (b) A local law adopted pursuant to this subdivision may establish  
16 different vacancy surcharge rates for different classes or categories of  
17 real property; provided that any such surcharge shall be applied  
18 uniformly to all vacant and abandoned properties within the same class  
19 or category; and provided, further, such local law shall establish that  
20 vacant and abandoned properties constitute a distinct taxable subclass  
21 within each class or category of real property, for purposes of this  
22 section only.

23 2. Designation of vacant and abandoned property. (a) For the purposes  
24 of this section, real property shall be deemed vacant and abandoned if  
25 the following conditions apply:

26 (i) such property is "vacant and abandoned residential property" as  
27 defined in paragraph (a) of subdivision two of section thirteen hundred  
28 nine of the real property actions and proceedings law;

29 (ii) a court or other appropriate state or local governmental entity  
30 has determined, following due notice to the owner of record or occupant,  
31 that such property is vacant and abandoned;

32 (iii) each owner has issued a sworn written statement expressing the  
33 intent to vacate and abandon such property and an inspection of such  
34 property shows no evidence of lawful occupancy; or

35 (iv) such property is the subject of a condemnation proceeding or has  
36 been ordered vacated by a governmental authority.

37 (b) (i) Notwithstanding paragraph (a) of this subdivision, for the  
38 purposes of this section, a mayor, a local assessor, a local enforcement  
39 officer, a building inspector, or other municipal official may designate  
40 real property that has not been occupied for residential, commercial, or  
41 other lawful purposes by the owner, a tenant or another person with the  
42 owner's permission for a continuous period of at least one hundred  
43 eighty days as vacant and abandoned property, upon inspection of such  
44 property and a finding that one or more of the conditions set forth in  
45 subparagraph (ii) of this paragraph are present. In determining whether  
46 inspection of such property is warranted, factors that may be considered  
47 include, but are not limited to, documented complaints from neighbors or  
48 members of the public, police calls for service related to the property,  
49 documented violations of building or property maintenance codes, and  
50 referrals from other governmental agencies.

51 (ii) Conditions indicating vacant and abandoned property may include  
52 but shall not be limited to the following:

53 (A) conditions that endanger the health, safety, or general welfare of  
54 the community;

1 (B) failure to maintain the property in a manner consistent with the  
2 standards set forth in the New York state property maintenance code;

3 (C) the property appears structurally unsound or otherwise presents a  
4 potential hazard or danger to the safety of persons;

5 (D) collapsing, missing, or deteriorating walls, roof, stairs, porch-  
6 es, balconies, chimneys, and other building elements;

7 (E) siding or exterior walls that are seriously damaged, missing, or  
8 deteriorating;

9 (F) boarded, missing or broken windows or doors;

10 (G) absence of window coverings such as curtains, blinds, or shutters;

11 (H) the property being open to casual entry or trespass;

12 (I) overgrown or dead vegetation;

13 (J) accumulation of trash, refuse or other debris;

14 (K) accumulation of newspapers, circulars, flyers, mail or other mate-  
15 rials;

16 (L) past due utility notices, disconnected utilities, or lack of  
17 active utility usage;

18 (M) signs of vandalism, including graffiti;

19 (N) presence of mold, algae, abandoned or wild animals, or insect or  
20 pest infestation; and

21 (O) absence of furnishings or personal items consistent with habita-  
22 tion.

23 (c) Real property shall not be deemed vacant and abandoned if the  
24 following conditions apply:

25 (i) such property is undergoing construction, renovation, or rehabili-  
26 tation that is proceeding diligently to completion;

27 (ii) such property is occupied on a seasonal basis, but otherwise  
28 secure;

29 (iii) such property is the subject of a probate action, action to  
30 quiet title, or other ownership dispute of which the municipality has  
31 actual notice, and is secure;

32 (iv) such property has been damaged by a natural disaster, and the  
33 owner has demonstrated an intent to repair or reoccupy the property; or

34 (v) such property is occupied by the owner, a relative of the owner or  
35 a tenant lawfully in possession.

36 (d) For purposes of this section, real property shall not be deemed  
37 occupied solely because furnishings or personal property are present,  
38 utilities remain connected, or the owner or another person occasionally  
39 visits, temporarily occupies or makes incidental use of the property  
40 without regular habitation or ongoing lawful use consistent with the  
41 property's intended purpose. A property previously designated as vacant  
42 and abandoned shall not be deemed occupied unless it has been lawfully  
43 occupied for residential, commercial, or other lawful purposes on a  
44 regular or habitual basis.

45 3. Notice and review. (a) Prior to designating a property as vacant  
46 and abandoned for purposes of this section, the city shall provide writ-  
47 ten notice by first class mail to the owner of record at the address  
48 listed on the assessment roll. Such notice shall state the basis for the  
49 proposed designation and provide such owner with an opportunity to  
50 contest such designation.

51 (b) If such owner fails to respond to such notice within forty-five  
52 days from the mailing thereof, or if their response does not adequately  
53 demonstrate that the property is not vacant and abandoned, the city may  
54 issue a final determination that the property is vacant and abandoned  
55 and the vacancy surcharge authorized by subdivision one of this section  
56 shall apply beginning with the next assessment roll.

1 (c) An owner dissatisfied with the city's final determination may  
2 appeal such final determination to the commissioner, in a form and  
3 manner to be prescribed by the commissioner.

4 (d) Any determination of the commissioner pursuant to this subdivision  
5 shall constitute a final agency determination.

6 (e) Any owner aggrieved by a final determination of the commissioner  
7 may seek judicial review pursuant to article seventy-eight of the civil  
8 practice law and rules.

9 (f) If the designation of a property as vacant and abandoned is over-  
10 turned, any additional taxes, interest, or penalties imposed pursuant to  
11 this section shall be void, and any payments made as a result of such  
12 designation shall constitute an overpayment subject to refund without  
13 interest pursuant to section five hundred fifty-six of this chapter.

14 4. Reporting requirements. On or before April first of each year, a  
15 city that has adopted a local law pursuant to this section shall submit  
16 a report to the governor, the temporary president of the senate, the  
17 speaker of the assembly, the commissioner of taxation and finance, and  
18 the commissioner of the division of homes and community renewal contain-  
19 ing the following data from the preceding year:

20 (a) the vacancy surcharge imposed pursuant to subdivision one of this  
21 section;

22 (b) the number of vacant and abandoned properties subject to such  
23 vacancy surcharge and any plans of the city to facilitate their redevel-  
24 opment or adaptive reuse; and

25 (c) the amount of revenue generated from such vacancy surcharge during  
26 the preceding year; and

27 (d) the number of properties designated as vacant and abandoned prop-  
28 erty subject to such vacancy surcharge:

29 (i) against which such city initiated tax foreclosure proceedings  
30 pursuant to article eleven of this chapter;

31 (ii) for which title vested in the city; and

32 (iii) that were subsequently transferred, sold, or otherwise disposed  
33 of by the city.

34 § 2. This act shall take effect immediately and shall be applicable to  
35 all taxable years beginning on and after July 1, 2026.

36

## PART KK

37 Section 1. Subdivision (jj) of section 1115 of the tax law, as amended  
38 by section 1 of part I of chapter 59 of the laws of 2024, is amended to  
39 read as follows:

40 (jj) Tangible personal property or services otherwise taxable under  
41 this article sold to a related person shall not be subject to the taxes  
42 imposed by section eleven hundred five of this article or the compensat-  
43 ing use tax imposed under section eleven hundred ten of this article  
44 where the purchaser can show that the following conditions have been met  
45 to the extent they are applicable: (1) (i) the vendor and the purchaser  
46 are referenced as either a "covered company" as described in section  
47 243.2(f) or a "material entity" as described in section 243.2(1) of the  
48 Code of Federal Regulations in a resolution plan that has been submitted  
49 to an agency of the United States for the purpose of satisfying subpara-  
50 graph 1 of paragraph (d) of section one hundred sixty-five of the Dodd-  
51 Frank Wall Street Reform and Consumer Protection Act (the "Act") or any  
52 successor law, or (ii) the vendor and the purchaser are separate legal  
53 entities pursuant to a divestiture directed pursuant to subparagraph 5  
54 of paragraph (d) of section one hundred sixty-five of such act or any

1 successor law; (2) the sale would not have occurred between such related  
2 entities were it not for such resolution plan or divestiture; and (3) in  
3 acquiring such property or services, the vendor did not claim an  
4 exemption from the tax imposed by this state or another state based on  
5 the vendor's intent to resell such services or property. A person is  
6 related to another person for purposes of this subdivision if the person  
7 bears a relationship to such person described in section two hundred  
8 sixty-seven of the internal revenue code. The exemption provided by this  
9 subdivision shall not apply to sales made, services rendered, or uses  
10 occurring after June thirtieth, two thousand [twenty-five] ~~twenty-eight~~,  
11 except with respect to sales made, services rendered, or uses occurring  
12 pursuant to binding contracts entered into on or before such date; but  
13 in no case shall such exemption apply after June thirtieth, two thousand  
14 [twenty-eight] ~~thirty-one~~.

15 § 2. This act shall take effect immediately.

16

PART LL

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

19 (mm) The following shall be exempt from tax under this article: (1)  
20 Receipts from the retail sale of, and consideration given or contracted  
21 to be given for, or for the use of, commercial energy storage systems  
22 equipment and the costs of installing such systems. For the purposes of  
23 this subdivision, "commercial energy storage systems equipment" shall  
24 mean an arrangement or combination of components installed upon non-re-  
25 sidential premises that stores electricity for use at a later time to  
26 provide heating, cooling, hot water and/or electricity.

27 (2) Receipts from the sale of electricity by a person primarily  
28 engaged in the sale of energy storage system equipment and/or electric-  
29 ity generated by such equipment pursuant to a written agreement under  
30 which the electricity is generated by commercial energy system equipment  
31 that is: (A) owned by a person other than the purchaser of such elec-  
32 tricity; (B) installed on the non-residential premises of the purchaser  
33 of such electricity; and (C) used to provide heating, cooling, hot water  
34 or electricity to such premises.

