

2016-17 NEW YORK STATE EXECUTIVE BUDGET
REVENUE ARTICLE VII LEGISLATION

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Legislative Bill Drafting Commission
12674-01-6

IN SENATE

Senate introducer's signature

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

S. -----
Senate

IN SENATE--Introduced by Sen

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

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

BUDGBI

(Enacts into law major components of
legislation which are necessary to
implement the state fiscal plan of
the 2016-2017 state fiscal year)

BUDGBI REV ARTICLE VII (EXEC)

AN ACT

to amend the real property tax law
and the tax law, in relation to
transitioning the school tax relief
(STAR) exemption into a personal
income tax credit, and to repeal
subdivision 5 of section 520 of the
real property tax law relating ther-
eto (Part A); to amend the real
property tax law, in relation to the
maximum amount of tax savings allow-
able under the STAR program (Part
B); to amend the real property tax

IN ASSEMBLY

Assembly introducer's signature

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

a049 Abbate	a054 Dilan	a135 Johns	a003 Murray	a076 Seawright
a092 Abinanti	a081 Dinowitz	a077 Joyner	a133 Nojay	a087 Sepulveda
a084 Arroyo	a147 DiPietro	a020 Kaminsky	a037 Nolan	a027 Simanowitz
a035 Aubry	a115 Duprey	a094 Katz	a130 Oaks	a052 Simon
a120 Barclay	a004 Englebright	a074 Kavanagh	a069 O'Donnell	a036 Simotas
a106 Barrett	a109 Fahy	a142 Kearns	a051 Ortiz	a104 Skartados
a060 Barron	a071 Farrell	a040 Kim	a091 Otis	a099 Skoufis
a082 Benedetto	a126 Finch	a131 Kolb	a132 Palmesano	a022 Solages
a042 Bichotte	a008 Fitzpatrick	a105 Lalor	a002 Palumbo	a114 Stec
a079 Blake	a124 Friend	a013 Lavine	a088 Paulin	a110 Steck
a117 Blankenbush	a095 Galef	a134 Lawrence	a141 Peoples-	a127 Stirpe
a098 Brabenec	a137 Gantt	a050 Lentol	Stokes	a112 Tedisco
a026 Braunstein	a007 Garbarino	a125 Lifton	a058 Perry	a101 Tenney
a044 Brennan	a148 Giglio	a072 Linares	a086 Pichardo	a001 Thiele
a119 Brindisi	a080 Gjonaj	a102 Lopez	a089 Pretlow	a061 Titone
a138 Bronson	a066 Glick	a123 Lupardo	a073 Quart	a031 Titus
a093 Buchwald	a023 Goldfeder	a010 Lupinacci	a019 Ra	a055 Walker
a118 Butler	a150 Goodell	a121 Magee	a012 Raia	a146 Walter
a103 Cahill	a075 Gottfried	a129 Magnarelli	a006 Ramos	a141 Weinstein
a145 Ceretto	a005 Graf	a064 Malliotakis	a043 Richardson	a024 Weprin
a033 Clark	a100 Gunther	a030 Markey	a078 Rivera	a113 Woerner
a047 Colton	a046 Harris	a090 Mayer	a056 Robinson	a143 Wozniak
a032 Cook	a139 Hawley	a108 McDonald	a068 Rodriguez	a070 Wright
a144 Corwin	a083 Heastie	a014 McDonough	a067 Rosenthal	a096 Zebrowski
a085 Crespo	a028 Hevesi	a017 McKeivitt	a025 Rozic	a059
a122 Crouch	a048 Hkind	a107 McLaughlin	a116 Russell	a062
a021 Curran	a018 Hooper	a038 Miller	a149 Ryan	a065
a063 Cusick	a128 Hunter	a015 Montesano	a009 Saladino	
a045 Cymbrowitz	a029 Hyndman	a136 Morelle	a111 Santabarbara	
a053 Davila	a097 Jaffee	a057 Mosley	a016 Schimel	
a034 DenDekker	a011 Jean-Pierre	a039 Moya	a140 Schimminger	

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

2) Circle names of co-sponsors and return to introduction clerk with 2 signed
copies of bill and 4 copies of memorandum in support (single house); or 4 signed
copies of bill and 8 copies of memorandum in support (uni-bill).

law in relation to making the income verification program mandatory (Part C); to amend the real property tax law, in relation to allowing applications for exemptions to be filed after the taxable status date in certain cases (Part D); to amend the tax law and the administrative code of the city of New York, in relation to establishing a new school tax reduction credit for residents of a city with a population over one million (Part E); to amend the real property tax law, in relation to authorizing the commissioner of taxation and finance to make direct payments of STAR tax savings to property owners in certain cases (Part F); to amend the tax law, in relation to making permanent, provisions relating to mandatory electronic filing of tax documents, improving sales tax compliance and updating tax preparer penalties; to amend chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness thereof; and to repeal certain provisions of the tax law and the administrative code of the city of New York relating thereto (Part G); to amend the public housing law, in relation to extending the credit against income tax for persons or entities investing in low-income housing (Part H); to amend the tax law, in relation to extending the hire a veteran credit for an additional two years (Part I); to amend the tax law, in relation to extending the empire state commercial production tax credit (Part J); to amend chapter 604 of the laws of 2011, amending the tax law relating to the credit for companies who provide transportation to people with disabilities, in relation to extending the expiration of such provision (Part K); to amend part I of chapter 58 of the laws of 2006, amending the tax law relating to providing an enhanced earned income tax credit, in relation to making the enhanced

earned income tax credit permanent (Part L); to amend part N of chapter 61 of the laws of 2005 amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to permanently extending the disclosure and penalty provisions for transactions that present the potential for tax avoidance (Part M); to amend the tax law, in relation to extending the clean heating fuel credit for three years and updating the credit to reflect new minimum biodiesel fuel thresholds (Part N); to amend the economic development law and the tax law, in relation to extending the excelsior jobs program for five years (Part O); to amend the tax law and the administrative code of the City of New York in relation to making corrections to the corporate tax reform provisions (Part P); to amend the tax law and the administrative code of the city of New York, in relation to the time for filing reports (Part Q); to amend the tax law, in relation to the business income base rate and expanding the small business subtraction modification (Part R); to amend the education law and the tax law, in relation to enacting the "parental choice in education act" (Part S); to amend the tax law, in relation to establishing a tax credit for New York state thruway tolls (Part T); 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 for five years (Part U); to amend the tax law, in relation to exempting from alcoholic beverage tax certain alcoholic beverages furnished at no charge by certain licensees to customers or prospective customers at a tasting held in accordance with the alcoholic beverage control law, and to expand the beer production credit to include wine, liquor and

cider (Part V); to amend the tax law, in relation to authorizing jeopardy assessments on cigarette and tobacco product taxes assessed under article 20 thereof (Part W); to amend the tax law and the administrative code of the city of New York, in relation to allowing room remarketers to purchase occupancies from hotel operators exempt from sales tax under certain circumstances (Part X); to amend the tax law, in relation to charitable contributions and charitable activities being considered in determining domicile for estate tax purposes (Part Y); to amend the state finance law, in relation to creating the aviation purpose account and ensuring that the funds deposited in the aviation purpose account are used for airport improvement projects; to amend the tax law, in relation to provide for the distribution of revenues under section 301-e of such law; to exempt sales of fuel sold for use in commercial aircraft and general aviation aircraft from the prepayment of sales tax imposed pursuant to the authority of section 1102(a) (1) (ii) of such law; and to exclude sales of fuel sold for use in commercial aircraft and general aviation aircraft from the operation of sales and use taxes imposed pursuant to the authority of section 1210(a) of such law (Part Z); to amend the racing, pari-mutuel wagering and breeding law, in relation to equine lab testing provider restrictions removal (Part AA); to amend the racing, pari-mutuel wagering and breeding law and the tax law, in relation to reducing purse amounts paid from the VLT program and to increasing racing regulatory fee (Part BB); to amend the racing, pari-mutuel wagering and breeding law, in relation to the timing of harness track reimbursements and other technical amendments (Part CC); to amend the tax law, in relation to the payment of vendors' fees (Part DD); to amend the tax law, in relation to vendor fees at vendor tracks (Part EE); to amend

the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting; 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 extending certain provision thereof; and to amend the racing, pari-mutuel and breeding law, in relation to extending certain provisions thereof (Part FF); to amend the tax law, in relation to capital awards to vendor tracks (Part GG); and to amend the state finance law, in relation to allocations from the commercial gaming revenue fund; and to amend the tax law, in relation to commissions payable to certain vendor racetracks (Part HH)

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 2016-2017
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through HH. 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, includ-
7 ing the effective date of the Part, which makes a reference to a section
8 "of this act", when used in connection with that particular component,
9 shall be deemed to mean and refer to the corresponding section of the
10 Part in which it is found. Section three of this act sets forth the
11 general effective date of this act.

12

PART A

13 Section 1. Paragraph (a) of subdivision 6 of section 425 of the real
14 property tax law, as amended by chapter 6 of the laws of 2010, and as
15 further amended by subdivision (b) of section 1 of part W of chapter 56
16 of the laws of 2010, is amended to read as follows:

17 (a) Generally. All owners of the property who primarily reside thereon
18 and who are not subject to the provisions of subdivision sixteen of this
19 section must jointly file an application for exemption with the assessor
20 on or before the appropriate taxable status date. Such application may
21 be filed by mail if it is enclosed in a postpaid envelope properly
22 addressed to the appropriate assessor, deposited in a post office or
23 official depository under the exclusive care of the United States postal
24 service, and postmarked by the United States postal service on or before
25 the applicable taxable status date. Each such application shall be made
26 on a form prescribed by the commissioner, which shall require the appli-

1 cant or applicants to agree to notify the assessor if their primary
2 residence changes while their property is receiving the exemption. The
3 assessor may request that proof of residency be submitted with the
4 application. If the applicant requests a receipt from the assessor as
5 proof of submission of the application, the assessor shall provide such
6 receipt. If such request is made by other than personal request, the
7 applicant shall provide the assessor with a self-addressed postpaid
8 envelope in which to mail the receipt.

9 § 2. Section 425 of the real property tax law is amended by adding a
10 new subdivision 16 to read as follows:

11 16. Transition to personal income tax credit. (a) Beginning with
12 assessment rolls used to levy school district taxes for the two thousand
13 sixteen--two thousand seventeen school year, no application for an
14 exemption under this section may be filed or approved unless at least
15 one of the applicants held title to the property on the taxable status
16 date of the assessment roll that was used to levy school district taxes
17 for the two thousand fifteen--two thousand sixteen school year and the
18 property was granted an exemption pursuant to this section on that
19 assessment roll. In the event that an application is submitted to the
20 assessor that cannot be approved due to this restriction, the assessor
21 shall notify the applicant that he or she is required by law to deny the
22 application, but that, in lieu of a STAR exemption, the applicant may
23 claim the personal income tax credit authorized by subsection (eee) of
24 section six hundred six of the tax law if eligible, and that the appli-
25 cant may contact the department of taxation and finance for further
26 information. The commissioner shall provide a form for assessors to
27 use, at their option, when making this notification. No STAR exemption

1 may be granted on the basis of an application that is not approvable due
2 to this restriction.

3 (b) If the owners of a parcel that is receiving the STAR exemption
4 authorized by this section want to claim the personal income tax credit
5 authorized by subsection (eee) of section six hundred six of the tax law
6 in lieu of such exemption, they all must renounce that exemption in the
7 manner provided by section four hundred ninety-six of this chapter, and
8 must pay any required taxes, interest and penalties, on or before Decem-
9 ber thirty-first of the taxable year for which they want to claim the
10 credit. Any such renunciation shall be irrevocable.

11 (c) The provisions of this subdivision shall apply to all applications
12 for STAR exemptions beginning with assessment rolls used to levy school
13 district taxes for the two thousand sixteen--two thousand seventeen
14 school year, including those submitted prior to the effective date of
15 this subdivision. If any application was approved prior to the effective
16 date of this subdivision that is not approvable hereunder, such approval
17 shall be deemed void, and the assessor shall provide the applicant with
18 the notice required by paragraph (a) of this subdivision.

19 § 3. Subdivision 2 of section 496 of the real property tax law, as
20 added by section 3 of part N of chapter 58 of the laws of 2011, is
21 amended to read as follows:

22 2. An application to renounce an exemption shall be made on a form
23 prescribed by the commissioner and shall be filed with the county direc-
24 tor of real property tax services no later than ten years after the levy
25 of taxes upon the assessment roll on which the renounced exemption
26 appears. The county director, after consulting with the assessor as
27 appropriate, shall compute the total amount owed on account of the
28 renounced exemption as follows:

1 (a) For each assessment roll on which the renounced exemption appears,
2 the assessed value that was exempted shall be multiplied by the tax rate
3 or rates that were applied to that assessment roll. Interest shall then
4 be added to each such product at the rate prescribed by section nine
5 hundred twenty-four-a of this chapter or such other law as may be appli-
6 cable for each month or portion thereon since the levy of taxes upon
7 such assessment roll.

8 (b) The sum of the calculations made pursuant to paragraph (a) of this
9 subdivision with respect to all of the assessment rolls in question
10 shall be determined.

11 (c) A processing fee of five hundred dollars shall be added to the sum
12 determined pursuant to paragraph (b) of this subdivision, unless the
13 provisions of paragraph (d) of this subdivision are applicable.

14 (d) If the applicant is renouncing a STAR exemption in order to quali-
15 fy for the personal income tax credit authorized by subsection (eee) of
16 section six hundred six of the tax law, and no other exemptions are
17 being renounced on the same application, no processing fee shall be
18 applicable.

19 § 4. Subdivision 3 of section 520 of the real property tax law, as
20 added by chapter 635 of the laws of 1978, is amended to read as follows:

21 3. For purposes of any fiscal year or years during which title to such
22 property is transferred, such property shall be deemed to have been
23 omitted and the assessed value thereof shall be entered on the assess-
24 ment roll to be used for the next tax levy by or for each municipal
25 corporation in which such property is located in the same manner as
26 provided by title three of article five of this chapter with respect to
27 a parcel omitted from the assessment roll of the previous year. A pro
28 rata tax shall be extended against the property for the unexpired

1 portion of each fiscal year. Such real property shall be taxed at the
2 tax rate or tax rates for the fiscal year during which the transfer
3 occurred. The amount of tax or taxes levied pursuant to this subdivi-
4 sion shall be deducted from the aggregate amount of taxes to be levied
5 for the fiscal year immediately succeeding the fiscal year during which
6 the transfer occurred; provided, however, that where the property is
7 receiving a school tax relief (STAR) exemption authorized by section
8 four hundred twenty-five of this chapter, the portion of the tax or
9 taxes levied that equals the recovered STAR tax savings shall be applied
10 to reduce the amount of aid payable to the school district under subdivi-
11 vision three of section thirteen hundred six-a of this chapter.

12 § 5. Subdivision 5 of section 520 of the real property tax law is
13 REPEALED.

14 § 6. Section 606 of the tax law is amended by adding a new subsection
15 (eee) to read as follows:

16 (eee) School tax relief (STAR) credit. (1) Definitions. For purposes
17 of this subsection:

18 (A) "Qualified taxpayer" means a resident individual of the state, who
19 maintained his or her primary residence in this state on December thir-
20 ty-first of the taxable year, who was an owner of that property on that
21 date, who cannot receive the STAR exemption on that property either
22 because (i) he or she is precluded from filing an application for the
23 STAR exemption on that property pursuant to paragraph (a) of subdivision
24 sixteen of section four hundred twenty-five of the real property tax
25 law, or because (ii) he or she has irrevocably renounced his or her
26 claim to such exemption in conjunction with all other owners pursuant to
27 paragraph (b) of such subdivision, and who is required or chooses to
28 file a return under this article.

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

11 (C) "Associated fiscal year" means the school district fiscal year
12 that began on July first of the taxable year or, in the case of a city
13 school district that is subject to article fifty-two of the education
14 law, the city fiscal year that began on July first of the taxable year.

15 (D) "Owner" means:

16 (i) a person who owns a parcel in fee simple absolute or as a tenant
17 in common, a joint tenant or a tenant by the entirety,

18 (ii) an owner of a present interest in a parcel under a life estate,

19 (iii) a vendee in possession under an installment contract of sale,

20 (iv) a beneficial owner under a trust,

21 (v) a tenant-stockholder of a cooperative apartment corporation who
22 resides in a portion of real property owned by such cooperative apart-
23 ment corporation, to the extent represented by his or her share or
24 shares of stock in such corporation as determined by its or their
25 proportional relationship to the total outstanding stock of the corpo-
26 ration, including that owned by the corporation,

27 (vi) a resident of a farm dwelling that is owned either by a corpo-
28 ration of which the resident is a shareholder, a partnership of which

1 the resident is a partner, or by a limited liability company of which
2 the resident is an owner, or

3 (vii) a resident of a dwelling, other than a farm dwelling, that is
4 owned by a limited partnership of which the resident is a partner,
5 provided that the limited partnership that holds title to the property
6 does not engage in any commercial activity, that the limited partnership
7 was lawfully created to hold title solely for estate planning and asset
8 protection purposes, and that the partner or partners who primarily
9 reside thereon personally pay all of the real property taxes and other
10 costs associated with the property's ownership.

11 (E) "Qualifying taxes" means the school district taxes that were
12 levied upon the taxpayer's primary residence for the associated fiscal
13 year that were actually paid by the taxpayer during the taxable year;
14 or, in the case of a city school district that is subject to article
15 fifty-two of the education law, the combined city and school district
16 taxes that were levied upon the taxpayer's primary residence for the
17 associated fiscal year that were actually paid by the taxpayer during
18 the taxable year. In no case shall the term "qualifying taxes" be
19 construed to include penalties or interest.

20 (F) "STAR exemption" means the school tax relief (STAR) exemption
21 authorized by section four hundred twenty-five of the real property tax
22 law.

23 (G) "STAR tax savings" means the tax saving attributable to the STAR
24 exemption within a portion of a school district, as determined by the
25 commissioner pursuant to subdivision two of section thirteen hundred
26 six-a of the real property tax law.

27 (H) "STAR tax savings figure" means the average of the STAR tax
28 savings in the various portions of a school district in the associated

1 fiscal year, as determined by the commissioner. Two STAR tax savings
2 figures shall be determined for each school district, one relating to
3 the basic STAR exemption, and the other relating to the enhanced STAR
4 exemption.

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

16 (3) Determination of basic STAR credit. (A) Beginning with taxable
17 years after two thousand fifteen, a basic STAR credit shall be available
18 to a qualified taxpayer if the affiliated income of the parcel that
19 serves as the taxpayer's primary residence is less than or equal to five
20 hundred thousand dollars.

21 (B) Subject to the provisions of subparagraph (C) of this paragraph,
22 such basic STAR credit shall be the lesser of:

23 (i) the basic STAR tax savings figure for the school district, or
24 (ii) the taxpayer's qualifying taxes.

25 (C) If the qualifying taxes paid by the taxpayer constituted only a
26 portion of the total school district taxes that were levied upon the
27 taxpayer's primary residence for the associated fiscal year or, in the
28 case of a city school district that is subject to article fifty-two of

1 the education law, if the qualifying taxes paid by the taxpayer consti-
2 tuted only a portion of the total combined city and school district
3 taxes that were levied upon the taxpayer's primary residence for the
4 associated fiscal year, the credit allowable to such taxpayer shall be
5 equal to the amount determined pursuant to subparagraph (B) of this
6 paragraph multiplied by the percentage that such portion represents.

7 (4) Determination of enhanced STAR credit. (A) Beginning with taxable
8 years after two thousand fifteen, an enhanced STAR credit shall be
9 available to a qualified taxpayer where both of the following conditions
10 are satisfied:

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

22 (ii) The affiliated income of the parcel that serves as the taxpayer's
23 primary residence is less than or equal to the income standard for the
24 taxable year established by the commissioner for the corresponding
25 "income tax year" pursuant to clause (C) of subparagraph (i) of para-
26 graph (b) of subdivision four of section four hundred twenty-five of the
27 real property tax law for purposes of the enhanced STAR exemption.

1 (B) Subject to the provisions of subparagraph (C) of this paragraph,
2 such credit shall be the lesser of:

3 (i) the enhanced STAR tax savings figure for the school district, or

4 (ii) the taxpayer's qualifying taxes.

5 (C) If the qualifying taxes paid by the taxpayer constituted only a
6 portion of the total school district taxes that were levied upon the
7 taxpayer's primary residence for the associated fiscal year or, in the
8 case of a city school district that is subject to article fifty-two of
9 the education law, if the qualifying taxes paid by the taxpayer consti-
10 tuted only a portion of the total combined city and school district
11 taxes that were levied upon the taxpayer's primary residence for the
12 associated fiscal year, the credit allowable to such taxpayer shall be
13 equal to the amount determined pursuant to subparagraph (B) of this
14 paragraph multiplied by the percentage that such portion represents.

15 (5) Disqualification. A taxpayer shall not qualify for the credit
16 authorized by this subsection if the parcel that serves as the taxpay-
17 er's primary residence received the STAR exemption on the assessment
18 roll upon which school district taxes for the associated fiscal year
19 where levied. Provided, however, that the taxpayer may remove this
20 disqualification by renouncing the exemption and making any required
21 payments by December thirty-first of the taxable year, as provided by
22 subdivision sixteen of section four hundred twenty-five of the real
23 property tax law.

24 (6) Special cases. (A) In the case of property consisting of a cooper-
25 ative apartment corporation that is described by paragraph (k) of subdi-
26 vision two of section four hundred twenty-five of the real property tax
27 law, the amount of the credit allowable with respect to a cooperative
28 apartment shall be equal to sixty percent of the basic STAR tax savings

1 figure for the school district, or sixty percent of the enhanced STAR
2 tax savings figure for the school district, whichever is applicable.
3 Provided, however, that in the case of a cooperative apartment corpo-
4 ration that is described by subparagraph (iv) of paragraph (k) of subdivi-
5 vision two of section four hundred twenty-five of the real property tax
6 law, the credit allowable with respect to a cooperative apartment shall
7 be equal to twenty percent of such figure.

8 (B) In the case of property consisting of a mobile home that is
9 described in paragraph (1) of subdivision two of section four hundred
10 twenty-five of the real property tax law, the amount of the credit
11 allowable with respect to such mobile home shall be equal to twenty-five
12 percent of the basic STAR tax savings figure for the school district,
13 or twenty-five percent of the enhanced STAR tax savings figure for the
14 school district, whichever is applicable.

15 (C) In the case of a primary residence that is located in two or more
16 school districts, the applicable basic or enhanced STAR tax savings
17 figure shall be determined as follows:

18 (i) determine the sum of the total school district taxes that were
19 levied upon the taxpayer's primary residence for the associated fiscal
20 year by each of the school districts in which the residence is located;

21 (ii) for each such school district, divide the total school district
22 taxes that were levied upon the taxpayer's primary residence by that
23 school district for the associated fiscal year by the sum determined in
24 clause (i) of this subparagraph. Express the result as a percentage with
25 two decimal places;

26 (iii) for each such school district, multiply the percentage deter-
27 mined in clause (ii) of this subparagraph by the basic or enhanced STAR
28 tax savings figure, whichever is applicable; and

1 (iv) add the products determined in clause (iii) of this subparagraph.

2 (7) Disclosure of incomes. Where the commissioner has denied a taxpay-
3 er's claim for the credit authorized by this subsection in whole or in
4 part on the grounds that the affiliated income of the parcel in question
5 exceeds the applicable limit, the commissioner shall have the authority
6 to reveal to that taxpayer the names and incomes of the other taxpayers
7 whose incomes were included in the computation of such affiliated
8 income.

9 (8) Proof of claim. The commissioner may require a qualified taxpayer
10 to furnish the following information in support of his or her claim for
11 credit under this subsection: affiliated income, the total school
12 district taxes levied on the property for the associated fiscal year or,
13 in the case of a city school district that is subject to article fifty-
14 two of the education law, the total combined city and school district
15 taxes levied on the property for the associated fiscal year, the quali-
16 fying taxes paid by the taxpayer, the names and taxpayer identification
17 numbers of all owners of the property and spouses who primarily reside
18 on the property, the parcel identification number and all other informa-
19 tion that may be required by the commissioner to determine the credit.