35 § 2. Paragraph 1 of subdivision (a) of section 1210 of the tax law, as  
36 amended by section 5 of part J of chapter 59 of the laws of 2021, is  
37 amended to read as follows:

38 (1) Either, all of the taxes described in article twenty-eight of this  
39 chapter, at the same uniform rate, as to which taxes all provisions of  
40 the local laws, ordinances or resolutions imposing such taxes shall be  
41 identical, except as to rate and except as otherwise provided, with the  
42 corresponding provisions in such article twenty-eight, including the  
43 definition and exemption provisions of such article, so far as the  
44 provisions of such article twenty-eight can be made applicable to the  
45 taxes imposed by such city or county and with such limitations and  
46 special provisions as are set forth in this article. The taxes author-  
47 ized under this subdivision may not be imposed by a city or county  
48 unless the local law, ordinance or resolution imposes such taxes so as  
49 to include all portions and all types of receipts, charges or rents,  
50 subject to state tax under sections eleven hundred five and eleven  
51 hundred ten of this chapter, except as otherwise provided. Notwith-  
52 standing the foregoing, a tax imposed by a city or county authorized  
53 under this subdivision shall not include the tax imposed on charges for  
54 admission to race tracks and simulcast facilities under subdivision (f)

1 of section eleven hundred five of this chapter. (i) Any local law, ordi-  
2 nance or resolution enacted by any city of less than one million or by  
3 any county or school district, imposing the taxes authorized by this  
4 subdivision, shall, notwithstanding any provision of law to the contra-  
5 ry, exclude from the operation of such local taxes all sales of tangible  
6 personal property for use or consumption directly and predominantly in  
7 the production of tangible personal property, gas, electricity, refrig-  
8 eration or steam, for sale, by manufacturing, processing, generating,  
9 assembly, refining, mining or extracting; and all sales of tangible  
10 personal property for use or consumption predominantly either in the  
11 production of tangible personal property, for sale, by farming or in a  
12 commercial horse boarding operation, or in both; and all sales of fuel  
13 sold for use in commercial aircraft and general aviation aircraft; and,  
14 unless such city, county or school district elects otherwise, shall omit  
15 the provision for credit or refund contained in clause six of subdivi-  
16 sion (a) or subdivision (d) of section eleven hundred nineteen of this  
17 chapter. (ii) Any local law, ordinance or resolution enacted by any  
18 city, county or school district, imposing the taxes authorized by this  
19 subdivision, shall omit the residential solar energy systems equipment  
20 and electricity exemption provided for in subdivision (ee), the commer-  
21 cial solar energy systems equipment and electricity exemption provided  
22 for in subdivision (ii), the commercial fuel cell electricity generating  
23 systems equipment and electricity generated by such equipment exemption  
24 provided for in subdivision (kk), the commercial energy storage systems  
25 equipment and electricity exemption provided for in subdivision (mm) and  
26 the clothing and footwear exemption provided for in paragraph thirty of  
27 subdivision (a) of section eleven hundred fifteen of this chapter,  
28 unless such city, county or school district elects otherwise as to such  
29 residential solar energy systems equipment and electricity exemption,  
30 such commercial solar energy systems equipment and electricity  
31 exemption, commercial fuel cell electricity generating systems equipment  
32 and electricity generated by such equipment exemption, such commercial  
33 energy storage systems equipment and electricity exemption, or such  
34 clothing and footwear exemption.

35 § 3. Subdivision (d) of section 1210 of the tax law, as amended by  
36 section 4 of part WW of chapter 60 of the laws of 2016, is amended to  
37 read as follows:

38 (d) A local law, ordinance or resolution imposing any tax pursuant to  
39 this section, increasing or decreasing the rate of such tax, repealing  
40 or suspending such tax, exempting from such tax the energy sources and  
41 services described in paragraph three of subdivision (a) or of subdivi-  
42 sion (b) of this section or changing the rate of tax imposed on such  
43 energy sources and services or providing for the credit or refund  
44 described in clause six of subdivision (a) of section eleven hundred  
45 nineteen of this chapter, or electing or repealing the exemption for  
46 residential solar equipment and electricity in subdivision (ee) of  
47 section eleven hundred fifteen of this article, or the exemption for  
48 commercial solar equipment and electricity in subdivision (ii) of  
49 section eleven hundred fifteen of this article, or electing or repealing  
50 the exemption for commercial fuel cell electricity generating systems  
51 equipment and electricity generated by such equipment in subdivision  
52 (kk) of section eleven hundred fifteen of this article, or the exemption  
53 for commercial energy storage equipment and electricity in subdivision  
54 (mm) of section eleven hundred fifteen of this article must go into  
55 effect only on one of the following dates: March first, June first,  
56 September first or December first; provided, that a local law, ordinance

1 or resolution providing for the exemption described in paragraph thirty  
2 of subdivision (a) of section eleven hundred fifteen of this chapter or  
3 repealing any such exemption or a local law, ordinance or resolution  
4 providing for a refund or credit described in subdivision (d) of section  
5 eleven hundred nineteen of this chapter or repealing such provision so  
6 provided must go into effect only on March first. No such local law,  
7 ordinance or resolution shall be effective unless a certified copy of  
8 such law, ordinance or resolution is mailed by registered or certified  
9 mail to the commissioner at the commissioner's office in Albany at least  
10 ninety days prior to the date it is to become effective. However, the  
11 commissioner may waive and reduce such ninety-day minimum notice  
12 requirement to a mailing of such certified copy by registered or certi-  
13 fied mail within a period of not less than thirty days prior to such  
14 effective date if the commissioner deems such action to be consistent  
15 with the commissioner's duties under section twelve hundred fifty of  
16 this article and the commissioner acts by resolution. Where the  
17 restriction provided for in section twelve hundred twenty-three of this  
18 article as to the effective date of a tax and the notice requirement  
19 provided for therein are applicable and have not been waived, the  
20 restriction and notice requirement in section twelve hundred twenty-  
21 three of this article shall also apply.

22 § 4. Subdivision 1-a of section 66-r of the public service law, as  
23 added by section 32 of part 0 of chapter 58 of the laws of 2024, is  
24 amended to read as follows:

25 1-a. For the purposes of this section, an "other covered project"  
26 means: (a) any "thermal energy network" as defined by subdivision twen-  
27 ty-nine of section two of this chapter; (b) any offshore wind supply  
28 chain project, including but not limited to port infrastructure, primary  
29 component manufacturing, finished component manufacturing, subassembly  
30 manufacturing, subcomponent manufacturing, or raw material producers, or  
31 a combination thereof receiving direct funding from the New York state  
32 energy research and development authority pursuant to an award under a  
33 New York state energy research and development authority solicitation;  
34 [or] (c) a "major utility transmission facility" as such term is defined  
35 by section one hundred twenty of this chapter or "major electric trans-  
36 mission facility" as defined by article VIII of this chapter; or (d) any  
37 "qualified energy storage system" as such term is defined by subdivision  
38 one of section seventy-four of this article, with a nameplate capacity  
39 of greater than five megawatts and interconnected to the state's elec-  
40 tricity grid.

41 § 5. Subdivision 3 of section 66-r of the public service law, as  
42 amended by section 32 of part 0 of chapter 58 of the laws of 2024, is  
43 amended to read as follows:

44 3. The commission shall require that the owner of the covered renewa-  
45 ble energy system or other covered project, or a third party acting on  
46 the owner's behalf, as an ongoing condition of any renewable energy  
47 credits agreement or energy storage credits agreement with a public  
48 entity, shall stipulate to the fiscal officer that it will enter into  
49 labor peace agreements with any bona fide labor organizations that  
50 either are actively representing employees providing necessary oper-  
51 ations and maintenance services for the renewable energy system at the  
52 time of such agreement or provides notice that it is attempting to  
53 represent any employees in any titles who provide, or who will provide,  
54 necessary operations and maintenance services for the renewable energy  
55 system employed in the state; provided, however, this subdivision shall  
56 not apply to any covered projects defined in paragraph (c) of subdivi-

1 sion one-a of this section. The maintenance of such a labor peace  
2 agreement, or agreements, which cover all classes of operations and  
3 maintenance employees, shall be an ongoing material condition of any  
4 continuation of payments under a renewable energy credits agreement or  
5 energy storage credits agreement. For purposes of this section "labor  
6 peace agreement" means an agreement between an entity and labor organ-  
7 ization that, at a minimum, protects the state's proprietary interests  
8 by prohibiting labor organizations and members from engaging in picket-  
9 ing, work stoppages, boycotts, and any other economic interference with  
10 the relevant renewable energy system. "Renewable energy credits agree-  
11 ment" shall mean any public entity contract that provides production-  
12 based payments to a renewable energy project as defined in this section.  
13 For purposes of this subdivision, "energy storage credits agreement"  
14 shall mean any public entity contract that provides index storage cred-  
15 its to an energy storage project as defined in this section.

16 § 6. Subdivision 1 of section 224-d of the labor law, as amended by  
17 section 31 of part O of chapter 58 of the laws of 2024, is amended to  
18 read as follows:

19 1. For purposes of this section, a "covered renewable energy system"  
20 means (a) a renewable energy system, as such term is defined in section  
21 sixty-six-p of the public service law, with a capacity of one or more  
22 megawatts alternating current and which involves the procurement of  
23 renewable energy credits by a public entity, or a company or corporation  
24 provided in subdivisions twenty-three and twenty-four of section two of  
25 the public service law, or a third party acting on behalf and for the  
26 benefit of a public entity; (b) any "thermal energy network" as defined  
27 by subdivision twenty-nine of section two of the public service law; (c)  
28 any offshore wind supply chain project, including but not limited to  
29 port infrastructure, primary component manufacturing, finished component  
30 manufacturing, subassembly manufacturing, subcomponent manufacturing, or  
31 raw material producers, or a combination thereof receiving direct fund-  
32 ing from the New York state energy research and development authority  
33 pursuant to an award under a New York state energy research and develop-  
34 ment authority solicitation; [or] (d) a "major utility transmission  
35 facility" as such term is defined by section one hundred twenty of the  
36 public service law; or (e) any "qualified energy storage system" as such  
37 term is defined by subdivision one of section seventy-four of the public  
38 service law, with a nameplate capacity of one or more megawatts and  
39 interconnected to the state's electricity grid, and which involves  
40 either (i) the procurement of energy storage credits by a public entity,  
41 or a public utility company or corporation as defined by subdivisions  
42 twenty-three and twenty-four of section two of the public service law,  
43 or a third party acting on behalf and for the benefit of a public entity  
44 through a solicitation issued after the effective date of the chapter of  
45 the laws of two thousand twenty-six that amended this subdivision or  
46 (ii) a financial incentive award for grid-connected energy storage  
47 systems issued by a public entity after the effective date of the chap-  
48 ter of the laws of two thousand twenty-six that amended this  
49 subdivision.

50 § 7. Subdivision 8 of section 224-d of the labor law, as amended by  
51 chapter 37 of the laws of 2026, is amended to read as follows:

52 8. A covered renewable energy system shall require all contractors and  
53 subcontractors performing construction work to have apprenticeship  
54 agreements, as defined by article twenty-three of this chapter, provided  
55 that a covered renewable energy system will be deemed to have satisfied  
56 such requirement for any given year if it has: (a) complied with the



1 apprenticeship requirements of paragraph eight of subsection (b) of  
2 section forty-five of the United States internal revenue code and any  
3 regulations promulgated thereunder as of January first, two thousand  
4 twenty-six, or (b) requested qualified apprentices from an apprentice-  
5 ship program registered with the department and (i) such request has  
6 been denied, provided that such denial is not the result of a refusal by  
7 the covered renewable energy system or any such contractors or subcon-  
8 tractors performing construction work to comply with the established  
9 standards and requirements of such registered apprenticeship program, or  
10 (ii) the registered apprenticeship program fails to respond to such  
11 request within five business days after the date on which such regis-  
12 tered apprenticeship program received such request, and any thermal  
13 energy network covered by this section shall additionally require such  
14 contractors and subcontractors to have agreements with pre-apprentice-  
15 ship direct entry providers registered with the department.

16 § 8. This act shall take effect immediately; provided, however, that  
17 the amendments to subdivision 8 of section 224-d of the labor law made  
18 by section seven of this act shall take effect on the same date and in  
19 the same manner as chapter 362 of the laws of 2025, takes effect; and  
20 provided further, that sections one, two, and three of this act shall  
21 expire and be deemed repealed June 1, 2028.

22

## PART MM

23 Section 1. Section 490 of the tax law is REPEALED.

24 § 2. Section 89-h of the state finance law is REPEALED.

25 § 3. This act shall take effect June 1, 2026.

26

## PART NN

27 Section 1. Subdivision 1 of section 115-a of the racing, pari-mutuel  
28 wagering and breeding law, as added by section 1 of part A of chapter 60  
29 of the laws of 2012, is amended to read as follows:

30 1. In order to provide supplemental funding to support the operations  
31 of the commission, a fee in the amount of ten dollars shall be assessed  
32 and paid upon every horse entered in a pari-mutuel race in New York  
33 state that actually starts in the race. Beginning January first, two  
34 thousand twenty-seven, an amount as determined by the commission to  
35 support the standardbred drug testing and anti-doping program outlined  
36 in section nine hundred two-a of this chapter shall be added to such fee  
37 upon every standardbred horse entered in a pari-mutuel race in New York  
38 state that actually starts in the race. Such fee shall be refunded to  
39 the owner or credited to the owner's account in the event the horse does  
40 not actually start in the race. The commission shall, as a condition of  
41 racing, require any corporation authorized under this chapter to conduct  
42 pari-mutuel betting at a race meeting or races run thereat, to require  
43 that each owner racing a horse shall have placed on deposit at the time  
44 of entry with the horsemen's bookkeeper or similar office of such corpo-  
45 ration the required fee in the amount of ten dollars per horse entered  
46 in a pari-mutuel race. Unless refunded or credited, the total fee amount  
47 collected during the preceding month by the horsemen's bookkeeper or  
48 similar office of such corporation shall be paid to the commission on  
49 the first business day of each month. Payment shall be accompanied by a  
50 report, under oath, showing such information as the commission may  
51 require. A penalty of five percent, and interest at the rate of one  
52 percent per month from the date the report is required to be filed to



1 the date of the payment of the fee, shall be payable in case any fee  
2 imposed by this subdivision is not paid when due. If the commission  
3 determines that any fees received by it under this subdivision were paid  
4 in error, the commission may cause the same to be refunded without  
5 interest out of any monies collected hereunder, provided an application  
6 therefor is filed with the commission within one year from the time the  
7 erroneous payment is made.

8 § 2. The racing, pari-mutuel wagering and breeding law is amended by  
9 adding a new section 902-a to read as follows:

10 § 902-a. Standardbred drug testing and anti-doping program. 1.  
11 Program. The commission shall establish and administer a program for  
12 the detection of prohibited drugs, restricted substances, and other  
13 foreign substances in standardbred horses entered to race at licensed  
14 harness tracks in this state. Such program shall include pre-race test-  
15 ing, post-race testing, and out-of-competition testing done by the  
16 commission or its employees or representatives in accordance with this  
17 section and regulations promulgated by the commission.

18 2. Recurring annual expenses. (a) The commission shall mandate an  
19 additional amount to be added to start fees, outlined in subdivision one  
20 of section one hundred fifteen-a of this chapter, necessary to cover  
21 fifty percent of the costs to support the program established by this  
22 section for the applicable calendar year.

23 (b) The commission shall mandate corporations or associations author-  
24 ized under this chapter to conduct pari-mutuel betting at a standardbred  
25 race meeting or standardbred races run thereat to make payment, or  
26 payments, to the racing regulation account in the amount necessary to  
27 cover fifty percent of the costs to support the program established by  
28 this section for the applicable calendar year. The commission shall  
29 determine the frequency and manner of such payments.

30 (c) (i) On or before November first of the calendar year preceding the  
31 applicable calendar year, the commission shall notice the applicable  
32 organization representing at least fifty-one percent of the owners and  
33 trainers using the facilities of the applicable corporation or associ-  
34 ation authorized under this chapter to conduct pari-mutuel betting at a  
35 standardbred race meeting or standardbred races run thereat of the addi-  
36 tional amount to be included in the start fees outlined in paragraph (a)  
37 of this subdivision during the applicable calendar year.

38 (ii) On or before November first of the calendar year preceding the  
39 applicable calendar year, the commission shall notice corporations or  
40 associations authorized under this chapter to conduct pari-mutuel  
41 betting at a standardbred race meeting or standardbred races run thereat  
42 of the amount, frequency and manner of the payment or payments outlined  
43 in paragraph (b) of this subdivision during the applicable calendar  
44 year.

45 3. Pre-race testing. (a) Blood or other biologic samples shall be  
46 taken from at least fifty percent of horses programmed to race, imme-  
47 diately prior to the race in which such horse is programmed, at a time  
48 and location specified by the commission. Horses selected for such  
49 samples shall be selected at random by the commission or its employees  
50 or representatives.

51 (b) The trainer or such trainer's representative shall accompany such  
52 horse at the prescribed time and location and shall manage the horse as  
53 directed. Willful failure to be present at, refusal to permit, or inter-  
54 ference with the taking of any sample pursuant to this subdivision shall  
55 constitute a violation of this section and may subject the person

1 responsible to disciplinary action by the commission pursuant to this  
2 chapter.

3 (c) Blood samples shall be taken by a commission veterinarian or,  
4 under such veterinarian's supervision, by a veterinarian licensed to  
5 practice in this state.

6 (d) Urine samples may be collected by a commission inspector or other  
7 person authorized by the commission.

8 (e) Whenever a laboratory test indicates the presence of a prohibited  
9 drug, restricted substance, or foreign substance, or a substance the  
10 identity of which cannot be established, in a sample taken from a horse,  
11 the judges shall scratch the horse from the race pending confirmatory  
12 testing and may take such further action as deemed appropriate.

13 (f) Unless specifically permitted in writing by the presiding judge, a  
14 horse from which a pre-race sample has been taken shall not be removed  
15 from the grounds except for transport to the racecourse where such horse  
16 is scheduled to race if such racecourse is not located on the grounds  
17 where the sample was taken.

18 4. Post-race testing. (a) The winner and at least one other horse  
19 designated by the judges shall be tested immediately after each race.

20 (b) Blood, urine, and such other biologic samples as may be required  
21 shall be attempted to be taken from each designated horse at a time and  
22 in an enclosure specified by the commission or its representative, until  
23 such horse is released by the commission veterinarian.

24 (c) The trainer or such trainer's representative shall accompany the  
25 horse at the prescribed time and location and shall manage the horse as  
26 directed. Willful failure to cooperate in the taking of any such sample  
27 or interference therewith shall constitute a violation of this section  
28 and may subject the person responsible to disciplinary action by the  
29 commission pursuant to this chapter.

30 (d) Blood samples shall be taken by the commission veterinarian or,  
31 under such veterinarian's supervision, by a veterinarian licensed to  
32 practice in this state.

33 (e) Urine samples may be collected by a commission inspector or other  
34 person authorized by the commission.

35 5. Commission testing authority. (a) The judges may require at any  
36 time that any horse be sent to the testing enclosure for the taking of  
37 blood, urine or other biologic samples and for such examinations as may  
38 be directed.

39 (b) The commission veterinarian, when directed by the judges, may  
40 require the taking of such samples from any horse stabled at a licensed  
41 harness track during a race meeting.

42 (c) The judges, commission veterinarian or their designees may take  
43 samples for analysis of any medicine or other materials found in stables  
44 or elsewhere on the grounds of a licensed harness track or in the  
45 possession of any person connected with racing.

46 6. Drug detection facilities. (a) Each licensed harness racing corpo-  
47 ration or association shall provide the commission with access to exist-  
48 ing facilities and locations, where feasible and appropriate, for  
49 purposes of conducting the testing required by this section.

50 (b) No person shall enter or be present in any enclosure designated by  
51 the commission for the taking or examination of samples from horses  
52 except commission staff, the judges, the custodians of the horse, or  
53 such other persons as may be authorized by the commission.

54 7. Possession of hypodermic equipment and controlled substances. (a)  
55 No person other than a commission veterinarian, track veterinarian or

1 veterinarian licensed by the commission shall possess on the premises of  
2 a licensed harness track:

3 (i) any equipment capable of hypodermic injection or other infusion  
4 into a horse or any vial, bottle, or cartridge designed and usable for  
5 such purposes; or

6 (ii) any controlled substance, listed in schedule I through IV of  
7 United States code, Title 21 (Food and Drugs) section 812, or any drug  
8 which has not been approved for use in the horse by the Federal Food and  
9 Drug Administration.

10 (b) This subdivision shall not apply to liniments, antiseptics, oint-  
11 ments, leg paints, washes and other products commonly used in the daily  
12 care of horses.

13 (c) This subdivision shall not apply to a person possessing a  
14 controlled substance or hypodermic syringe pursuant to a prescription  
15 for such person's own medical use, subject to regulation by the commis-  
16 sion.

17 (d) All bottles and other containers kept in or about any tack room or  
18 elsewhere on the premises of a licensed harness racing track shall bear  
19 a label clearly identifying their contents, including the name of each  
20 active ingredient, unless such container bears a veterinarian's or  
21 pharmacist's prescription label.

22 (e) Licensed participants shall be deemed to consent to inspection by  
23 the commission or its designees of stables, tack rooms, vehicles, and  
24 other racing-related premises located on the grounds of a licensed  
25 harness track for the purpose of enforcing this section.

26 8. Veterinary records. (a) Every veterinarian licensed by the commis-  
27 sion who treats horses participating in harness race meetings in this  
28 state shall maintain written records:

29 (i) the name and identifying information of the horse treated;

30 (ii) the nature of the horse's ailment;

31 (iii) the treatment prescribed or administered; and

32 (iv) the date and time of such treatment.

33 (b) Such records shall be produced upon request of the commission or  
34 its representatives.

35 (c) Before administering or prescribing any drug or restricted  
36 substance for a horse, a veterinarian shall determine whether such horse  
37 has been entered to race and shall not administer any drug or restricted  
38 substance in violation of the commission's medication restrictions,  
39 except in cases of emergency involving the life or health of the horse,  
40 in which case the veterinarian shall promptly notify the commission  
41 veterinarian or judges.

42 9. Out-of-competition testing authorized. (a) Any horse reasonably  
43 believed to be intended to compete in harness racing in this state may  
44 be subject to out-of-competition testing.

45 (b) Horses may be selected to be tested at random, for cause or as  
46 otherwise determined by the commission.

47 (c) The commission may take blood, urine, hair or other biologic  
48 samples from such horses at reasonable times for the purpose of enforc-  
49 ing the commission's drug testing and anti-doping rules.

50 10. Disqualification. A horse with respect to which there has been a  
51 violation of this section or the commission's standardbred drug testing  
52 and anti-doping rules, or from which a sample has resulted in a positive  
53 test, may be disqualified from the race and from any share of the purse.  
54 Such share shall be redistributed among the remaining horses entitled  
55 thereto. The pari-mutuel distribution shall be deemed final upon the  
56 declaration of the race as official.

1 11. Requalification. A horse that has tested positive for a prohibited  
2 drug or restricted substance shall not start in any subsequent race  
3 until such horse has successfully completed a qualifying workout satis-  
4 factory to the judges and has tested negative in accordance with commis-  
5 sion regulations.

6 12. Regulations. The commission shall promulgate regulations necessary  
7 to implement this section, including but not limited to regulations  
8 defining prohibited drugs, restricted substances, and foreign substances  
9 and establishing procedures for testing, laboratory analysis, and  
10 enforcement.

11 13. Scope. Nothing in this section shall be construed to apply to  
12 thoroughbred horses, thoroughbred tracks, or thoroughbred races.

13 § 3. This act shall take effect immediately.