20 (9) Returns. If a qualified taxpayer is not required to file a return
21 pursuant to section six hundred fifty-one of this article, a claim for a
22 credit may be taken on a return filed with the commissioner within three
23 years from the time it would have been required that a return be filed
24 pursuant to such section had the qualified taxpayer had a taxable year
25 ending on December thirty-first. Returns under this paragraph shall be
26 in such form as shall be prescribed by the commissioner, who shall make
27 available such forms and instructions for filing such returns.

1 (10) Administration. The provisions of this article, including the
2 provisions of sections six hundred fifty-three, six hundred fifty-eight,
3 and six hundred fifty-nine of this article and the provisions of part
4 six of this article relating to procedure and administration, including
5 the judicial review of the decisions of the commissioner, except so much
6 of section six hundred eighty-seven of this article that permits a claim
7 for credit or refund to be filed after the period provided for in para-
8 graph nine of this subsection and except sections six hundred fifty-sev-
9 en, six hundred eighty-eight and six hundred ninety-six of this article,
10 shall apply to the provisions of this subsection in the same manner and
11 with the same force and effect as if the language of those provisions
12 had been incorporated in full into this subsection and had expressly
13 referred to the credit allowed or returns filed under this subsection,
14 except to the extent that any such provision is either inconsistent with
15 a provision of this subsection or is not relevant to this subsection. As
16 used in such sections and such part, the term "taxpayer" shall include a
17 qualified taxpayer under this subsection and, notwithstanding the
18 provisions of subsection (e) of section six hundred ninety-seven of this
19 article, where a qualified taxpayer has protested the denial of a claim
20 for credit under this subsection and the time to file a petition for
21 redetermination of a deficiency or for refund has not expired, he or she
22 shall, subject to such conditions as may be set by the commissioner,
23 receive such information (A) that is contained in any return filed under
24 this article by a member of his or her household for the taxable year
25 for which the credit is claimed, and (B) that the commissioner finds is
26 relevant and material to the issue of whether such claim was properly
27 denied.

1 (i) The tax savings for each parcel receiving the exemption authorized
2 by section four hundred twenty-five of this chapter shall be computed by
3 subtracting the amount actually levied against the parcel from the
4 amount that would have been levied if not for the exemption, provided
5 however, that [beginning with] for the two thousand eleven-two thousand
6 twelve through two thousand fifteen-two thousand sixteen school [year]
7 years, the tax savings applicable to any "portion" (which as used herein
8 shall mean that part of an assessing unit located within a school
9 district) shall not exceed the tax savings applicable to that portion in
10 the prior school year multiplied by one hundred two percent, with the
11 result rounded to the nearest dollar; and provided further that begin-
12 ning with the two thousand sixteen-two thousand seventeen school year,
13 the tax savings applicable to any portion shall not exceed the tax
14 savings for the prior year. The tax savings attributable to the basic
15 and enhanced exemptions shall be calculated separately. It shall be the
16 responsibility of the commissioner to calculate tax savings limitations
17 for purposes of this subdivision.

18 § 2. This act shall take effect immediately.

19 PART C

20 Section 1. Subparagraphs (iv), (v) and (vi) of paragraph (b) of subdi-
21 vision 4 of section 425 of the real property tax law, subparagraph (iv)
22 as amended by chapter 451 of the laws of 2015, subparagraph (v) as
23 amended by section 10 of part W of chapter 56 of the laws of 2010,
24 subparagraph (vi) as amended by section 3 of part E of chapter 83 of the
25 laws of 2002, and clause E of subparagraph (vi) as further amended by

1 section 1 of part W of chapter 56 of the laws of 2010, are amended to
2 read as follows:

3 (iv) Effective with applications for the enhanced exemption on final
4 assessment rolls to be completed in two thousand [three] seventeen, the
5 application form shall indicate that the owners of the property and any
6 owners' spouses residing on the premises [may] must enroll in the STAR
7 income verification program administered by the department in order for
8 the property to be eligible for an enhanced exemption pursuant to this
9 subdivision. To enroll therein, they must authorize the assessor to have
10 their income eligibility verified annually thereafter by the [state]
11 department [of taxation and finance, in lieu of furnishing copies of the
12 applicable income tax return or returns with the application. If the
13 owners of the property and any owners' spouses residing on the premises
14 elect to participate in this program, which shall be known as the STAR
15 income verification program, they] and must furnish their taxpayer iden-
16 tification numbers in order to facilitate matching with records of the
17 department. Thereafter, their income eligibility shall be verified annu-
18 ally by the department and the assessor shall not request income
19 documentation from them, unless such department advises the assessor
20 that they do not satisfy the applicable income eligibility requirements,
21 or that it is unable to determine whether they satisfy those require-
22 ments, or unless one or more of the owners or spouses in question were
23 not required to file a New York income tax return for the applicable
24 income tax year and did not do so. All applicants for the enhanced STAR
25 exemption and all assessing units shall be required to participate in
26 this program.

27 (v) (A) Except in the case of a city with a population of one million
28 or more, the assessor shall forward to the department, in the time and

1 manner required by the department, information identifying the persons
2 [who have elected to participate in the STAR income verification
3 program] who are enrolled in the STAR income verification program estab-
4 lished by this paragraph. After receiving the department's response or
5 responses, the assessing authority shall cause notices to be mailed to
6 participants as provided by paragraph (b) of subdivision five of this
7 section. Information provided to the department identifying such
8 persons, and responses obtained from such department shall be confiden-
9 tial and shall not be subject to disclosure under article six of the
10 public officers law.

11 (B) In the case of a city of one million or more, the assessor shall
12 forward to the department [of taxation and finance], in the time and
13 manner required by the department, information identifying the persons
14 [who have elected to participate in the STAR income verification
15 program] who are enrolled in the STAR income verification program estab-
16 lished by this paragraph. The department shall advise the assessor of
17 its findings in the manner provided by the agreement executed pursuant
18 to section one hundred seventy-one-o of the tax law. After receiving
19 such response or responses, the assessing authority shall cause notices
20 to be mailed to participants as provided by paragraph (b) of subdivision
21 five of this section. Information provided to the department identifying
22 such persons, and responses obtained from such department shall be
23 confidential and shall not be subject to disclosure under article six of
24 the public officers law.

25 (vi) Notwithstanding the provisions of subparagraphs (iv) and (v) of
26 this paragraph, which establish a STAR income verification program,
27 income documentation must be submitted to the assessor in connection
28 with each of the following:

- 1 (A) Initial applications for the enhanced STAR exemption;
- 2 (B) Renewal applications [submitted by a person or persons who have
3 not elected to participate in the STAR income verification program]
4 where one or more of the owners or spouses in question were not required
5 to file a New York income tax return for the applicable income tax year
6 and did not do so;
- 7 (C) Applications that would allow an enhanced exemption to resume
8 after having been discontinued;
- 9 (D) Applications submitted by a person or persons who had previously
10 qualified for the enhanced exemption but not in the assessing unit in
11 question; and
- 12 (E) Applications with respect to which the department [of taxation and
13 finance] has advised the assessor [through the commissioner] that it is
14 unable to determine whether a participant or participants in the STAR
15 income verification program satisfy the income eligibility requirements.
- 16 § 2. This act shall take effect immediately and shall apply to the
17 administration of the enhanced STAR exemption authorized by subdivision
18 4 of section 425 of the real property tax law beginning with final
19 assessment rolls to be completed in 2017.

20

PART D

- 21 Section 1. Subdivision 6 of section 425 of the real property tax law
22 is amended by adding a new paragraph (a-2) to read as follows:
- 23 (a-2) Notwithstanding any provision of law to the contrary, where a
24 renewal application for the "enhanced" STAR exemption authorized by
25 subdivision four of this section has not been filed on or before the
26 taxable status date, and the owner believes that good cause existed for

1 the failure to file the renewal application by that date, the owner may,
2 no later than the last day for paying school taxes without incurring
3 interest or penalty, submit a written request to the commissioner asking
4 him or her to extend the filing deadline and grant the exemption. Such
5 request shall contain an explanation of why the deadline was missed, and
6 shall be accompanied by a renewal application, reflecting the facts and
7 circumstances as they existed on the taxable status date. After consult-
8 ing with the assessor, the commissioner may extend the filing deadline
9 and grant the exemption if the commissioner is satisfied that (i) good
10 cause existed for the failure to file the renewal application by the
11 taxable status date, and that (ii) the applicant is otherwise entitled
12 to the exemption. The commissioner shall mail notice of his or her
13 determination to such owner and the assessor. If the determination
14 states that the commissioner has granted the exemption, the assessor
15 shall thereupon be authorized and directed to correct the assessment
16 roll accordingly, or, if another person has custody or control of the
17 assessment roll, to direct that person to make the appropriate
18 corrections. If the correction is not made before school taxes are
19 levied, the failure to take the exemption into account in the computa-
20 tion of the tax shall be deemed a "clerical error" for purposes of title
21 three of article five of this chapter, and shall be corrected accord-
22 ly.

23 § 2. Section 467 of the real property tax law is amended by adding a
24 new subdivision 8-a to read as follows:

25 8-a. Notwithstanding any provision of law to the contrary, the local
26 governing body of a municipal corporation that is authorized to adopt a
27 local law pursuant to subdivision eight of this section is further
28 authorized to adopt a local law providing that where a renewal applica-

1 tion for the exemption authorized by this section has not been filed on
2 or before the taxable status date, and the owner believes that good
3 cause existed for the failure to file the renewal application by that
4 date, the owner may, no later than the last day for paying taxes without
5 incurring interest or penalty, submit a written request to the assessor
6 asking him or her to extend the filing deadline and grant the exemption.
7 Such request shall contain an explanation of why the deadline was
8 missed, and shall be accompanied by a renewal application, reflecting
9 the facts and circumstances as they existed on the taxable status date.
10 The assessor may extend the filing deadline and grant the exemption if
11 he or she is satisfied that (i) good cause existed for the failure to
12 file the renewal application by the taxable status date, and that (ii)
13 the applicant is otherwise entitled to the exemption. The assessor shall
14 mail notice of his or her determination to the owner. If the determi-
15 nation states that the assessor has granted the exemption, he or she
16 shall thereupon be authorized and directed to correct the assessment
17 roll accordingly, or, if another person has custody or control of the
18 assessment roll, to direct that person to make the appropriate
19 corrections. If the correction is not made before taxes are levied, the
20 failure to take the exemption into account in the computation of the tax
21 shall be deemed a "clerical error" for purposes of title three of arti-
22 cle five of this chapter, and shall be corrected accordingly.

23 § 3. This act shall take effect on the sixtieth day after it shall
24 have become a law.

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

3 (eee) School tax reduction credit for residents of a city with a popu-
4 lation over one million. (1) For taxable years beginning after two thou-
5 sand fifteen, a school tax reduction credit shall be allowed to a resi-
6 dent individual of the state who is a resident of a city with a
7 population over one million, as provided below. The credit shall be
8 allowed against the taxes authorized by this article reduced by the
9 credits permitted by this article. If the credit exceeds the tax as so
10 reduced, the excess shall be treated as an overpayment of tax to be
11 credited or refunded in accordance with the provisions of section six
12 hundred eighty-six of this article, provided however, that no interest
13 will be paid thereon. For purposes of this subsection, no credit shall
14 be granted to an individual with respect to whom a deduction under
15 subsection (c) of section one hundred fifty-one of the internal revenue
16 code is allowable to another taxpayer for the taxable year.

17 (2) The amount of the credit under this paragraph shall be determined
18 based upon the taxpayer's income as defined in subparagraph (ii) of
19 paragraph (b) of subdivision four of section four hundred twenty-five of
20 the real property tax law. For the purposes of this paragraph, any
21 taxpayer under subparagraphs (A) and (B) of this paragraph with income
22 of more than two hundred fifty thousand dollars shall not receive a
23 credit.

24 (A) Married individuals filing joint returns and surviving spouses. In
25 the case of married individuals who make a single return jointly and of
26 a surviving spouse, the credit shall be one hundred twenty-five dollars.

1 (B) All others. In the case of an unmarried individual, a head of a
2 household or a married individual filing a separate return, the credit
3 shall be sixty-two dollars and fifty cents.

4 (3) Part-year residents. If a taxpayer changes status during the taxa-
5 ble year from resident to nonresident, or from nonresident to resident,
6 the school tax reduction credit authorized by this subsection shall be
7 prorated according to the number of months in the period of residence.