14 PART OO

15 Section 1. Subsection (b) of section 870 of the tax law, as added by  
16 section 1 of subpart B of part MM of chapter 59 of the laws of 2022, is  
17 amended to read as follows:

18 (b) Limitation on credit. The aggregate amount of credits claimed by  
19 all partners, members or shareholders of an electing city partnership or  
20 an electing city resident S corporation pursuant to subsection (a) of  
21 this section shall not exceed seventy-five percent of the tax due under  
22 section eight hundred sixty-nine of this article from such electing city  
23 partnership or electing city resident S corporation for the taxable  
24 year.

25 § 2. Paragraphs 2 and 5 of subsection (g) of section 1310 of the tax  
26 law, as added by section 3 of subpart B of part MM of chapter 59 of the  
27 laws of 2022, are amended to read as follows:

28 (2) The amount of the credit shall be equal to seventy-five percent of  
29 the partner's, member's or shareholder's direct share of the city pass-  
30 through entity tax.

31 (5) Limitation on credit. No credit shall be allowed to a taxpayer  
32 under this subsection unless the electing city partnership or electing  
33 city resident S corporation provided sufficient information to identify  
34 such taxpayer on its city pass-through entity tax return as required  
35 under paragraph two of subsection (c) of section eight hundred seventy-  
36 two of this chapter for an electing city partnership or paragraph two of  
37 subsection (d) of section eight hundred seventy-two of this chapter for  
38 an electing city resident S corporation. The credit allowed to a taxpay-  
39 er under this subsection shall not exceed seventy-five percent of the  
40 direct share of city pass-through entity tax reported by such electing  
41 city partnership or electing city resident S corporation attributable to  
42 such taxpayer on such electing city partnership or electing city resi-  
43 dent S corporation's return filed pursuant to section eight hundred  
44 seventy-two of this chapter.

45 § 3. Paragraphs 2 and 5 of subdivision (g) of section 11-1706 of the  
46 administrative code of the city of New York, as added by section 11 of  
47 subpart B of part MM of chapter 59 of the laws of 2022, are amended to  
48 read as follows:

49 (2) The amount of the credit shall be equal to seventy-five percent of  
50 the partner's, member's or shareholder's direct share of the city pass-  
51 through entity tax.

52 (5) Limitation on credit. No credit shall be allowed to a taxpayer  
53 under this subdivision unless the electing city partnership or electing  
54 city resident S corporation provided sufficient information to identify

1 such taxpayer on its city pass-through entity tax return as required  
2 under paragraph two of subsection (c) of section eight hundred seventy-  
3 two of the tax law for an electing city partnership or paragraph two of  
4 subsection (d) of section eight hundred seventy-two of the tax law for  
5 an electing city resident S corporation. The credit allowed to a taxpay-  
6 er under this subdivision shall not exceed seventy-five percent of the  
7 direct share of city pass-through entity tax reported by such electing  
8 city partnership or electing city resident S corporation attributable to  
9 such taxpayer on such electing city partnership's or such electing city  
10 resident S corporation's return filed pursuant to section eight hundred  
11 seventy-two of the tax law.

12 § 4. This act shall take effect June 1, 2026.

13

PART PP

14 Section 1. Subdivision (a) of section 101 of section 2 of chapter 772  
15 of the laws of 1966, relating to enabling any city having a population  
16 of one million or more to raise tax revenue, is amended to read as  
17 follows:

18 (a) General.--A tax at the rate of four percent is hereby imposed for  
19 each taxable year, beginning with taxable years ending after January  
20 first, nineteen hundred sixty-six, on the unincorporated business taxa-  
21 ble income of every unincorporated business wholly or partly carried on  
22 within the city, provided that, for taxable years beginning on or after  
23 January first, two thousand twenty-six, for any portion of such unincor-  
24 porated business taxable income greater than five million dollars, such  
25 tax shall be at a rate of four and four-tenths percent. This tax shall  
26 be in addition to any other taxes imposed.

27 § 2. Subdivision (a) of section 11-503 of the administrative code of  
28 the city of New York is amended to read as follows:

29 (a) General. A tax at the rate of four percent is hereby imposed for  
30 each taxable year, beginning with taxable years ending after January  
31 first, nineteen hundred sixty-six, on the unincorporated business taxa-  
32 ble income of every unincorporated business wholly or partly carried on  
33 within the city, provided that, for taxable years beginning on or after  
34 January first, two thousand twenty-six, for any portion of such unincor-  
35 porated business taxable income greater than five million dollars, such  
36 tax shall be at a rate of four and four-tenths percent. This tax shall  
37 be in addition to any other taxes imposed.

38 § 3. Clauses 1 and 3 of subparagraph (a) of paragraph E of subdivision  
39 1 of section 11-604 of the administrative code of the city of New York,  
40 as amended by chapter 345 of the laws of 2023, is amended to read as  
41 follows:

42 (1) an amount computed, for taxable years beginning before nineteen  
43 hundred eighty-seven, at the rate of nine per centum, [and] for taxable  
44 years beginning after nineteen hundred eighty-six and before January  
45 first, two thousand twenty-six, at the rate of eight and eighty-five  
46 one-hundredths per centum, and for taxable years beginning on or after  
47 January first, two thousand twenty-six, at the rate of ten and sixty-two  
48 one-hundredths per centum, of its entire net income or the portion of  
49 such entire net income allocated within the city as hereinafter  
50 provided, subject to any modification required by paragraphs (d) and (e)  
51 of subdivision three of this section,

52 (3) an amount computed, for taxable years beginning before nineteen  
53 hundred eighty-seven, at the rate of nine per centum, [and] for taxable  
54 years beginning after nineteen hundred eighty-six and before January



1 first, two thousand twenty-six, at the rate of eight and eighty-five  
2 one-hundredths per centum, and for taxable years beginning on or after  
3 January first, two thousand twenty-six, at the rate of ten and sixty-two  
4 one-hundredths per centum, on thirty per centum of the taxpayer's entire  
5 net income plus salaries and other compensation paid to the taxpayer's  
6 elected or appointed officers and to every stockholder owning in excess  
7 of five per centum of its issued capital stock minus fifteen thousand  
8 dollars (subject to proration as hereinafter provided) and any net loss  
9 for the reported year, or on the portion of any such sum allocated with-  
10 in the city as hereinafter provided for the allocation of entire net  
11 income, subject to any modification required by paragraphs (d) and (e)  
12 of subdivision three of this section, provided, however, that for taxa-  
13 ble years beginning on or after July first, nineteen hundred ninety-six,  
14 the provisions of paragraph H of this subdivision shall apply for  
15 purposes of the computation under this clause, or

16 § 4. The opening paragraph of subparagraph 2 of paragraph (a) of  
17 subdivision 18 of section 11-604 of the administrative code of the city  
18 of New York, as amended by chapter 128 of the laws of 1996, is amended  
19 to read as follows:

20 The amount determined in this subparagraph is the product of (A) the  
21 excess of (i) the tax computed under clause one of subparagraph (a) of  
22 paragraph E of subdivision one of this section, without allowance of any  
23 credits allowed by this section, over (ii) the tax so computed, deter-  
24 mined as if the corporation had no such distributive share or guaranteed  
25 payments with respect to the unincorporated business, and (B) a frac-  
26 tion, the numerator of which is four and the denominator of which is  
27 eight and eighty-five one hundredths, provided, however, that for a  
28 taxable year beginning on or after January first, two thousand twenty-  
29 six, such denominator shall be equal to ten and sixty-two one-hun-  
30 dredths, and provided further that the amounts computed in clauses (i)  
31 and (ii) of this subparagraph shall be computed with the following  
32 modifications:

33 § 5. Subparagraph 1 of paragraph (b) of subdivision 18 of section  
34 11-604 of the administrative code of the city of New York, as amended by  
35 chapter 128 of the laws of 1996, is amended to read as follows:

36 (1) Notwithstanding anything to the contrary in paragraph (a) of this  
37 subdivision, in the case of a corporation that, before the application  
38 of this subdivision or any other credit allowed by this section, is  
39 liable for the tax on entire net income under clause one of subparagraph  
40 (a) of paragraph E of subdivision one of this section, the credit or the  
41 sum of the credits that may be taken by such corporation for a taxable  
42 year under this subdivision with respect to an unincorporated business  
43 or unincorporated businesses in which it is a partner shall not exceed  
44 the tax so computed, without allowance of any credits allowed by this  
45 section, multiplied by a fraction the numerator of which is four and the  
46 denominator of which is eight and eighty-five one hundredths, provided,  
47 however, that for a taxable year beginning on or after January first,  
48 two thousand twenty-six, such denominator shall be equal to ten and  
49 sixty-two one-hundredths. If the credit allowed under this subdivision  
50 or the sum of such credits exceeds the product of such tax and such  
51 fraction, the amount of the excess may be carried forward, in order, to  
52 each of the seven immediately succeeding taxable years and, to the  
53 extent not previously taken, shall be allowed as a credit in each of  
54 such years. In applying the provisions of the preceding sentence, the  
55 credit determined for the taxable year under paragraph (a) of this  
56 subdivision shall be taken before taking any credit carryforward pursu-

1 ant to this paragraph and the credit carryforward attributable to the  
2 earliest taxable year shall be taken before taking a credit carryforward  
3 attributable to a subsequent taxable year.

4 § 6. Subdivision (a) of section 11-643.5 of the administrative code of  
5 the city of New York, as added by local law number 37 of the city of New  
6 York for the year 1986, is amended to read as follows:

7 (a) Basic tax. Nine percent of the taxpayer's entire net income, or  
8 the portion thereof allocated to the city, for the taxable year or part  
9 thereof, provided that, for a taxable year beginning on or after January  
10 first, two thousand twenty-six, or part thereof, such basic tax shall be  
11 equal to ten and eight-tenths percent of the taxpayer's entire net  
12 income, or the portion thereof allocated to the city.

13 § 7. The opening paragraph of paragraph 2 of subdivision (a) of  
14 section 11-643.8 of the administrative code of the city of New York, as  
15 amended by chapter 128 of the laws of 1996, is amended to read as  
16 follows:

17 The amount determined in this paragraph is the product of (A) the  
18 excess of (i) the basic tax computed pursuant to subdivision (a) of  
19 section 11-643.5 of this part, without allowance of any credits allowed  
20 by this part, over (ii) the basic tax so computed, determined as if the  
21 banking corporation had no such distributive share or guaranteed  
22 payments with respect to the unincorporated business, and (B) a frac-  
23 tion, the numerator of which is four and the denominator of which is  
24 nine, provided, however, that for a taxable year beginning on or after  
25 January first, two thousand twenty-six, such denominator shall be equal  
26 to ten and eight-tenths, and provided further that the amounts computed  
27 in clauses (i) and (ii) of this paragraph shall be computed with the  
28 following modifications:

29 § 8. Paragraph 1 of subdivision (b) of section 11-643.8 of the admin-  
30 istrative code of the city of New York, as amended by chapter 128 of the  
31 laws of 1996, is amended to read as follows:

32 (1) Notwithstanding anything to the contrary in subdivision (a) of  
33 this section, in the case of a banking corporation that, before the  
34 application of this section or any other credit allowed by this part, is  
35 liable for the basic tax computed under subdivision (a) of section  
36 11-643.5 of this part, the credit or the sum of the credits that may be  
37 taken by such banking corporation for a taxable year under this section  
38 with respect to an unincorporated business or unincorporated businesses  
39 in which it is a partner shall not exceed the tax so computed, without  
40 allowance of any credits allowed by this part, multiplied by a fraction  
41 the numerator of which is four and the denominator of which is nine,  
42 provided, however, that for a taxable year beginning on or after January  
43 first, two thousand twenty-six, such denominator shall be equal to ten  
44 and eight-tenths. If the credit allowed under this subdivision or the  
45 sum of such credits exceeds the product of such tax and such fraction,  
46 the amount of the excess may be carried forward, in order, to each of  
47 the seven immediately succeeding taxable years and, to the extent not  
48 previously taken, shall be allowed as a credit in each of such years. In  
49 applying the provisions of the preceding sentence, the credit determined  
50 for the taxable year under subdivision (a) of this section shall be  
51 taken before taking any credit carryforward pursuant to this paragraph  
52 and the credit carryforward attributable to the earliest taxable year  
53 shall be taken before taking a credit carryforward attributable to a  
54 subsequent taxable year.