8 § 2. Paragraphs 1 and 2 of subsection (e) of section 1310 of the tax
9 law, paragraph 1 as amended by section 3 of part A of chapter 56 of the
10 laws of 1998, paragraph 2 as amended by section 1 of part R of chapter
11 57 of the laws of 2008 and subparagraphs (A) and (B) of paragraph 2 as
12 amended by section 4 of part M of chapter 57 of the laws of 2009, are
13 amended to read as follows:

14 (1) For taxable years beginning after nineteen hundred ninety-seven,
15 and ending before two thousand sixteen, a state school tax reduction
16 credit shall be allowed as provided in the following tables. The credit
17 shall be allowed against the taxes authorized by this article reduced by
18 the credits permitted by this article. If the credit exceeds the tax as
19 so reduced, the taxpayer may receive, and the comptroller, subject to a
20 certificate of the commissioner, shall pay as an overpayment, without
21 interest, the amount of such excess. For purposes of this subsection, no
22 credit shall be granted to an individual with respect to whom a
23 deduction under subsection (c) of section one hundred fifty-one of the
24 internal revenue code is allowable to another taxpayer for the taxable
25 year.

26 (2) The amount of the credit under this paragraph shall be determined
27 based upon the taxpayer's income as defined in subparagraph (ii) of
28 paragraph (b) of subdivision four of section four hundred twenty-five of

1 the real property tax law. For the purposes of this paragraph, any
2 taxpayer under subparagraphs (A) and (B) of this paragraph with income
3 of more than two hundred fifty thousand dollars shall not receive a
4 credit.

5 Beginning in the two thousand ten tax year and each tax year thereaft-
6 er through two thousand fifteen, the "more than two hundred fifty thou-
7 sand dollar" income limitation shall be adjusted by applying the
8 inflation factor set forth herein, and rounding each result to the near-
9 est multiple of one hundred dollars. The department shall establish the
10 income limitation to be associated with each subsequent tax year by
11 applying the inflation factor set forth herein to the figures that
12 define the income limitation that were applicable to the preceding tax
13 year, as determined pursuant to this [subdivision] subsection, and
14 rounding each result to the nearest multiple of one hundred dollars.
15 Such determination shall be made no later than March first, two thousand
16 ten and each year thereafter.

17 [For purposes of this paragraph, the "inflation factor" shall be
18 determined in accordance with the provisions set forth in subdivision
19 fifteen of section one hundred seventy-eight of this chapter.]

20 (A) Married individuals filing joint returns and surviving spouses. In
21 the case of a husband and wife who make a single return jointly and of a
22 surviving spouse:

23	For taxable years beginning:	The credit shall be:
24	in 2001-2005	\$125
25	in 2006	\$230
26	in 2007-2008	\$290
27	in 2009 [and after]- <u>2015</u>	\$125

1 (B) All others. In the case of an unmarried individual, a head of a
2 household or a married individual filing a separate return:

3 For taxable years beginning: The credit shall be:

4	in 2001-2005	\$62.50
5	in 2006	\$115
6	in 2007-2008	\$145
7	in 2009 [and after]- <u>2015</u>	\$62.50

8 § 3. Paragraphs 1 and 2 of subsection (c) of section 11-1706 of the
9 administrative code of the city of New York, paragraph 1 as amended by
10 section 6 of part A of chapter 56 of the laws of 1998, paragraph 2 as
11 amended by section 2 of part R of chapter 57 of the laws of 2008 and
12 subparagraphs (A) and (B) of paragraph 2 as amended by section 5 of part
13 M of chapter 57 of the laws of 2009, are amended to read as follows:

14 (1) For taxable years beginning after nineteen hundred ninety-seven
15 and ending before two thousand sixteen, a state school tax reduction
16 credit shall be allowed as provided in the following tables. The credit
17 shall be allowed against the taxes authorized by this article reduced by
18 the credits permitted by this article. If the credit exceeds the tax as
19 so reduced, the taxpayer may receive, and the comptroller, subject to a
20 certificate of the commissioner, shall pay as an overpayment, without
21 interest, the amount of such excess. For purposes of this [subdivision]
22 subsection, no credit shall be granted to an individual with respect to
23 whom a deduction under subsection (c) of section one hundred fifty-one
24 of the internal revenue code is allowable to another taxpayer for the
25 taxable year.

26 (2) The amount of the credit under this paragraph shall be determined
27 based upon the taxpayer's income as defined in subparagraph (ii) of
28 paragraph (b) of subdivision four of section four hundred twenty-five of

1 the real property tax law. For purposes of this paragraph, any taxpayer
2 under subparagraphs (A) and (B) of this paragraph with income of more
3 than two hundred fifty thousand dollars shall not receive a credit.

4 Beginning in the two thousand ten tax year and each tax year thereaft-
5 er through two thousand fifteen, the "more than two hundred fifty thou-
6 sand dollar" income limitation shall be adjusted by applying the
7 inflation factor set forth herein, and rounding each result to the near-
8 est multiple of one hundred dollars. The department shall establish the
9 income limitation to be associated with each subsequent tax year by
10 applying the inflation factor set forth herein to the figures that
11 define the income limitation that were applicable to the preceding tax
12 year, as determined pursuant to this [subdivision] subsection, and
13 rounding each result to the nearest multiple of one hundred dollars.
14 Such determination shall be made no later than March first, two thousand
15 ten and each year thereafter.

16 [For purposes of this paragraph, the "inflation factor" shall be
17 determined in accordance with the provisions set forth in subdivision
18 fifteen of section one hundred seventy-eight of the tax law.]

19 (A) Married individuals filing joint returns and surviving spouses. In
20 the case of a husband and wife who make a single return jointly and of a
21 surviving spouse:

22	For taxable years beginning:	The credit shall be:
23	in 2001-2005	\$125
24	in 2006	\$230
25	in 2007-2008	\$290
26	in 2009 [and after]- 2015	\$125

27 (B) All others. In the case of an unmarried individual, a head of a
28 household or a married individual filing a separate return:

1 excessive amount of school taxes paid on account of the administrative
2 error.

3 § 2. This act shall take effect immediately.

4 PART G

5 Section 1. Paragraph 10 of subsection (g) of section 658 of the tax
6 law is REPEALED.

7 § 2. Paragraph 10 of subdivision (g) of section 11-1758 of the admin-
8 istrative code of the city of New York is REPEALED.

9 § 3. Paragraph 5 of subsection (u) of section 685 of the tax law is
10 REPEALED.

11 § 4. Paragraph 5 of subdivision (t) of section 11-1785 of the adminis-
12 trative code of the city of New York is REPEALED.

13 § 5. Section 23 of part U of chapter 61 of the laws of 2011, amending
14 the real property tax law and other laws relating to establishing stand-
15 ards for electronic tax administration, as amended by section 1 of part
16 H of chapter 59 of the laws of 2013, is amended to read as follows:

17 § 23. This act shall take effect immediately; provided, however, that:

18 (a) the amendments to section 29 of the tax law made by section thir-
19 teen of this act shall apply to tax documents filed or required to be
20 filed on or after the sixtieth day after which this act shall have
21 become a law [and shall expire and be deemed repealed December 31,
22 2016], provided however that the amendments to paragraph 4 of subdivi-
23 sion (a) of section 29 of the tax law and paragraph 2 of subdivision (e)
24 of section 29 of the tax law made by section thirteen of this act with
25 regard to individual taxpayers shall take effect September 15, 2011 but
26 only if the commissioner of taxation and finance has reported in the

1 report required by section seventeen-b of this act that the percentage
2 of individual taxpayers electronically filing their 2010 income tax
3 returns is less than eighty-five percent; provided that the commissioner
4 of taxation and finance shall notify the legislative bill drafting
5 commission of the date of the issuance of such report in order that the
6 commission may maintain an accurate and timely effective data base of
7 the official text of the laws of the state of New York in furtherance of
8 effectuating the provisions of section 44 of the legislative law and
9 section 70-b of the public officers law;

10 (b) sections fourteen, fifteen, sixteen and seventeen of this act
11 shall take effect September 15, 2011 but only if the commissioner of
12 taxation and finance has reported in the report required by section
13 seventeen-b of this act that the percentage of individual taxpayers
14 electronically filing their 2010 income tax returns is less than eight-
15 y-five percent; and

16 (c) sections fourteen-a and fifteen-a of this act shall take effect
17 September 15, 2011 and expire and be deemed repealed December 31, 2012
18 but shall take effect only if the commissioner of taxation and finance
19 has reported in the report required by section seventeen-b of this act
20 that the percentage of individual taxpayers electronically filing their
21 2010 income tax returns is eighty-five percent or greater[;]

22 (d) sections fourteen-b, fifteen-b, sixteen-a and seventeen-a of this
23 act shall take effect January 1, 2017 but only if the commissioner of
24 taxation and finance has reported in the report required by section
25 seventeen-b of this act that the percentage of individual taxpayers
26 electronically filing their 2010 income tax returns is less than eight-
27 y-five percent; and

1 (e) sections twenty-one and twenty-one-a of this act shall expire and
2 be deemed repealed December 31, 2016].

3 § 6. Subsection (aa) of section 685 of the tax law is REPEALED and a
4 new subsection (aa) is added to read as follows:

5 (aa) Tax preparer penalty. -- (1) If an income tax preparer takes a
6 position on any return that either understates the tax liability or
7 increases the claim for a refund, and the preparer knew, or reasonably
8 should have known, that said position was not proper, and such position
9 was not adequately disclosed on the return or in a statement attached to
10 the return, such income tax preparer shall pay a penalty of between one
11 hundred and one thousand dollars.

12 (2) If an income tax preparer takes a position on any return that
13 either understates the tax liability or increases the claim for a refund
14 and the understatement of the tax liability or the increased claim for
15 refund is due to the preparer's reckless or intentional disregard of the
16 law, rules or regulations, such preparer shall pay a penalty of between
17 five hundred and five thousand dollars. The amount of the penalty paya-
18 ble by any person by reason of this paragraph shall be reduced by the
19 amount of the penalty paid by such person by reason of paragraph (1) of
20 this subsection.

21 (3) For purposes of this subsection, the term "understatement of
22 liability" means any understatement of the net amount payable with
23 respect to any tax imposed under this article or any overstatement of
24 the net amount creditable or refundable with respect to any such tax.

25 (4) This subsection shall not apply if the penalty under subsection
26 (r) of this section is imposed on the tax return preparer with respect
27 to such understatement.

1 § 7. Subsection (u) of section 685 of the tax law is amended by adding
2 two new paragraphs (1) and (2) to read as follows:

3 (1) Failure to sign return or claim for refund. Any individual who is
4 a tax return preparer but is not subject to the requirements under
5 section thirty-two of this chapter, who is required pursuant to para-
6 graph one of subsection (g) of section six hundred fifty-eight of this
7 article to sign a return or claim for refund and who fails to comply
8 with such requirement with respect to such return or claim for refund,
9 shall be subject to a penalty of two hundred fifty dollars for each such
10 failure to sign, unless it is shown that such failure is due to reason-
11 able cause and not due to willful neglect. The maximum penalty imposed
12 under this paragraph on any tax return preparer with respect to returns
13 filed during any calendar year by the tax return preparer must not
14 exceed ten thousand dollars. Provided, however, that if a tax return
15 preparer has been penalized under this paragraph for a preceding calen-
16 dar year and again fails to sign his or her name on any return that
17 requires the tax return preparer's signature during a subsequent calen-
18 dar year, then the penalty under this paragraph for each failure will be
19 five hundred dollars, and no annual cap will apply.

20 (2) Failure to furnish identifying number. If any identifying number
21 required to be included on any return or claim for refund pursuant to
22 paragraph two of subsection (g) of section six hundred fifty-eight of
23 this article is not so included, the person who is the tax return
24 preparer but is not subject to the requirements under section thirty-two
25 of this chapter with respect to such return or claim for refund, shall
26 be subject to a penalty of one hundred dollars for each such failure,
27 unless it is shown that such failure is due to reasonable cause and not
28 willful neglect. The maximum penalty imposed under this paragraph on any

1 tax return preparer with respect to returns filed during any calendar
2 year must not exceed two thousand five hundred dollars; provided, howev-
3 er, that if a tax return preparer has been penalized under this para-
4 graph for a preceding calendar year and again fails to include the iden-
5 tifying number on one or more returns during a subsequent calendar year,
6 then the penalty under this paragraph for each failure will be two
7 hundred fifty dollars, and no annual cap will apply.

8 § 8. This act shall take effect immediately; provided, however, that
9 section seven of this act shall apply to taxable years commencing on and
10 after January 1, 2016.

11 PART H

12 Section 1. Subdivision 4 of section 22 of the public housing law, as
13 amended by section 2 of part P of chapter 59 of the laws of 2014, is
14 amended to read as follows:

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

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

24 4. Statewide limitation. The aggregate dollar amount of credit which
25 the commissioner may allocate to eligible low-income buildings under
26 this article shall be [seventy-two] eighty million dollars. The limita-

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

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

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

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

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

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

25 4. Statewide limitation. The aggregate dollar amount of credit which
26 the commissioner may allocate to eligible low-income buildings under
27 this article shall be [ninety-six] one hundred four million dollars. The
28 limitation provided by this subdivision applies only to allocation of

1 the aggregate dollar amount of credit by the commissioner, and does not
2 apply to allowance to a taxpayer of the credit with respect to an eligi-
3 ble low-income building for each year of the credit period.

4 § 6. This act shall take effect immediately; provided, however,
5 section two of this act shall take effect April 1, 2017; section three
6 of this act shall take effect April 1, 2018; section four of this act
7 shall take effect April 1, 2019 and section five of this act shall take
8 effect April 1, 2020.

9 PART I

10 Section 1. Paragraphs (a) and (b) of subdivision 29 of section 210-B
11 of the tax law, as added by section 17 of part A of chapter 59 of the
12 laws of 2014, are amended to read as follows:

13 (a) Allowance of credit. For taxable years beginning on or after Janu-
14 ary first, two thousand fifteen and before January first, two thousand
15 [seventeen] nineteen, a taxpayer shall be allowed a credit, to be
16 computed as provided in this subdivision, against the tax imposed by
17 this article, for hiring and employing, for not less than one year and
18 for not less than thirty-five hours each week, a qualified veteran with-
19 in the state. The taxpayer may claim the credit in the year in which the
20 qualified veteran completes one year of employment by the taxpayer. If
21 the taxpayer claims the credit allowed under this subdivision, the
22 taxpayer may not use the hiring of a qualified veteran that is the basis
23 for this credit in the basis of any other credit allowed under this
24 article.

25 (b) Qualified veteran. A qualified veteran is an individual:

1 (1) who served on active duty in the United States army, navy, air
2 force, marine corps, coast guard or the reserves thereof, or who served
3 in active military service of the United States as a member of the army
4 national guard, air national guard, New York guard or New York naval
5 militia; who was released from active duty by general or honorable
6 discharge after September eleventh, two thousand one;

7 (2) who commences employment by the qualified taxpayer on or after
8 January first, two thousand fourteen, and before January first, two
9 thousand [sixteen] eighteen; and

10 (3) who certifies by signed affidavit, under penalty of perjury, that
11 he or she has not been employed for thirty-five or more hours during any
12 week in the one hundred eighty day period immediately prior to his or
13 her employment by the taxpayer.

14 § 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax
15 law, as added by section 3 of part AA of chapter 59 of the laws of 2013,
16 are amended to read as follows:

17 (1) Allowance of credit. For taxable years beginning on or after Janu-
18 ary first, two thousand fifteen and before January first, two thousand
19 [seventeen] nineteen, a taxpayer shall be allowed a credit, to be
20 computed as provided in this subsection, against the tax imposed by this
21 article, for hiring and employing, for not less than one year and for
22 not less than thirty-five hours each week, a qualified veteran within
23 the state. The taxpayer may claim the credit in the year in which the
24 qualified veteran completes one year of employment by the taxpayer. If
25 the taxpayer claims the credit allowed under this subsection, the
26 taxpayer may not use the hiring of a qualified veteran that is the basis
27 for this credit in the basis of any other credit allowed under this
28 article.

1 (2) Qualified veteran. A qualified veteran is an individual:

2 (A) who served on active duty in the United States army, navy, air
3 force, marine corps, coast guard or the reserves thereof, or who served
4 in active military service of the United States as a member of the army
5 national guard, air national guard, New York guard or New York naval
6 militia; who was released from active duty by general or honorable
7 discharge after September eleventh, two thousand one;

8 (B) who commences employment by the qualified taxpayer on or after
9 January first, two thousand fourteen, and before January first, two
10 thousand [sixteen] eighteen; and

11 (C) who certifies by signed affidavit, under penalty of perjury, that
12 he or she has not been employed for thirty-five or more hours during any
13 week in the one hundred eighty day period immediately prior to his or
14 her employment by the taxpayer.

15 § 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the
16 tax law, as added by section 5 of part AA of chapter 59 of the laws of
17 2013, are amended to read as follows:

18 (1) Allowance of credit. For taxable years beginning on or after Janu-
19 ary first, two thousand fifteen and before January first, two thousand
20 [seventeen] nineteen, a taxpayer shall be allowed a credit, to be
21 computed as provided in this subdivision, against the tax imposed by
22 this article, for hiring and employing, for not less than one year and
23 for not less than thirty-five hours each week, a qualified veteran with-
24 in the state. The taxpayer may claim the credit in the year in which the
25 qualified veteran completes one year of employment by the taxpayer. If
26 the taxpayer claims the credit allowed under this subdivision, the
27 taxpayer may not use the hiring of a qualified veteran that is the basis

1 for this credit in the basis of any other credit allowed under this
2 article.

3 (2) Qualified veteran. A qualified veteran is an individual:

4 (A) who served on active duty in the United States army, navy, air
5 force, marine corps, coast guard or the reserves thereof, or who served
6 in active military service of the United States as a member of the army
7 national guard, air national guard, New York guard or New York naval
8 militia; who was released from active duty by general or honorable
9 discharge after September eleventh, two thousand one;

10 (B) who commences employment by the qualified taxpayer on or after
11 January first, two thousand fourteen, and before January first, two
12 thousand [sixteen] eighteen; and

13 (C) who certifies by signed affidavit, under penalty of perjury, that
14 he or she has not been employed for thirty-five or more hours during any
15 week in the one hundred eighty day period immediately prior to his or
16 her employment by the taxpayer.

17 § 4. This act shall take effect immediately.

18 PART J

19 Section 1. Paragraph 1 of subdivision (a) of section 28 of the tax
20 law, as amended by section 1 of part O of chapter 59 of the laws of
21 2014, is amended to read as follows:

22 (1) A taxpayer which is a qualified commercial production company, or
23 which is a sole proprietor of a qualified commercial production company,
24 and which is subject to tax under article nine-A or twenty-two of this
25 chapter, shall be allowed a credit against such tax, pursuant to the
26 provisions referenced in subdivision (c) of this section, to be computed

1 as provided in this section. Provided, however, to be eligible for such
2 credit, at least seventy-five percent of the production costs (excluding
3 post production costs) paid or incurred directly and predominantly in
4 the actual filming or recording of the qualified commercial must be
5 costs incurred in New York state. The tax credit allowed pursuant to
6 this section shall apply to taxable years beginning before January
7 first, two thousand [seventeen] nineteen.

8 § 2. Paragraph (c) of subdivision 23 of section 210-B of the tax law,
9 as added by section 17 of part A of chapter 59 of the laws of 2014, is
10 amended to read as follows:

11 (c) Expiration of credit. The credit allowed under this subdivision
12 shall not be applicable to taxable years beginning on or after [December
13 thirty-first] January first, two thousand [seventeen] nineteen.

14 § 3. Paragraph 1 of subsection (jj) of section 606 of the tax law, as
15 amended by section 4 of part O of chapter 59 of the laws of 2014, is
16 amended to read as follows:

17 (1) Allowance of credit. A taxpayer that is eligible pursuant to the
18 provisions of section twenty-eight of this chapter shall be allowed a
19 credit to be computed as provided in such section against the tax
20 imposed by this article. The tax credit allowed pursuant to this section
21 shall apply to taxable years beginning before January first, two thou-
22 sand [seventeen] nineteen.

23 § 4. This act shall take effect immediately.

1 Section 1. Section 5 of chapter 604 of the laws of 2011, amending the
2 tax law relating to the credit for companies who provide transportation
3 to people with disabilities, is amended to read as follows:

4 § 5. This act shall take effect immediately and shall remain in effect
5 until December 31, 2016 when upon such date it shall be deemed repealed;
6 provided that this act shall be deemed to have been in full force and
7 effect on December 31, 2010; [and] provided further that this act shall
8 apply to all tax years commencing on or after January 1, 2011; and
9 provided further that sections one and two of this act shall remain in
10 effect until December 31, 2022 when upon such date such sections shall
11 be deemed repealed.

12 § 2. Paragraph (c) of subdivision 38 of section 210-B of the tax law,
13 as added by section 17 of part A of chapter 59 of the laws of 2014, is
14 amended to read as follows:

15 (c) Application of credit. In no event shall the credit allowed under
16 this subdivision for any taxable year reduce the tax due for such year
17 to less than the amount prescribed in paragraph (d) of subdivision one
18 of section two hundred ten of this article. However, if the amount of
19 credit allowed under this subdivision for any taxable year reduces the
20 tax to such amount or if the taxpayer otherwise pays tax based on the
21 fixed dollar minimum amount, any amount of credit thus not deductible in
22 such taxable year shall be carried over to the following year or years,
23 and may be deducted from the taxpayer's tax for such year or years. The
24 tax credit allowed pursuant to this subdivision shall not apply to taxa-
25 ble years beginning on or after January first, two thousand twenty-
26 three.

27 § 3. This act shall take effect immediately.

1

PART L

2 Section 1. Section 2 of part I of chapter 58 of the laws of 2006,
3 relating to providing an enhanced earned income tax credit, as amended
4 by section 1 of part G of chapter 59 of the laws of 2014, is amended to
5 read as follows:

6 § 2. This act shall take effect immediately and shall apply to taxable
7 years beginning on or after January 1, 2006 [and before January 1,
8 2017].

9 § 2. This act shall take effect immediately.

10

PART M

11 Section 1. Section 12 of part N of chapter 61 of the laws of 2005,
12 amending the tax law relating to certain transactions and related infor-
13 mation and relating to the voluntary compliance initiative, as amended
14 by section 1 of part B of chapter 61 of the laws of 2011, is amended to
15 read as follows:

16 § 12. This act shall take effect immediately; provided, however, that
17 (i) section one of this act shall apply to all disclosure statements
18 described in paragraph 1 of subdivision (a) of section 25 of the tax
19 law, as added by section one of this act, that were required to be filed
20 with the internal revenue service at any time with respect to "listed
21 transactions" as described in such paragraph 1, and shall apply to all
22 disclosure statements described in paragraph 1 of subdivision (a) of
23 section 25 of the tax law, as added by section one of this act, that
24 were required to be filed with the internal revenue service with respect
25 to "reportable transactions" as described in such paragraph 1, other

1 than "listed transactions", in which a taxpayer participated during any
2 taxable year for which the statute of limitations for assessment has not
3 expired as of the date this act shall take effect, and shall apply to
4 returns or statements described in such paragraph 1 required to be filed
5 by taxpayers (or persons as described in such paragraph) with the
6 commissioner of taxation and finance on or after the sixtieth day after
7 this act shall have become a law; and

8 (ii) sections two through four and seven through nine of this act
9 shall apply to any tax liability for which the statute of limitations on
10 assessment has not expired as of the date this act shall take effect[;
11 and

12 (iii) provided, further, that the provisions of this act, except
13 section five of this act, shall expire and be deemed repealed July 1,
14 2015; provided, that, such expiration and repeal shall not affect any
15 requirement imposed pursuant to this act].

16 § 2. This act shall take effect immediately and shall be deemed to
17 have been in full force and effect on and after July 1, 2015; provided,
18 however that notwithstanding the provisions of article 5 of the general
19 construction law, the provisions of section 25, paragraph 11 of
20 subsection (c) of section 683, subsections (p), (p-1), (x), (y), (z),
21 (aa) and (bb) of section 685, paragraph 11 of subsection (c) of section
22 1083, subsections (k), (k-1), (p), (q), (r), (s) and (t) of section 1085
23 of the tax law, and section 11 of Part N of chapter 61 of the laws of
24 2005, are hereby revived and shall continue in full force and effect as
25 such provisions existed on July 1, 2015.