55 § 9. Clause (i) of subparagraph 1 of paragraph (e) of subdivision 1 of  
56 section 11-654 of the administrative code of the city of New York, as

1 added by section 1 of part D of chapter 60 of the laws of 2015, is  
2 amended to read as follows:

3 (i) an amount computed on its business income or the portion of such  
4 business income allocated within the city as hereinafter provided,  
5 subject to the application of paragraphs (j) and (k) of this subdivision  
6 and any modification required by paragraphs (d) and (e) of subdivision  
7 three of this section, at the rate of (1) for a taxable year beginning  
8 before January first, two thousand twenty-six, nine per centum for  
9 financial corporations, as defined in this clause, and for a taxable  
10 year beginning on or after January first, two thousand twenty-six, ten  
11 and eight-tenths per centum for financial corporations, or (2) for a  
12 taxable year beginning before January first, two thousand twenty-six,  
13 eight and eighty-five one hundredths per centum for all other corpo-  
14 rations, and for a taxable year beginning on or after January first, two  
15 thousand twenty-six, ten and sixty-two one-hundredths per centum for all  
16 other corporations. For purposes of this clause, "financial corporation"  
17 means a corporation or, if the corporation is included in a combined  
18 group, a combined group, that (A) has total assets reflected on its  
19 balance sheet at the end of its taxable year in excess of one hundred  
20 billion dollars, computed under generally accepted accounting principles  
21 and (B) (I) allocates more than fifty percent of the receipts included in  
22 the denominator of its receipts fraction, determined under section  
23 11-654.2 of this subchapter, pursuant to subdivision five of section  
24 11-654.2 of this subchapter for its taxable year, or (II) is itself or  
25 is included in a combined group in which more than fifty percent of the  
26 total assets reflected on its balance sheet at the end of its taxable  
27 year are held by one or more corporations that are classified as (a)  
28 registered under state law as a bank holding company or registered under  
29 the Federal Bank Holding Company Act of 1956 (12 U.S.C. § 1841, et seq.,  
30 as amended), or registered as a savings and loan holding company under  
31 the Federal National Housing Act (12 U.S.C. 1701, as amended), (b) a  
32 national bank organized and existing as a national bank association  
33 pursuant to the provisions of the National Bank Act, 12 U.S.C. 21 et  
34 seq., (c) a savings association or federal savings bank as defined in  
35 the Federal Deposit Insurance Act, 12 U.S.C. § 1813(b)(1), (d) a bank,  
36 savings association, or thrift institution incorporated or organized  
37 under the laws of any state, (e) a corporation organized under the  
38 provisions of 12 U.S.C. §§ 611 to 631, (f) an agency or branch or a  
39 foreign depository as defined in 12 U.S.C. § 3101, (g) a registered  
40 securities or commodities broker or dealer registered as such by the  
41 securities and exchange commission or the commodities futures trading  
42 commission, which shall include an OTC derivatives dealer as defined  
43 under regulations of the securities and exchange commission at title 17,  
44 part 240, section 3b-12 of the code of federal regulations (17 CFR  
45 240.3b-12), or (h) any corporation whose voting stock is more than fifty  
46 percent owned, directly or indirectly, by any person or business entity  
47 described in subitems (a) through (g) of this item, other than an insur-  
48 ance company taxable under article thirty-three of the tax law; or  
49 § 10. Subparagraphs 2 and 3 of paragraph (j) of subdivision 1 of  
50 section 11-654 of the administrative code of the city of New York, as  
51 added by section 1 of part D of chapter 60 of the laws of 2015, are  
52 amended to read as follows:

53 (2) Subject to subparagraph three of this paragraph, if the amount of  
54 business income allocated within the city as hereinafter provided is one  
55 million dollars or greater but less than one million five hundred thou-  
56 sand dollars, the amount computed in clause (i) of subparagraph one of

1 paragraph (e) of this subdivision shall be at the rate of (i) six and  
2 five-tenths per centum, plus (ii) [two and thirty-five one-hundredths  
3 per centum] a general scaling factor multiplied by a fraction the numer-  
4 ator of which is allocated business income less one million dollars and  
5 the denominator of which is five hundred thousand dollars, of the amount  
6 of business income allocated within the city as hereinafter provided,  
7 subject to any modification required by paragraphs (d) and (e) of subdivi-  
8 sion three of this section;

9 (3) Provided, however, notwithstanding anything to the contrary, if  
10 the amount of business income before allocation is two million dollars  
11 or greater but less than three million dollars, the rate of tax provided  
12 for in this paragraph shall not be less than (i) six and five-tenths per  
13 centum, plus (ii) [two and thirty-five one-hundredths per centum] a  
14 general scaling factor multiplied by a fraction the numerator of which  
15 is business income before allocation less two million dollars and the  
16 denominator of which is one million dollars, and provided, however,  
17 notwithstanding anything to the contrary, if the amount of business  
18 income before allocation is three million dollars or greater, the rate  
19 of tax shall be eight and eighty-five one-hundredths per centum for a  
20 taxable year beginning before January first, two thousand twenty-six,  
21 and ten and sixty-two one-hundredths per centum for a taxable year  
22 beginning on or after January first, two thousand twenty-six, or, in the  
23 case of a financial corporation, as defined in clause (i) of subpara-  
24 graph one of paragraph (e) of this subdivision [one of section 11-654],  
25 if the amount of business income before allocation is three million  
26 dollars or greater the rate of tax shall be nine per centum for a taxa-  
27 ble year beginning before January first, two thousand twenty-six, and  
28 ten and eight-tenths per centum for a taxable year beginning on or after  
29 January first, two thousand twenty-six. For the purposes of this subpara-  
30 graph and subparagraph two of this paragraph, the term "general scaling  
31 factor" means a value equal to two and thirty-five one-hundredths per  
32 centum for a taxable year beginning before January first, two thousand  
33 twenty-six, or a value equal to four and twelve one-hundredths per  
34 centum for a taxable year beginning on or after January first, two thou-  
35 sand twenty-six.

36 § 11. Subparagraphs 2 and 3 of paragraph (k) of subdivision 1 of  
37 section 11-654 of the administrative code of the city of New York, as  
38 added by section 1 of part D of chapter 60 of the laws of 2015, are  
39 amended to read as follows:

40 (2) Subject to subparagraph three of this paragraph for qualified New  
41 York manufacturing corporations as defined in subparagraph four of this  
42 paragraph, if the amount of business income allocated within the city as  
43 hereinafter provided is ten million dollars or greater but less than  
44 twenty million dollars, the amount computed in clause (i) of subpara-  
45 graph one of paragraph (e) of this subdivision shall be at the rate of  
46 (i) four and four hundred twenty-five one-thousandths per centum, plus  
47 (ii) [four and four hundred twenty-five one-thousandths per centum] a  
48 manufacturing scaling factor multiplied by a fraction the numerator of  
49 which is allocated business income less ten million dollars and the  
50 denominator of which is ten million dollars, of its business income or  
51 the portion of such business income allocated within the city as herein-  
52 after provided, subject to any modification required by paragraphs (d)  
53 and (e) of subdivision three of this section;

54 (3) Notwithstanding anything to the contrary, if the amount of busi-  
55 ness income before allocation is twenty million dollars or greater but  
56 less than forty million dollars, the rate of tax provided for in this

1 paragraph shall not be less than (i) four and four hundred twenty-five  
2 one thousandths percentum, plus (ii) [four and four hundred twenty-five  
3 one thousandths percentum] a manufacturing scaling factor multiplied by  
4 a fraction the numerator of which is business income before allocation  
5 less twenty million dollars and the denominator of which is twenty  
6 million dollars, and provided, however, notwithstanding anything to the  
7 contrary, if the amount of business income before allocation is forty  
8 million dollars or greater, the rate of tax shall be eight and eighty-  
9 five one-hundredths per centum for a taxable year beginning before Janu-  
10 ary first, two thousand twenty-six, and ten and sixty-two one-hundredths  
11 per centum for a taxable year beginning on or after January first, two  
12 thousand twenty-six. For the purposes of this subparagraph and subpara-  
13 graph two of this paragraph, the term "manufacturing scaling factor"  
14 means a value equal to four and four hundred twenty-five one-thousandths  
15 per centum for a taxable year beginning before January first, two thou-  
16 sand twenty-six, or a value equal to six and one hundred ninety-five  
17 one-thousandths per centum for a taxable year beginning on or after  
18 January first, two thousand twenty-six.

19 § 12. The opening paragraph of subparagraph 2 of paragraph (a) of  
20 subdivision 18 of section 11-654 of the administrative code of the city  
21 of New York, as amended by section 12 of part P of chapter 60 of the  
22 laws of 2016, is amended to read as follows:

23 The amount determined in this subparagraph is the product of (i) the  
24 excess of (A) the tax computed under clause (i) of subparagraph one of  
25 paragraph (e) of subdivision one of this section, without allowance of  
26 any credits allowed by this section, over (B) the tax so computed,  
27 determined as if the corporation had no such distributive share or guar-  
28 anteed payments with respect to the unincorporated business, and (ii) a  
29 fraction, the numerator of which is four and the denominator of which,  
30 for a taxable year beginning before January first, two thousand twenty-  
31 six, is eight and eighty-five one hundredths, [except] provided that,  
32 for a taxable year beginning on or after January first, two thousand  
33 twenty-six, such denominator is ten and sixty-two one-hundredths, and  
34 provided further that in the case of a financial corporation as defined  
35 in clause (i) of subparagraph one of paragraph (e) of subdivision one of  
36 this section, for a taxable year beginning before January first, two  
37 thousand twenty-six, such denominator is nine, and for a taxable year  
38 beginning on or after January first, two thousand twenty-six, such  
39 denominator is ten and eight-tenths, and provided further that in the  
40 case of a taxpayer that is subject to paragraph (j) or (k) of subdivi-  
41 sion one of this section, such denominator shall be the rate of tax as  
42 determined by such paragraph (j) or (k) for the taxable year; provided  
43 that the amounts computed in subclauses (A) and (B) of clause (i) of  
44 this subparagraph shall be computed with the following modifications:

45 § 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section  
46 11-654 of the administrative code of the city of New York, as amended by  
47 section 13 of part P of chapter 60 of the laws of 2016, is amended to  
48 read as follows:

49 (1) Notwithstanding anything to the contrary in paragraph (a) of this  
50 subdivision, in the case of a corporation that, before the application  
51 of this subdivision or any other credit allowed by this section, is  
52 liable for the tax on business income under clause (i) of subparagraph  
53 one of paragraph (e) of subdivision one of this section, the credit or  
54 the sum of the credits that may be taken by such corporation for a taxa-  
55 ble year under this subdivision with respect to an unincorporated busi-  
56 ness or unincorporated businesses in which it is a partner shall not

1 exceed the tax so computed, without allowance of any credits allowed by  
2 this section, multiplied by a fraction the numerator of which is four  
3 and the denominator of which is eight and eighty-five one-hundredths,  
4 [except] provided that, for a taxable year beginning on or after January  
5 first, two thousand twenty-six, such denominator shall be equal to ten  
6 and sixty-two one-hundredths, and provided further that in the case of a  
7 financial corporation as defined in clause (i) of subparagraph one of  
8 paragraph (e) of subdivision one of this section, such denominator, for  
9 a taxable year beginning before January first, two thousand twenty-six,  
10 is nine, and, for a taxable year beginning on or after January first,  
11 two thousand twenty-six, is ten and eight-tenths, and provided further  
12 that in the case of a taxpayer that is subject to paragraph (j) or (k)  
13 of subdivision one of this section, such denominator shall be the rate  
14 of tax as determined by such paragraph (j) or (k) for the taxable year.  
15 If the credit allowed under this subdivision or the sum of such credits  
16 exceeds the product of such tax and such fraction, the amount of the  
17 excess may be carried forward, in order, to each of the seven immediate-  
18 ly succeeding taxable years and, to the extent not previously taken,  
19 shall be allowed as a credit in each of such years. In applying the  
20 provisions of the preceding sentence, the credit determined for the  
21 taxable year under paragraph (a) of this subdivision shall be taken  
22 before taking any credit carryforward pursuant to this paragraph and the  
23 credit carryforward attributable to the earliest taxable year shall be  
24 taken before taking a credit carryforward attributable to a subsequent  
25 taxable year.

26 § 14. This act shall take effect immediately and shall be deemed to  
27 have been in full force and effect January 1, 2026, and shall apply to  
28 taxable years beginning on or after January 1, 2026.

29

## PART QQ

30 Section 1. Short title. This act shall be known and may be cited as  
31 the "New York city mansion tax act".

32 § 2. Paragraph (i) of subdivision (b) of section 1201 of the tax law,  
33 as amended by chapter 170 of the laws of 1994, is amended to read as  
34 follows:

35 (i) Taxes on each deed, other instrument or transaction (other than a  
36 deed or instrument given solely as security or a transaction the sole  
37 purpose of which is to secure an obligation or indebtedness) by which  
38 any real property or any economic interest therein is conveyed or trans-  
39 ferred, measured by the consideration or value of the interest or prop-  
40 erty conveyed or transferred, (1) at a rate not to exceed one-half of  
41 one percent of such consideration or value with respect to conveyances  
42 made before July first, nineteen hundred seventy-one, or made in  
43 performance of a contract therefor executed before such date, (2) at a  
44 rate not to exceed one percent of such consideration or value with  
45 respect to (A) all conveyances made on or after July first, nineteen  
46 hundred seventy-one and before February first, nineteen hundred eighty-  
47 two, or made in performance of a contract therefor executed during such  
48 period, (B) conveyances or transfers made on or after February first,  
49 nineteen hundred eighty-two of one, two or three-family houses, individ-  
50 ual cooperative apartments and individual residential condominium units,  
51 or interests therein, and (C) conveyances or transfers made on or after  
52 February first, nineteen hundred eighty-two (other than grants, assign-  
53 ments or surrenders of leasehold interests in real property) where the  
54 consideration or value is less than five hundred thousand dollars, (3)



1 at a rate not to exceed two percent of such consideration or value with  
2 respect to all other conveyances or transfers made on or after February  
3 first, nineteen hundred eighty-two (other than grants, assignments or  
4 surrenders of leasehold interests in real property) other than those  
5 conveyances or transfers specified in subparagraphs four, five [and],  
6 six and seven of this paragraph, (4) at a rate not to exceed one and  
7 four hundred twenty-five thousandths of one percent of such consider-  
8 ation or value where such consideration or value is less than five  
9 hundred thousand dollars with respect to all conveyances or transfers  
10 other than for conveyances or transfers of one, two or three family  
11 houses, individual cooperative apartments, and individual residential  
12 condominium units, or interests therein (other than grants, assignment  
13 or surrenders of leasehold interests in real property), made on or after  
14 August first, nineteen hundred eighty-nine, (5) at a rate not to exceed  
15 one and four hundred twenty-five thousandths of one percent of such  
16 consideration or value where such consideration or value is more than  
17 five hundred thousand dollars with respect to conveyances or transfers  
18 of one, two or three family houses, individual cooperative apartments,  
19 and individual residential condominium units, or interests therein  
20 (other than grants, assignments or surrenders of leasehold interests in  
21 real property), made on or after August first, nineteen hundred eighty-  
22 nine and before June first, two thousand twenty-six, [and] (6) at a rate  
23 not to exceed two and six hundred twenty-five one thousandths of one  
24 percent of such consideration or value where such consideration or value  
25 is greater than five hundred thousand dollars with respect to all  
26 conveyances or transfers other than for conveyances or transfers of one,  
27 two or three family houses, individual cooperative apartments, and indi-  
28 vidual residential condominium units, or interests therein (other than  
29 grants, assignment or surrenders of leasehold interests in real proper-  
30 ty), made on or after August first, nineteen hundred eighty-nine, and  
31 (7) with respect to conveyances or transfers of one, two or three family  
32 houses, individual cooperative apartments, and individual residential  
33 condominium units, or interests therein (other than grants, assignments  
34 or surrenders of leasehold interests in real property), made on or after  
35 June first, two thousand twenty-six, (A) at a rate not to exceed one and  
36 four hundred twenty-five one thousandths of one percent of consideration  
37 or value where such consideration or value is greater than five hundred  
38 thousand dollars but not greater than five million dollars, (B) at a  
39 rate not to exceed three and six hundred seventy-five one thousandths of  
40 one percent of consideration or value where such consideration or value  
41 is greater than five million dollars but not greater than ten million  
42 dollars, (C) at a rate not to exceed four and six hundred seventy-five  
43 one thousandths of one percent of consideration or value where such  
44 consideration or value is greater than ten million dollars but not  
45 greater than fifteen million dollars, (D) at a rate not to exceed four  
46 and nine hundred twenty-five one thousandths of one percent of consider-  
47 ation or value where such consideration or value is greater than fifteen  
48 million dollars but not greater than twenty million dollars, (E) at a  
49 rate not to exceed five and one hundred seventy-five one thousandths of  
50 one percent of consideration or value where such consideration or value  
51 is greater than twenty million dollars but not greater than twenty-five  
52 million dollars, and (F) at a rate not to exceed five and three hundred  
53 twenty-five one thousandths of one percent of consideration or value  
54 where such consideration or value is greater than twenty-five million  
55 dollars. Provided, however, that any such city may allow deductions, in  
56 determining the portion of any tax authorized hereby the proceeds of

1 which are payable to the New York city transit authority as hereinafter  
2 provided, for any continuing liens on such interest or property where  
3 such interest or property is a one, two or three-family house, an indi-  
4 vidual cooperative apartment or an individual residential condominium  
5 unit or where the consideration for or value of the interest or property  
6 conveyed or transferred is less than five hundred thousand dollars, and  
7 may also allow an exemption not in excess of twenty-five thousand  
8 dollars on the consideration or value of the interest or property  
9 conveyed and provided, further, that such taxes shall not apply if the  
10 contract for any such conveyance was made prior to May first, nineteen  
11 hundred fifty-nine. Anything to the contrary notwithstanding, where the  
12 tax authorized hereby is imposed on the consideration or value without  
13 any deduction for continuing liens, the portion of the consideration or  
14 value ascribable to such liens shall not be taxed at a rate in excess of  
15 one percent prior to July first, nineteen hundred eighty-two, in excess  
16 of two percent on and after July first, nineteen hundred eighty-two and  
17 before August first, nineteen hundred eighty-nine, or in excess of two  
18 and six hundred twenty-five thousandths of one percent on and after  
19 August first, nineteen hundred eighty-nine, except that where the inter-  
20 est or property is a one, two or three-family house, an individual coop-  
21 erative apartment or an individual residential condominium unit or where  
22 the consideration for a value of the interest or property conveyed or  
23 transferred is less than five hundred thousand dollars the rate on and  
24 after July first, nineteen hundred eighty-two shall not be in excess of  
25 one percent. The amount of any pre-existing liens on such property or  
26 interest which continue thereon after the conveyance or transfer shall  
27 be deemed to be part of the consideration or value for purposes of meas-  
28 uring the tax without regard to whether or not payment of the liens or  
29 of the underlying debt is assumed by the grantee or transferee. The tax  
30 authorized hereby may also be imposed (A) prior to July first, nineteen  
31 hundred eighty-two, at a rate not to exceed one percent, on the grant-  
32 ing, assignment or surrender of a leasehold interest in real property,  
33 other than a leasehold interest in a one, two or three-family house or  
34 an individual dwelling unit in a dwelling which is to be occupied or is  
35 occupied as the residence or home of four or more families living inde-  
36 pendently of each other, where the consideration for or value of such  
37 grant, assignment or surrender is five hundred thousand dollars or more,  
38 (B) on and after July first, nineteen hundred eighty-two and before  
39 August first, nineteen hundred eighty-nine, at a rate not to exceed two  
40 percent, on the granting, assignment or surrender of a leasehold inter-  
41 est in real property, except that in the case of a leasehold interest in  
42 a one, two or three-family house or an individual dwelling unit in a  
43 dwelling which is to be occupied or is occupied as the residence or home  
44 of four or more families living independently of each other, or where  
45 the consideration for or value of such grant, assignment or surrender is  
46 less than five hundred thousand dollars, the rate shall not exceed one  
47 percent [and], (C) on and after August first, nineteen hundred eighty-  
48 nine and before June first, two thousand twenty-six, at a rate not to  
49 exceed two and six hundred twenty-five thousandths of one percent, on  
50 the granting, assignment or surrender of a leasehold interest in real  
51 property, except that in the case of a leasehold interest in a one, two  
52 or three-family house or an individual dwelling unit in a dwelling which  
53 is to be occupied or is occupied as the residence or home of four or  
54 more families living independently of each other where the consideration  
55 for or value of such grant, assignment or surrender is less than five  
56 hundred thousand dollars, the rate shall not exceed one percent, or in