1 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax
2 law, as added by section 17 of part A of chapter 59 of the laws of 2014,
3 is amended to read as follows:

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

14 § 2. Paragraph 1 of subsection (mm) of section 606 of the tax law, as
15 amended by chapter 193 of the laws of 2012, is amended to read as
16 follows:

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

1 § 3. This act shall take effect immediately.

2 PART 0

3 Section 1. Section 359 of the economic development law, as amended by
4 section 3 of part C of chapter 68 of the laws of 2013, is amended to
5 read as follows:

6 \$ 359. Cap on tax credit. The total amount of tax credits listed on
7 certificates of tax credit issued by the commissioner for any taxable
8 year may not exceed the limitations set forth in this section. One-half
9 of any amount of tax credits not awarded for a particular taxable year
10 in years two thousand eleven through two thousand twenty-four may be
11 used by the commissioner to award tax credits in another taxable year.

12 Credit components in the aggregate With respect to taxable

13 shall not exceed: years beginning in:

14	\$ 50 million	2011
15	\$ 100 million	2012
16	\$ 150 million	2013
17	\$ 200 million	2014
18	\$ 250 million	2015
19	\$ 200 million	2016
20	\$ 200 million	2017
21	\$ 200 million	2018
22	\$ 200 million	2019
23	\$ 200 million	2020
24	\$ 200 million	2021

1	\$ 150 million	2022
2	\$ 100 million	2023
3	\$ 50 million	2024

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

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

25 § 2. Subdivision 5 of section 354 of the economic development law, as
26 amended by section 2 of part C of chapter 68 of the laws of 2013, is
27 amended to read as follows:

1 5. A participant may claim tax benefits commencing in the first tax-
2 ble year that the business enterprise receives a certificate of tax
3 credit or the first taxable year listed on its preliminary schedule of
4 benefits, whichever is later. A participant may claim such benefits for
5 the next nine consecutive taxable years, provided that the participant
6 demonstrates to the department that it continues to satisfy the eligi-
7 bility criteria specified in section three hundred fifty-three of this
8 article and subdivision two of this section in each of those taxable
9 years, and provided that no tax credits may be allowed for taxable years
10 beginning on or after January first, two thousand thirty. If, in any
11 given year, a participant who has satisfied the eligibility criteria
12 specified in section three hundred fifty-three of this article realizes
13 job creation less than the estimated amount, the credit shall be reduced
14 by the proportion of actual job creation to the estimated amount,
15 provided the proportion is at least seventy-five percent of the jobs
16 estimated.

17 § 3. Subdivision (b) of section 31 of the tax law, as added by section
18 7 of part G of chapter 61 of the laws of 2011, is amended to read as
19 follows:

20 (b) To be eligible for the excelsior jobs program credit, the taxpayer
21 shall have been issued a "certificate of tax credit" by the department
22 of economic development pursuant to subdivision four of section three
23 hundred fifty-four of the economic development law, which certificate
24 shall set forth the amount of each credit component that may be claimed
25 for the taxable year. A taxpayer may claim such credit for ten consec-
26 utive taxable years commencing in the first taxable year that the
27 taxpayer receives a certificate of tax credit or the first taxable year
28 listed on its preliminary schedule of benefits, whichever is later,

1 provided that no tax credits may be allowed for taxable years beginning
2 on or after January first, two thousand thirty. The taxpayer shall be
3 allowed to claim only the amount listed on the certificate of tax credit
4 for that taxable year. Such certificate must be attached to the taxpay-
5 er's return. No cost or expense paid or incurred by the taxpayer shall
6 be the basis for more than one component of this credit or any other tax
7 credit, except as provided in section three hundred fifty-five of the
8 economic development law.

9 § 4. This act shall take effect immediately.

10 PART P

11 Section 1. Subdivision (c) of section 24 of the tax law, as added by
12 section 1 of part P of chapter 60 of the laws of 2004, is amended to
13 read as follows:

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

16 (1) article 9-A: section [210] 210-B: subdivision [36] 20.

17 (2) article 22: section 606: subsection (gg).

18 § 2. Subdivision (a) and paragraphs 2, 4, and 5 of subdivision (e) of
19 section 38 of the tax law, as added by section 1 of part EE of chapter
20 59 of the laws of 2013, are amended to read as follows:

21 (a) A taxpayer that is an eligible employer or an owner of an eligible
22 employer as defined in subdivision (b) of this section shall be eligible
23 for a credit against the tax imposed under article nine, nine-A, twen-
24 ty-two, [thirty-two] or thirty-three of this article, pursuant to the
25 provisions referenced in subdivision (e) of this section.

26 (2) Article 9-A: Section [210] 210-B, subdivision [46] 40.

1 (4) [Article 32: Section 1456, subsection (z).

2 (5)] Article 33: Section 1511, subdivision (cc).

3 § 3. Paragraph (e) of subdivision 1 of section 209 of the tax law, as
4 added by section 5 of part A of chapter 59 of the laws of 2014, is
5 amended to read as follows:

6 (e) At the end of each year, the commissioner shall review the cumula-
7 tive percentage change in the consumer price index. The commissioner
8 shall adjust the receipt thresholds set forth in this subdivision if the
9 consumer price index has changed by ten percent or more since January
10 first, two thousand fifteen, or since the date that the thresholds were
11 last adjusted under this subdivision. The thresholds shall be adjusted
12 to reflect that cumulative percentage change in the consumer price
13 index. The adjusted thresholds shall be rounded to the nearest one thou-
14 sand dollars. As used in this paragraph, "consumer price index" means
15 the consumer price index for all urban consumers (CPI-U) available
16 [form] from the bureau of labor statistics of the United States depart-
17 ment of labor. Any adjustment shall apply to tax periods that begin
18 after the adjustment is made.

19 § 4. The opening paragraph of paragraph (a) of subdivision 5 of
20 section 210-A of the tax law, as amended by section 23 of part T of
21 chapter 59 of the laws of 2015, is amended to read as follows:

22 A financial instrument is a "nonqualified financial instrument" if it
23 is not a qualified financial instrument. A qualified financial instru-
24 ment means a financial instrument that is of a type described in any of
25 clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this
26 paragraph and that has been marked to market in the taxable year by the
27 taxpayer under section 475 or section 1256 of the internal revenue code.
28 Further, if the taxpayer has in the taxable year marked to market a

1 financial instrument of the type described in any of the clauses (A),
2 (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph,
3 then any financial instrument within that type described in the above
4 specified clause or clauses that has not been marked to market by the
5 taxpayer under section 475 or section 1256 of the internal revenue code
6 is a qualified financial instrument in the taxable year. Notwithstanding
7 the two preceding sentences, (i) a loan secured by real property shall
8 not be a qualified financial instrument, (ii) if the only loans that are
9 marked to market by the taxpayer under section 475 or section 1256 of
10 the internal revenue code are loans secured by real property, then no
11 loans shall be qualified financial instruments, [and] (iii) stock that
12 is investment capital as defined in paragraph (a) of subdivision five of
13 section two hundred eight of this article shall not be a qualified
14 financial instrument, and (iv) stock that generates other exempt income
15 as defined in subdivision six-a of section two hundred eight of this
16 article and that is not marked to market under section 475 or section
17 1256 of the internal revenue code shall not constitute a qualified
18 financial instrument with respect to the income from that stock that is
19 described in such subdivision six-a. If a corporation is included in a
20 combined report, the definition of qualified financial instrument shall
21 be determined on a combined basis.

22 § 5. Paragraph (c) of subdivision 7 of section 210-B of the tax law,
23 as added by section 17 of part A of chapter 59 of the laws of 2014, is
24 amended to read as follows:

25 (c) Average number of individuals employed full-time. For the purposes
26 of this subdivision, average number of individuals employed full-time
27 shall be computed by adding the number of such individuals employed by
28 the taxpayer at the end of each quarter during each taxable year or

1 other applicable period and dividing the sum so obtained by the number
2 of such quarters occurring within such taxable year or other applicable
3 period; provided however, except that in computing base year employment,
4 there shall be excluded therefrom any employee with respect to whom a
5 credit provided for under subdivision [six of this section is] nineteen
6 of section two hundred ten of this article, as such subdivision was in
7 effect on December thirty-first, two thousand fourteen, was claimed for
8 the taxable year.

9 § 6. Paragraph (a) of subdivision 9 of section 210-B of the tax law,
10 as added by section 17 of part A of chapter 59 of the laws of 2014, is
11 amended to read as follows:

12 (a) Application of credit. A taxpayer shall be allowed a credit, to be
13 credited against the tax imposed by this article, equal to the amount of
14 the special additional mortgage recording tax paid by the taxpayer
15 pursuant to the provisions of subdivision one-a of section two hundred
16 fifty-three of this chapter [or] on mortgages recorded. Provided, howev-
17 er, no credit shall be allowed with respect to a mortgage of real prop-
18 erty principally improved or to be improved by one or more structures
19 containing in the aggregate not more than six residential dwelling
20 units, each dwelling unit having its own separate cooking facilities,
21 where the real property is located in one or more of the counties
22 comprising the metropolitan commuter transportation area. Provided
23 further, however, no credit shall be allowed with respect to a mortgage
24 of real property principally improved or to be improved by one or more
25 structures containing in the aggregate not more than six residential
26 dwelling units, each dwelling unit having its own separate cooking
27 facilities, where the real property is located in the county of Erie.

1 § 7. Subdivision 45 of section 210-B of the tax law, as added by
2 section 17 of part A of chapter 59 of the laws of 2014, is amended to
3 read as follows:

4 45. Order of credits. [(a)] Credits allowable under this article which
5 cannot be carried over and which are not refundable shall be deducted
6 first. [The credit allowable under subdivision six of this section shall
7 be deducted immediately after the deduction of all credits allowable
8 under this article which cannot be carried over and which are not
9 refundable, whether or not a portion of such credit is refundable.]
10 Credits allowable under this article which can be carried over, and
11 carryovers of such credits, shall be deducted next [after the deduction
12 of the credit allowable under subdivision six of this section], and
13 among such credits, those whose carryover is of limited duration shall
14 be deducted before those whose carryover is of unlimited duration. Cred-
15 its allowable under this article which are refundable [(other than the
16 credit allowable under subdivision six of this section)] shall be
17 deducted last.

18 § 8. Paragraph (a) of subdivision 3 of section 210-C of the tax law,
19 as added by section 18 of part A of chapter 59 of the laws of 2014, is
20 amended to read as follows:

21 (a) Subject to the provisions of paragraph (c) of subdivision two of
22 this section, a taxpayer may elect to treat as its combined group all
23 corporations that meet the ownership requirements described in paragraph
24 (a) of subdivision two of this section (such corporations collectively
25 referred to in this subdivision as the "commonly owned group"). If that
26 election is made, the commonly owned group shall calculate the combined
27 business income, combined capital, and fixed dollar minimum bases of all
28 members of the group in accordance with [paragraph] subdivision four of

1 this [subdivision] section, whether or not that business income or busi-
2 ness capital is from a single unitary business.

3 § 9. Paragraph I of subdivision 1 of section 11-604 of the administra-
4 tive code of the city of New York, as added by chapter 491 of the laws
5 of 2007, is amended to read as follows:

6 I. Notwithstanding any provision of this subdivision to the contrary,
7 for taxable years beginning on or after January first, two thousand
8 seven for any corporation that:

9 (a) has a business allocation percentage for the taxable year, as
10 determined under paragraph (a) of subdivision three of this section, of
11 one hundred percent;

12 (b) has no investment capital or income at any time during the taxable
13 year;

14 (c) has no subsidiary capital or income at any time during the taxable
15 year; and

16 (d) has gross income, as defined in section sixty-one of the internal
17 revenue code, less than two hundred fifty thousand dollars for the taxa-
18 ble year:

19 the tax imposed by subdivision one of section 11-603 of this subchap-
20 ter shall be the greater of the tax on entire net income computed under
21 clause one of subparagraph (a) of paragraph E of this subdivision and
22 the fixed dollar minimum tax specified in clause four of subparagraph
23 (a) of paragraph E of this subdivision.