1 the case of a leasehold interest in a one, two or three family house or  
2 an individual dwelling unit in a dwelling which is to be occupied or is  
3 occupied as the residence or home of four or more families living inde-  
4 pendently of each other where the consideration for or value of such  
5 grant, assignment or surrender is greater than five hundred thousand  
6 dollars, the rate shall not exceed one and four hundred twenty-five  
7 thousandths of one percent, or where the consideration for or value of  
8 any other grant, assignment or surrender is less than five hundred thou-  
9 sand dollars, the rate shall not exceed one and four hundred twenty-five  
10 thousandths of one percent, and (D) on and after June first, two thou-  
11 sand twenty-six, at a rate not to exceed two and six hundred twenty-five  
12 thousandths of one percent, on the granting, assignment or surrender of  
13 a leasehold interest in real property, except that in the case of a  
14 leasehold interest in a one, two or three-family house or an individual  
15 dwelling unit in a dwelling which is to be occupied or is occupied as  
16 the residence or home of four or more families living independently of  
17 each other where the consideration for or value of such grant, assign-  
18 ment or surrender is five hundred thousand dollars or less, the rate  
19 shall not exceed one percent, or in the case of a leasehold interest in  
20 a one, two or three family house or an individual dwelling unit in a  
21 dwelling which is to be occupied or is occupied as the residence or home  
22 of four or more families living independently of each other where the  
23 consideration for or value of such grant, assignment or surrender is  
24 greater than five hundred thousand dollars but not greater than five  
25 million dollars, the rate shall not exceed one and four hundred twenty-  
26 five thousandths of one percent, or in the case of a leasehold interest  
27 in a one, two or three family house or an individual dwelling unit in a  
28 dwelling which is to be occupied or is occupied as the residence or home  
29 of four or more families living independently of each other where the  
30 consideration for or value of such grant, assignment or surrender is  
31 greater than five million dollars but not greater than ten million  
32 dollars, the rate shall not exceed three and six hundred seventy-five  
33 thousandths of one percent, or in the case of a leasehold interest in a  
34 one, two or three family house or an individual dwelling unit in a  
35 dwelling which is to be occupied or is occupied as the residence or home  
36 of four or more families living independently of each other where the  
37 consideration for or value of such grant, assignment or surrender is  
38 greater than ten million dollars but not greater than fifteen million  
39 dollars, the rate shall not exceed four and six hundred seventy-five  
40 thousandths of one percent, or in the case of a leasehold interest in a  
41 one, two or three family house or an individual dwelling unit in a  
42 dwelling which is to be occupied or is occupied as the residence or home  
43 of four or more families living independently of each other where the  
44 consideration for or value of such grant, assignment or surrender is  
45 greater than fifteen million dollars but not greater than twenty million  
46 dollars, the rate shall not exceed four and nine hundred twenty-five  
47 thousandths of one percent, or in the case of a leasehold interest in a  
48 one, two or three family house or an individual dwelling unit in a  
49 dwelling which is to be occupied or is occupied as the residence or home  
50 of four or more families living independently of each other where the  
51 consideration for or value of such grant, assignment or surrender is  
52 greater than twenty million dollars but not greater than twenty-five  
53 million dollars, the rate shall not exceed five and one hundred seven-  
54 ty-five thousandths of one percent, or in the case of a leasehold inter-  
55 est in a one, two or three family house or an individual dwelling unit  
56 in a dwelling which is to be occupied or is occupied as the residence or



1 home of four or more families living independently of each other where  
2 the consideration for or value of such grant, assignment or surrender is  
3 greater than twenty-five million dollars, the rate shall not exceed five  
4 and three hundred twenty-five thousandths of one percent, or where the  
5 consideration for or value of any other grant, assignment or surrender  
6 is five hundred thousand dollars or less, the rate shall not exceed one  
7 and four hundred twenty-five thousandths of one percent; provided,  
8 however, that for purposes of a tax on the granting of a leasehold  
9 interest in real property, the amount subject to tax shall be only such  
10 amount as is not considered rent for purposes of the tax authorized to  
11 be imposed on the occupancy of commercial premises by chapter two  
12 hundred fifty-seven of the laws of nineteen hundred sixty-three, as  
13 amended, and imposed by a city having a population of one million or  
14 more pursuant thereto. In the case of any conveyance or transfer of real  
15 property or any economic interest therein in complete or partial liqui-  
16 dation of a corporation, partnership, association, trust or other enti-  
17 ty, the tax shall be measured by the consideration for such conveyance  
18 or transfer or the value of the real property or interest therein,  
19 whichever is greater. Such taxes may be imposed on any conveyance or  
20 transfer of real property or interest therein where the real property is  
21 located in such city regardless of where transactions, negotiations,  
22 transfers of deeds or other actions with regard to the transfer or  
23 conveyance take place, subject only to the restrictions contained in  
24 section twelve hundred thirty. The payment of, and the filing of a  
25 return relating to, any such taxes may be required as a condition prece-  
26 dent (1) to the recording or filing of a deed, lease, assignment or  
27 surrender of lease or other instrument, (2) to the commencement of any  
28 action or proceeding in any court of this state in which any conveyance,  
29 transfer or lease described herein is in issue, directly or indirectly,  
30 or (3) to the receipt in evidence of such deed, lease, assignment or  
31 surrender of lease or other instrument in any such court. In each  
32 instance where the tax rate imposed pursuant to this subdivision is two  
33 percent, fifty percent of the total amount of such tax, including fifty  
34 percent of any interest or penalties thereon, shall be set aside in a  
35 special account by the commissioner of finance of such city, provided,  
36 however, that where the consideration for or value of property or inter-  
37 est conveyed or transferred includes the amount of any nondeductible  
38 mortgage, lien or other encumbrance which existed before the conveyance  
39 or transfer and remains thereon after such conveyance or transfer, (A)  
40 prior to July first, nineteen hundred eighty-two the entire amount of  
41 tax imposed at a rate not in excess of one percent on the portion of the  
42 consideration or value ascribable to such nondeductible mortgage, lien  
43 or other encumbrance, including any interest or penalties thereon, and  
44 fifty percent of the tax on the balance of the consideration or value,  
45 including fifty percent of any interest or penalties thereon, shall be  
46 set aside in such special account, and (B) on and after July first,  
47 nineteen hundred eighty-two and before August first, nineteen hundred  
48 eighty-nine, fifty percent of the amount of tax imposed at a rate in  
49 excess of one percent but not in excess of two percent on the portion of  
50 the consideration or value ascribable to such nondeductible mortgage,  
51 lien or other encumbrance, including fifty percent of any interest or  
52 penalties thereon, and fifty percent of the tax on the balance of the  
53 consideration or value, including fifty percent of any interest or  
54 penalties thereon, shall be set aside in such special account. On and  
55 after August first, nineteen hundred eighty-nine, in each instance where  
56 the tax rate imposed pursuant to this subdivision is in excess of two

1 percent, except where such tax rate is imposed on a conveyance or trans-  
2 fer of a one, two or three family house, individual cooperative apart-  
3 ment, or individual residential condominium units, or interest therein,  
4 and the consideration for or value of such conveyance or transfer is  
5 greater than five million dollars, the portion of the tax, and any  
6 interest or penalty thereon, to be set aside in such special account  
7 shall be an amount equal to one percent of the total consideration for  
8 or value of the real property or economic interest therein conveyed or  
9 transferred, plus any interest or penalty attributable to such portion  
10 of the tax. There shall also be set aside in such special account prior  
11 to July first, nineteen hundred eighty-two the total amount of taxes  
12 imposed on grants, assignments or surrenders of leasehold interests in  
13 real property, including any interest or penalties thereon; on and after  
14 July first, nineteen hundred eighty-two and before August first, nine-  
15 teen hundred eighty-nine, there shall be set aside in such special  
16 account fifty percent of the amount of taxes imposed on grants, assign-  
17 ments or surrenders of leasehold interests in real property, other than  
18 a leasehold interest in a one, two or three-family house or an individ-  
19 ual dwelling unit in a dwelling which is to be occupied or is occupied  
20 as the residence or home of four or more families living independently  
21 of each other, or where the consideration for or value of such grant,  
22 assignment or surrender is less than five hundred thousand dollars,  
23 including fifty percent of any interest or penalties thereon. On and  
24 after August first, nineteen hundred eighty-nine, there shall be set  
25 aside in such special account, in each instance where the rate of tax on  
26 grants, assignments or surrenders of leasehold interests in real proper-  
27 ty is two percent or more, except where such rate of tax is imposed on  
28 grants, assignments or surrenders of leasehold interests in one, two or  
29 three-family houses or individual dwelling units in a dwelling which is  
30 to be occupied or is occupied as the residence or home of four or more  
31 families living independently of each other, and the consideration for  
32 or value of such grant, assignment, or surrender of a leasehold interest  
33 is greater than five million dollars, an amount equal to one percent of  
34 the consideration for or value of the leasehold interest granted,  
35 assigned or surrendered, plus any interest or penalty attributable to  
36 such portion of the tax. Notwithstanding anything in this paragraph (i)  
37 to the contrary, in each instance where the tax rate imposed pursuant to  
38 paragraph (xi) of this subdivision is in excess of one percent, except  
39 where such tax rate is imposed on a conveyance or transfer of a one, two  
40 or three family house, individual cooperative apartment, or individual  
41 residential condominium units, or interest therein, and the consider-  
42 ation for or value of such conveyance or transfer is greater than five  
43 million dollars, the portion of tax, and any interest or penalty there-  
44 on, to be set aside in such special account shall be an amount equal to  
45 one-half of one percent of the total consideration for or value of the  
46 real property or economic interest therein conveyed or transferred, plus  
47 any interest or penalty attributable to such portion of the tax, and  
48 there shall be set aside in such special account, in each instance where  
49 the rate of tax imposed under paragraph (xi) of this subdivision on  
50 grants, assignments or surrenders of leasehold interests in real proper-  
51 ty is in excess of one percent, except where such rate of tax is imposed  
52 on grants, assignments or surrenders of leasehold interests in one, two  
53 or three-family houses or individual dwelling units in a dwelling which  
54 is to be occupied or is occupied as the residence or home of four or  
55 more families living independently of each other, and the consideration  
56 for or value of such grant, assignment or surrender of a leasehold

1 interest is greater than five million dollars, an amount equal to one-  
2 half of one percent of the consideration for or value of the leasehold  
3 interest granted, assigned or surrendered, plus any interest or penalty  
4 attributable to such portion of the tax. Moneys in such account shall be  
5 used for payment by such commissioner to the state comptroller for  
6 deposit in the urban mass transit operating assistance account of the  
7 mass transportation operating assistance fund of any amount of insuffi-  
8 ciency certified by the state comptroller pursuant to the provisions of  
9 subdivision six of section eighty-eight-a of the state finance law, and,  
10 on the fifteenth day of each month such commissioner shall transmit all  
11 funds in such account on the last day of the preceding month, except the  
12 amount required for the payment of any amount of insufficiency certified  
13 by the state comptroller and such amount as [he] such comptroller deems  
14 necessary for refunds and such other amounts necessary to finance the  
15 New York city transportation disabled committee and the New York city  
16 paratransit system as established by section fifteen-b of the transpor-  
17 tation law, provided, however, that such amounts shall not exceed six  
18 percent of the total funds in the account but in no event be less than  
19 one hundred seventy-five thousand dollars beginning April first, nine-  
20 teen hundred eighty-six, and further that beginning November fifteenth,  
21 nineteen hundred eighty-four and during the entire period prior to oper-  
22 ation of such system, the total of such amounts shall not exceed three  
23 hundred seventy-five thousand dollars for the administrative expenses of  
24 such committee and fifty thousand dollars for the expenses of the agency  
25 designated pursuant to paragraph b of subdivision five of such section,  
26 and other amounts necessary to finance the operating needs of the  
27 private bus companies franchised by the city of New York and eligible to  
28 receive state operating assistance under section eighteen-b of the  
29 transportation law, provided, however, that such amounts shall not  
30 exceed four percent of the total funds in the account, to the New York  
31 city transit authority for mass transit within the city.