24 For purposes of this paragraph, for taxable years beginning before
25 January first, two thousand fifteen, any corporation for which an
26 election under subsection (a) of section six hundred sixty of the tax
27 law is not in effect for the taxable year may elect to treat as entire
28 net income the sum of:

1 (i) entire net income as determined under section two hundred eight of
2 the tax law; and

3 (ii) any deductions taken for the taxable year in computing federal
4 taxable income for New York city taxes paid or accrued under this chap-
5 ter.

6 § 10. Subdivision 2 of section 11-651 of the administrative code of
7 the city of New York, as added by section 1 of part D of chapter 60 of
8 the laws of 2015, is amended to read as follows:

9 2. Each reference in the tax law or this code to subchapters two or
10 three of this chapter, or any of the provisions thereof, shall be deemed
11 a reference also to this subchapter, and any of the applicable
12 provisions thereof, where appropriate and with all necessary modifica-
13 tions.

14 § 11. Paragraph (a) of subdivision 4 of section 11-652 of the adminis-
15 trative code of the city of New York, as added by section 1 of part D of
16 chapter 60 of the laws of 2015, is amended to read as follows:

17 (a) The term "investment capital" means investments in stocks that:
18 (i) satisfy the definition of a capital asset under section 1221 of the
19 internal revenue code at all times the taxpayer owned such stocks during
20 the taxable year; (ii) are held by the taxpayer for investment for more
21 than one year; (iii) the dispositions of which are, or would be, treated
22 by the taxpayer as generating long-term capital gains or losses under
23 the internal revenue code; (iv) for stocks acquired on or after January
24 first, two thousand fifteen, at any time after the close of the day in
25 which they are acquired, have never been held for sale to customers in
26 the regular course of business; and (v) before the close of the day on
27 which the stock was acquired, are clearly identified in the taxpayer's
28 records as stock held for investment in the same manner as required

1 under section 1236(a)(1) of the internal revenue code for the stock of a
2 dealer in securities to be eligible for capital gain treatment (whether
3 or not the taxpayer is a dealer of securities subject to section 1236),
4 provided, however, that for stock acquired prior to October first, two
5 thousand fifteen that was not subject to section 1236(a) of the internal
6 revenue code, such identification in the taxpayer's records must occur
7 before October first, two thousand fifteen. Stock in a corporation that
8 is conducting a unitary business with the taxpayer, stock in a corpo-
9 ration that is included in a combined report with the taxpayer pursuant
10 to the commonly owned group election in subdivision three of section
11 11-654.3 of this subchapter, and stock [used] issued by the taxpayer
12 shall not constitute investment capital. For purposes of this subdivi-
13 sion, if the taxpayer owns or controls, directly or indirectly, less
14 than twenty percent of the voting power of the stock of a corporation,
15 that corporation will be presumed to be conducting a business that is
16 not unitary with the business of the taxpayer.

17 § 12. Subparagraph 2 of paragraph (a) of subdivision 18 of section
18 11-654 of the administrative code of the city of New York, as added by
19 section 1 of part D of chapter 60 of the laws of 2015, is amended to
20 read as follows:

21 (2) The amount determined in this subparagraph is the product of (i)
22 the excess of (A) the tax computed under clause (i) of subparagraph one
23 of paragraph (e) of subdivision one of this section, without allowance
24 of any credits allowed by this section, over (B) the tax so computed,
25 determined as if the corporation had no such distributive share or guar-
26 anteed payments with respect to the unincorporated business, and (ii) a
27 fraction, the numerator of which is four and the denominator of which is
28 eight and eighty-five one hundredths, [provided however,] except that in

1 the case of a financial corporation as defined in clause (i) of subpara-
2 graph one of paragraph (e) of subdivision one of this section, such
3 denominator is nine, and in the case of a taxpayer that is subject to
4 paragraph (j) or (k) of subdivision one of this section, such denomina-
5 tor shall be the rate of tax as determined by such paragraph (j) or (k)
6 for the taxable year; [and,] provided[, however,] that the amounts
7 computed in subclauses (A) and (B) of clause (i) of this subparagraph
8 shall be computed with the following modifications:

9 (A) such amounts shall be computed without taking into account any
10 carryforward or carryback by the partner of a net operating loss or a
11 prior net operation loss conversion subtraction;

12 (B) if, prior to taking into account any distributive share or guaran-
13 teed payments from any unincorporated business or any net operating loss
14 carryforward or carryback, the entire net income of the partner is less
15 than zero, such entire net income shall be treated as zero; and

16 (C) if such partner's net total distributive share of income, gain,
17 loss and deductions of, and guaranteed payments from, any unincorporated
18 business is less than zero, such net total shall be treated as zero. The
19 amount determined in this subparagraph shall not be less than zero.

20 § 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section
21 11-654 of the administrative code of the city of New York, as added by
22 section 1 of part D of chapter 60 of the laws of 2015, is amended to
23 read as follows:

24 (1) Notwithstanding anything to the contrary in paragraph (a) of this
25 subdivision, in the case of a corporation that, before the application
26 of this subdivision or any other credit allowed by this section, is
27 liable for the tax on business income under clause (i) of subparagraph
28 one of paragraph (e) of subdivision one of this section, the credit or

1 the sum of the credits that may be taken by such corporation for a taxa-
2 ble year under this subdivision with respect to an unincorporated busi-
3 ness or unincorporated businesses in which it is a partner shall not
4 exceed the tax so computed, without allowance of any credits allowed by
5 this section, multiplied by a fraction the numerator of which is four
6 and the denominator of which is eight and eighty-five one-hundredths
7 [provided, however], except that in the case of a financial corporation
8 as defined in clause (i) of subparagraph one of paragraph (e) of subdi-
9 vision one of this section, such denominator is nine, and in the case of
10 a taxpayer that is subject to paragraph (j) or (k) of subdivision one of
11 this section, such denominator shall be the rate of tax as determined by
12 such paragraph (j) or (k) for the taxable year. If the credit allowed
13 under this subdivision or the sum of such credits exceeds the product of
14 such tax and such fraction, the amount of the excess may be carried
15 forward, in order, to each of the seven immediately succeeding taxable
16 years and, to the extent not previously taken, shall be allowed as a
17 credit in each of such years. In applying the provisions of the preced-
18 ing sentence, the credit determined for the taxable year under paragraph
19 (a) of this subdivision shall be taken before taking any credit carry-
20 forward pursuant to this paragraph and the credit carryforward attribut-
21 able to the earliest taxable year shall be taken before taking a credit
22 carryforward attributable to a subsequent taxable year.

23 § 14. Subparagraph 8 of paragraph (a) of subdivision 21 of section
24 11-654 of the administrative code of the city of New York, as added by
25 section 1 of part D of chapter 60 of the laws of 2015, is amended to
26 read as follows:

1 (8) The credit allowed under this subdivision shall only be allowed
2 for taxable years beginning before January first, two thousand [sixteen]
3 nineteen.

4 § 15. Paragraph (c) of subdivision 2 of section 11-654.2 of the admin-
5 istrative code of the city of New York, as added by section 1 of part D
6 of chapter 60 of the laws of 2015, is amended to read as follows:

7 (c) Receipts from sales of tangible personal property and electricity
8 that are traded as commodities as the term "commodity" is defined in
9 section four hundred seventy-five of the internal revenue code, shall be
10 included in the receipts fraction in accordance with clause [(i)] (ix)
11 of subparagraph two of paragraph (a) of subdivision five of this
12 section.

13 § 16. The opening paragraph of paragraph (a) of subdivision 5 of
14 section 11-654.2 of the administrative code of the city of New York, as
15 added by section 1 of part D of chapter 60 of the laws of 2015, is
16 amended to read as follows:

17 A financial instrument is a "nonqualified financial instrument" if it
18 is not a qualified financial instrument. A qualified financial instru-
19 ment means a financial instrument that is of a type described in any of
20 clause (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two
21 of this paragraph and that has been marked to market in the taxable year
22 by the taxpayer under section 475 or section 1256 of the internal reven-
23 ue code. Further, if the taxpayer has in the taxable year marked to
24 market a financial instrument of the type described in any of clause
25 (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of
26 this paragraph, then any financial instrument within that type described
27 in the above specified clause or clauses that has not been marked to
28 market by the taxpayer under section 475 or section 1256 of the internal

1 revenue code is a qualified financial instrument in the taxable year.
2 Notwithstanding the two preceding sentences, (i) a loan secured by real
3 property shall not be a qualified financial instrument, (ii) if the only
4 loans that are marked to market by the taxpayer under section 475 or
5 section 1256 of the internal revenue code are loans secured by real
6 property, then no loans shall be qualified financial instruments, [and]
7 (iii) stock that is investment capital as defined in paragraph (a) of
8 subdivision [4] four of section 11-652 of this subchapter shall not be a
9 qualified financial instrument, and (iv) stock that generates other
10 exempt income as defined in subdivision five-a of section 11-652 of this
11 subchapter and that is not marked to market under section 475 or section
12 1256 of the internal revenue code shall not constitute a qualified
13 financial instrument with respect to the income from that stock that is
14 described in such subdivision five-a. If a corporation is included in a
15 combined report, the definition of qualified financial instrument shall
16 be determined on a combined basis.

17 § 17. This act shall take effect immediately; provided however that
18 sections one, two, three, four, five, six, seven and eight of this act
19 shall be deemed to have been in full force and effect on the same date
20 and in the same manner as part A of chapter 59 of the laws of 2014, took
21 effect, and sections nine, ten, eleven, twelve, thirteen, fourteen,
22 fifteen and sixteen of this act shall be deemed to have been in full
23 force and effect on the same date and in the same manner as part D of
24 chapter 60 of the laws of 2015, took effect.

1 Section 1. Subdivision 5 of section 183-a of the tax law, as amended
2 by section 61 of part A of chapter 59 of the laws of 2014, is amended to
3 read as follows:

4 5. The report covering the tax surcharge which must be calculated
5 pursuant to this section based upon the tax reportable on the report due
6 by March fifteenth of any year under section one hundred eighty-three of
7 this article, for taxable years beginning before January first, two
8 thousand sixteen, and on the report due by April fifteenth of any year
9 under section one hundred eighty-three of this article, for taxable
10 years beginning on or after January first, two thousand sixteen, shall
11 be filed on or before March fifteenth of the year next succeeding such
12 year, for taxable years beginning before January first, two thousand
13 sixteen, and on or before April fifteenth of the year next succeeding
14 such year, for taxable years beginning on or after January first, two
15 thousand sixteen. An extension pursuant to section one hundred ninety-
16 three of this article shall be allowed only if a taxpayer files with the
17 commissioner an application for extension in such form as said commis-
18 sioner may prescribe by regulation and pays on or before the date of
19 such filing in addition to any other amounts required under this arti-
20 cle, either ninety percent of the entire tax surcharge required to be
21 paid under this section for the applicable period, or not less than the
22 tax surcharge shown on the taxpayer's report for the preceding year, if
23 such preceding year consisted of twelve months. The tax surcharge
24 imposed by this section shall be payable to the commissioner in full at
25 the time the report is required to be filed, and such tax surcharge or
26 the balance thereof, imposed on any taxpayer which ceases to exercise
27 its franchise or be subject to the tax surcharge imposed by this section
28 shall be payable to the commissioner at the time the report is required

1 to be filed, provided such tax surcharge of a domestic corporation which
2 continues to possess its franchise shall be subject to adjustment as the
3 circumstances may require; all other tax surcharges of any such taxpay-
4 er, which pursuant to the foregoing provisions of this section would
5 otherwise be payable subsequent to the time such report is required to
6 be filed, shall nevertheless be payable at such time. All of the
7 provisions of this article presently applicable to section one hundred
8 eighty-three of this article are applicable to the tax surcharge imposed
9 by this section except for section one hundred ninety-two of this arti-
10 cle.