32 § 3. Paragraphs 9 and 10 of subdivision a of section 11-2102 of the  
33 administrative code of the city of New York, as added by local law  
34 number 59 of the city of New York for the year 1989, are amended and two  
35 new paragraphs 11 and 12 are added to read as follows:

36 (9) with respect to conveyances made on or after August first, nine-  
37 teen hundred eighty-nine, and before June first, two thousand twenty-six  
38 (other than grants, assignments or surrenders of leasehold interests in  
39 real property taxable as provided in paragraph ten of this subdivision),  
40 the tax shall be at the following rates:

41 (i) at the rate of one percent of the consideration for conveyances of  
42 one, two or three-family houses and individual residential condominium  
43 units where the consideration is five hundred thousand dollars or less,  
44 and at the rate of one and four hundred twenty-five thousandths of one  
45 percent of the consideration for such conveyances where the consider-  
46 ation is more than five hundred thousand dollars, and

47 (ii) at the rate of one and four hundred twenty-five thousandths of  
48 one percent of the consideration with respect to all other conveyances  
49 where the consideration is five hundred thousand dollars or less, and at  
50 the rate of two and six hundred twenty-five thousandths of one percent  
51 where the consideration for such conveyances is more than five hundred  
52 thousand dollars;

53 (10) With respect to a grant, assignment or surrender of a leasehold  
54 interest in real property made on or after August first, nineteen  
55 hundred eighty-nine, and before June first, two thousand twenty-six, the  
56 tax shall be at the following rates:

1 (i) at the rate of one percent of the consideration for the granting,  
2 assignment or surrender of a leasehold interest in a one, two or three-  
3 family house or an individual dwelling unit in a dwelling which is to be  
4 occupied or is occupied as the residence or home of four or more fami-  
5 lies living independently of each other where the consideration is five  
6 hundred thousand dollars or less, and at the rate of one and four  
7 hundred twenty-five thousandths of one percent of the consideration  
8 where the consideration for granting, assignment or surrender or such  
9 leasehold interest is more than five hundred thousand dollars, and

10 (ii) at the rate of one and four hundred twenty-five thousandths of  
11 one percent of the consideration for the granting, assignment or surren-  
12 der of a leasehold interest in all other real property where the consid-  
13 eration is five hundred thousand dollars or less, and at the rate of two  
14 and six hundred twenty-five thousandths of one percent of the consider-  
15 ation where the consideration for the granting, assignment or surrender  
16 of such a leasehold interest is more than five hundred thousand dollars;

17 (iii) provided, however, that for purposes of subparagraphs (i) and  
18 (ii) of this paragraph, the amount subject to tax in the case of a grant  
19 of a leasehold interest shall be only such amount as is not considered  
20 rent for purposes of the tax imposed by chapter seven of this title[.];

21 (11) with respect to conveyances made on or after June first, two  
22 thousand twenty-six (other than grants, assignments or surrenders of  
23 leasehold interests in real property taxable as provided in paragraph  
24 twelve of this subdivision), the tax shall be at the following rates:

25 (i) at the rate of one percent of the consideration for conveyances of  
26 one, two or three-family houses and individual residential condominium  
27 units where the consideration is five hundred thousand dollars or less,  
28 and at the rate of one and four hundred twenty-five thousandths of one  
29 percent of the consideration for such conveyances where the consider-  
30 ation is more than five hundred thousand dollars but not more than five  
31 million dollars, and at the rate of three and six hundred seventy-five  
32 thousandths of one percent of the consideration for such conveyances  
33 where the consideration is more than five million dollars but not more  
34 than ten million dollars, and at the rate of four and six hundred seven-  
35 ty-five thousands of one percent of the consideration for such convey-  
36 ances where the consideration is more than ten million dollars but not  
37 more than fifteen million dollars, and at the rate of four and nine  
38 hundred twenty-five thousandths of one percent of the consideration for  
39 such conveyances where the consideration is more than fifteen million  
40 dollars but not more than twenty million dollars, and at the rate of  
41 five and one hundred seventy-five thousandths of one percent of the  
42 consideration for such conveyances where the consideration is more than  
43 twenty million dollars but not more than twenty-five million dollars,  
44 and at the rate of five and three hundred twenty-five thousandths of one  
45 percent of the consideration for such conveyances where the consider-  
46 ation is more than twenty-five million dollars, and

47 (ii) at the rate of one and four hundred twenty-five thousandths of  
48 one percent of the consideration with respect to all other conveyances  
49 where the consideration is five hundred thousand dollars or less, and at  
50 the rate of two and six hundred twenty-five thousandths of one percent  
51 where the consideration for such conveyances is more than five hundred  
52 thousand dollars;

53 (12) with respect to a grant, assignment or surrender of a leasehold  
54 interest in real property made on or after June first, two thousand  
55 twenty-six, the tax shall be at the following rates:

1 (i) at the rate of one percent of the consideration for the granting,  
2 assignment or surrender of a leasehold interest in a one, two or three-  
3 family house or an individual dwelling unit in a dwelling which is to be  
4 occupied or is occupied as the residence or home of four or more fami-  
5 lies living independently of each other where the consideration is five  
6 hundred thousand dollars or less, and at the rate of one and four  
7 hundred twenty-five thousandths of one percent of the consideration  
8 where the consideration for granting, assignment or surrender of such a  
9 leasehold interest is more than five hundred thousand dollars but not  
10 more than five million dollars, and at the rate of three and six hundred  
11 seventy-five thousandths of one percent of the consideration where the  
12 consideration for granting, assignment or surrender of such a leasehold  
13 interest is more than five million dollars but not more than ten million  
14 dollars, and at the rate of four and six hundred seventy-five thou-  
15 sandths of one percent of the consideration where the consideration for  
16 granting, assignment or surrender of such a leasehold interest is more  
17 than ten million dollars but not more than fifteen million dollars, and  
18 at the rate of four and nine hundred twenty-five thousandths of one  
19 percent of the consideration where the consideration for granting,  
20 assignment or surrender of such a leasehold interest is more than  
21 fifteen million dollars but not more than twenty million dollars, and at  
22 the rate of five and one hundred seventy-five thousandths of one percent  
23 of the consideration where the consideration for granting, assignment or  
24 surrender of such a leasehold interest is more than twenty million  
25 dollars but not more than twenty-five million dollars, and at the rate  
26 of five and three hundred twenty-five thousandths of one percent of the  
27 consideration where the consideration for granting, assignment or  
28 surrender of such a leasehold interest is more than twenty-five million  
29 dollars, and

30 (ii) at the rate of one and four hundred twenty-five thousandths of  
31 one percent of the consideration for the granting, assignment or surren-  
32 der of a leasehold interest in all other real property where the consid-  
33 eration is five hundred thousand dollars or less, and at the rate of two  
34 and six hundred twenty-five thousandths of one percent of the consider-  
35 ation where the consideration for the granting, assignment or surrender  
36 of such a leasehold interest is more than five hundred thousand dollars;

37 (iii) provided, however, that for purposes of subparagraphs (i) and  
38 (ii) of this paragraph, the amount subject to tax in the case of a grant  
39 of a leasehold interest shall be only such amount as is not considered  
40 rent for purposes of the tax imposed by chapter seven of this title.

41 § 4. Subparagraph (B) of paragraph 1 of subdivision b of section  
42 11-2102 of the administrative code of the city of New York, as amended  
43 by local law number 59 of the city of New York for the year 1989, is  
44 amended to read as follows:

45 (B) With respect to such transfers made on or after August first,  
46 nineteen hundred eighty-nine, and before June first, two thousand twen-  
47 ty-six, the tax shall be at the following rates:

48 (i) at the rate of one percent of the consideration where the real  
49 property, the economic interest in which is transferred, is a one, two  
50 or three-family house, an individual cooperative apartment, an individ-  
51 ual residential condominium unit or an individual dwelling unit in a  
52 dwelling which is to be occupied or is occupied as the residence or home  
53 of four or more families living independently of each other and where  
54 the consideration for such transfer of an economic interest in such real  
55 property is five hundred thousand dollars or less, and at the rate of  
56 one and four hundred twenty-five thousandths of one percent of the

1 consideration where the consideration for such transfer of an economic  
2 interest in such property is more than five hundred thousand dollars,  
3 and

4 (ii) at the rate of one and four hundred twenty-five thousandths of  
5 one percent of the consideration with respect to all other transfers of  
6 an economic interest in real property where the consideration is five  
7 hundred thousand dollars or less, and at the rate of two and six hundred  
8 twenty-five thousandths of one percent of the consideration where the  
9 consideration for such transfers is more than five hundred thousand  
10 dollars.

11 § 5. Paragraph 1 of subdivision b of section 11-2102 of the adminis-  
12 trative code of the city of New York is amended by adding a new subpara-  
13 graph (B-1) to read as follows:

14 (B-1) With respect to such transfers made on or after June first, two  
15 thousand twenty-six, the tax shall be at the following rates:

16 (i) at the rate of one percent of the consideration where the real  
17 property, the economic interest in which is transferred, is a one, two  
18 or three-family house, an individual cooperative apartment, an individ-  
19 ual residential condominium unit or an individual dwelling unit in a  
20 dwelling which is to be occupied or is occupied as the residence or home  
21 of four or more families living independently of each other and where  
22 the consideration for such transfer of an economic interest in such real  
23 property is five hundred thousand dollars or less, and at the rate of  
24 one and four hundred twenty-five thousandths of one percent of the  
25 consideration where the consideration for such transfer of an economic  
26 interest in such property is more than five hundred thousand dollars but  
27 not more than five million dollars, and at the rate of three and six  
28 hundred seventy-five thousandths of one percent of the consideration  
29 where the consideration for such transfer of an economic interest in  
30 such property is more than five million dollars but not more than ten  
31 million dollars, and at the rate of four and six hundred seventy-five  
32 thousandths of one percent of the consideration where the consideration  
33 for such transfer of an economic interest in such property is more than  
34 ten million dollars but not more than fifteen million dollars, and at  
35 the rate of four and nine hundred twenty-five thousandths of one percent  
36 of the consideration where the consideration for such transfer of an  
37 economic interest in such property is more than fifteen million dollars  
38 but not more than twenty million dollars, and at the rate of five and  
39 one hundred seventy-five thousandths of one percent of the consideration  
40 where the consideration for such transfer of an economic interest in  
41 such property is more than twenty million dollars but not more than  
42 twenty-five million dollars, and at the rate of five and three hundred  
43 twenty-five thousandths of one percent of the consideration where the  
44 consideration for such transfer of an economic interest in such property  
45 is more than twenty-five million dollars, and

46 (ii) at the rate of one and four hundred twenty-five thousandths of  
47 one percent of the consideration with respect to all other transfers of  
48 an economic interest in real property where the consideration is five  
49 hundred thousand dollars or less, and at the rate of two and six hundred  
50 twenty-five thousandths of one percent of the consideration where the  
51 consideration for such transfers is more than five hundred thousand  
52 dollars.

53 § 6. This act shall take effect immediately and shall be deemed to  
54 have been in full force and effect as of June 1, 2026, and apply to  
55 transactions occurring on or after such date.

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

10 § 3. This act shall take effect immediately provided, however, that  
11 the applicable effective date of Parts A through QQ of this act shall be  
12 as specifically set forth in the last section of such Parts.