11 § 2. Subdivision 4 of section 186-a of the tax law, as amended by
12 chapter 536 of the laws of 1998, is amended to read as follows:

13 4. Every utility subject to tax hereunder shall file, on or before
14 March fifteenth of each year, a return for the year ended on the preced-
15 ing December thirty-first, for taxable years beginning before January
16 first, two thousand sixteen, except that the year ended on December
17 thirty-first, nineteen hundred seventy-six shall be deemed, for the
18 purposes of this subdivision, to have commenced on June first, nineteen
19 hundred seventy-six, and shall file, on or before April fifteenth of
20 each year, a return for the year ended on the preceding December thir-
21 ty-first, for taxable years beginning on or after January first, two
22 thousand sixteen, including any period for which the tax imposed hereby
23 or by any amendment hereof is effective, each of which returns shall
24 state the gross income or gross operating income for the period covered
25 by each such return. Returns shall be filed with the commissioner of
26 taxation and finance on a form to be furnished by the commissioner for
27 such purpose and shall contain such other data, information or matter as
28 the commissioner may require to be included therein. Notwithstanding the

1 foregoing provisions of this subdivision, the commissioner may require
2 any utility to file an annual return, which shall contain any data spec-
3 ified by the commissioner, regardless of whether the utility is subject
4 to tax under this section; and the commissioner may require a landlord
5 selling to a tenant gas, electric, steam, water or refrigeration or
6 furnishing gas, electric, steam, water or refrigerator service, where
7 the same has been subjected to tax under this section on the sale to
8 such landlord, to file, on or before the fifteenth day of March of each
9 year, for taxable years beginning before January first, two thousand
10 sixteen, and on or before the fifteenth day of April of each year, for
11 taxable years beginning on or after January first, two thousand sixteen,
12 an information return for the year ended on the preceding December thir-
13 ty-first, covering such year in such form and containing such data as
14 the commissioner may specify. Every return shall have annexed thereto a
15 certification by the head of the utility making the same, or of the
16 owner or of a co-partner thereof, or of a principal officer of the
17 corporation, if such business be conducted by a corporation, to the
18 effect that the statements contained therein are true.

19 § 3. Subdivision 6 of section 186-e of the tax law, as added by chap-
20 ter 2 of the laws of 1995, is amended to read as follows:

21 6. Returns. Every provider of telecommunication services subject to
22 tax under this section shall file, on or before March fifteenth of each
23 year, for taxable years beginning before January first, two thousand
24 sixteen, and on or before April fifteenth of each year, for taxable
25 years beginning on or after January first, two thousand sixteen, a
26 return for the year ended on the preceding December thirty-first, and
27 pay the tax due, which return shall state the gross receipts for the
28 period covered by each such return and the resale exclusions during such

1 period. Returns shall be filed with the commissioner on a form to be
2 furnished by the commissioner for such purpose and shall contain such
3 other data, information or matter as the commissioner may require to be
4 included therein. Notwithstanding the foregoing provisions of this
5 subdivision, the commissioner may require any provider of telecommuni-
6 cation services to file an annual return, which shall contain any data
7 specified by the commissioner, regardless of whether such provider is
8 subject to tax under this section. Every return shall have annexed ther-
9 eto a certification by the head of the provider of telecommunication
10 services making the same, or of the owner or of a partner or member
11 thereof, or of a principal officer of the corporation, if such business
12 be conducted by a corporation, to the effect that the statements
13 contained therein are true.

14 § 4. Subdivision 1 of section 192 of the tax law, as amended by chap-
15 ter 96 of the laws of 1976, is amended to read as follows:

16 1. Corporations paying franchise tax. Every corporation, association
17 or joint-stock company liable to pay a tax under section one hundred
18 eighty-three or one hundred eighty-five of this chapter shall, on or
19 before March fifteenth in each year, for taxable years beginning before
20 January first, two thousand sixteen, and on or before April fifteenth in
21 each year, for taxable years beginning on or after January first, two
22 thousand sixteen, make a written report to the [tax commission] commis-
23 sioner of its condition at the close of its business on the preceding
24 December thirty-first, stating the amount of its authorized capital
25 stock, the amount of stock paid in, the date and rate per centum of each
26 dividend paid by it during the year ending with such day, the entire
27 amount of the capital of such corporation, and the capital employed by
28 it in this state during such year.

1 § 5. Subdivision 1 of section 192 of the tax law, as amended by
2 section 26 of part S of chapter 59 of the laws of 2014, is amended to
3 read as follows:

4 1. Corporations paying franchise tax. Every corporation, association
5 or joint-stock company liable to pay a tax under section one hundred
6 eighty-three of this chapter shall, on or before March fifteenth in each
7 year, for taxable years beginning before January first, two thousand
8 sixteen, and on or before April fifteenth in each year, for taxable
9 years beginning on or after January first, two thousand sixteen, make a
10 written report to the [tax commission] commissioner of its condition at
11 the close of its business on the preceding December thirty-first, stat-
12 ing the amount of its authorized capital stock, the amount of stock paid
13 in, the date and rate per centum of each dividend paid by it during the
14 year ending with such day, the entire amount of the capital of such
15 corporation, and the capital employed by it in this state during such
16 year.

17 § 6. Subdivision 2 of section 192 of the tax law, as amended by chap-
18 ter 96 of the laws of 1976, is amended to read as follows:

19 2. Transportation and transmission corporations. Every transportation
20 or transmission corporation, joint-stock company or association liable
21 to pay an additional franchise tax under section one hundred eighty-four
22 of this chapter, shall also, on or before March fifteenth of each year,
23 make a written report to the [tax commission] commissioner of the amount
24 of its gross earnings subject to the tax imposed by said section for the
25 year ended on the preceding December thirty-first, for taxable years
26 beginning before January first, two thousand sixteen, except that the
27 year ended on December thirty-first, nineteen hundred seventy-six shall
28 be deemed, for the purposes of this subdivision, to have commenced on

1 July first, nineteen hundred seventy-six, and shall also, on or before
2 April fifteenth of each year, make a written report to the commissioner
3 of the amount of its gross earnings subject to the tax imposed by said
4 section for the year ended on the preceding December thirty-first, for
5 taxable years beginning on or after January first, two thousand sixteen.

6 Any such corporation, joint-stock company or association which ceases to
7 be subject to the tax imposed by section one hundred eighty-four of this
8 chapter by reason of a liquidation, dissolution, merger or consolidation
9 with any other corporation, or any other cause, shall, on the date of
10 such cessation or at such other time as the [tax commission] commission-
11 er may require, make a written report to the [tax commission] commis-
12 sioner of the amount of its gross earnings subject to the tax imposed by
13 section one hundred eighty-four of this chapter for any period for which
14 no report was theretofore filed. Any corporation, joint-stock company or
15 association subject to a tax upon dividends under said section one
16 hundred eighty-four of this chapter shall also include in its report
17 under this subdivision required to be filed a statement of the author-
18 ized capital of the company, the amount of capital stock issued, and the
19 amount of dividends of every nature paid during the year ended on the
20 preceding December thirty-first. As to tax payers subject to such tax
21 upon dividends under said section one hundred eighty-four of this chap-
22 ter, the year ended on December thirty-first, nineteen hundred seventy-
23 six shall be deemed, for the purposes of this subdivision, to have
24 commenced on July first, nineteen hundred seventy-six.

25 § 7. Paragraph (a) of subdivision 1 of section 197-b of the tax law,
26 as amended by section 1 of part G-1 of chapter 57 of the laws of 2009,
27 is amended to read as follows:

1 (a) For taxable years beginning on or after January first, nineteen
2 hundred seventy-seven, every taxpayer subject to tax under section one
3 hundred eighty-two, one hundred eighty-two-a, former section one hundred
4 eighty-two-b, one hundred eighty-four, one hundred eighty-six-a or one
5 hundred eighty-six-e of this article, must pay in each year an amount
6 equal to (i) twenty-five percent of the tax imposed under each of such
7 sections for the preceding taxable year if the preceding year's tax
8 exceeded one thousand dollars but was equal to or less than one hundred
9 thousand dollars, or (ii) forty percent of the tax imposed under any of
10 these sections for the preceding taxable year if the preceding year's
11 tax exceeded one hundred thousand dollars. If the preceding year's tax
12 under section one hundred eighty-four, one hundred eighty-six-a or one
13 hundred eighty-six-e of this article exceeded one thousand dollars and
14 the taxpayer is subject to the tax surcharge imposed by section one
15 hundred eighty-four-a or one hundred eighty-six-c of this article,
16 respectively, the taxpayer must also pay in each such year an amount
17 equal to (i) twenty-five percent of the tax surcharge imposed under such
18 section for the preceding taxable year if the preceding year's tax
19 exceeded one thousand dollars but was equal to or less than one hundred
20 thousand dollars, or (ii) forty percent of the tax surcharge imposed
21 under that section for the preceding taxable year if the preceding
22 year's tax exceeded one hundred thousand dollars. The amount or amounts
23 must be paid with the return or report required to be filed with respect
24 to the tax or tax surcharge for the preceding taxable year or with an
25 application for extension of the time for filing the return or report,
26 for taxable years beginning before January first, two thousand sixteen,
27 and must be paid on or before the fifteenth day of the third month

1 following the close of the taxable year, for taxable years beginning on
2 or after January first, two thousand sixteen.

3 § 8. Paragraph (a) of subdivision 1 of section 209 of the tax law, as
4 amended by section 5 of part A of chapter 59 of the laws of 2014, is
5 amended to read as follows:

6 (a) For the privilege of exercising its corporate franchise, or of
7 doing business, or of employing capital, or of owning or leasing proper-
8 ty in this state in a corporate or organized capacity, or of maintaining
9 an office in this state, or of deriving receipts from activity in this
10 state, for all or any part of each of its fiscal or calendar years,
11 every domestic or foreign corporation, except corporations specified in
12 subdivision four of this section, shall annually pay a franchise tax,
13 upon the basis of its business income base, or upon such other basis as
14 may be applicable as hereinafter provided, for such fiscal or calendar
15 year or part thereof, on a report which shall be filed, except as here-
16 inafter provided, on or before the fifteenth day of March next succeed-
17 ing the close of each such year, for taxable years beginning before
18 January first, two thousand sixteen, and on or before the fifteenth day
19 of April next succeeding the close of each such year, for taxable years
20 beginning on or after January first, two thousand sixteen, or, in the
21 case of a corporation which reports on the basis of a fiscal year, with-
22 in two and one-half months after the close of such fiscal year, for
23 taxable years beginning before January first, two thousand sixteen, and
24 on or before the fifteenth day of the fourth month after the close of
25 such fiscal year, for taxable years beginning on or after January first,
26 two thousand sixteen, and shall be paid as hereinafter provided.

27 § 9. Subdivision 1 of section 211 of the tax law, as amended by chap-
28 ter 436 of the laws of 1974, the opening paragraph as amended by chapter

1 190 of the laws of 1990 and the second undesignated paragraph as amended
2 by chapter 542 of the laws of 1985, is amended to read as follows:

3 1. Every taxpayer[, as well as every foreign corporation having an
4 employee, including any officer, within the state,] shall annually on or
5 before March fifteenth, for taxable years beginning before January
6 first, two thousand sixteen, and annually on or before April fifteenth,
7 for taxable years beginning on or after January first, two thousand
8 sixteen, transmit to the [tax commission] commissioner a report in a
9 form prescribed by [it] the commissioner (except that a corporation
10 which reports on the basis of a fiscal year shall transmit its report
11 within two and one-half months after the close of its fiscal year, for
12 taxable years beginning before January first, two thousand sixteen, and
13 on or before the fifteenth day of the fourth month after the close of
14 its fiscal year, for taxable years beginning on or after January first,
15 two thousand sixteen, and except, also, that a corporation which is a
16 DISC shall transmit its report on or before the fifteenth day of the
17 ninth month following the close of its calendar or fiscal year), setting
18 forth such information as the [tax commission] commissioner may
19 prescribe and every taxpayer which ceases to exercise its franchise or
20 to be subject to the tax imposed by this article shall transmit to the
21 [tax commission] commissioner a report on the date of such cessation or
22 at such other time as the [tax commission] commissioner may require
23 covering each year or period for which no report was theretofore filed.
24 In the case of a termination year of an S corporation, the S short year
25 and the C short year shall be treated as separate short taxable years,
26 provided, however, the due date of the report for the S short year shall
27 be the same as the due date of the report for the C short year. Every
28 taxpayer shall also transmit such other reports and such facts and

1 information as the [tax commission] commissioner may require in the
2 administration of this article. The [tax commission] commissioner may
3 grant a reasonable extension of time for filing reports whenever good
4 cause exists.

5 An automatic extension of six months for the filing of its annual
6 report shall be allowed any taxpayer if, within the time prescribed by
7 the preceding paragraph, such taxpayer files with the [tax commission]
8 commissioner an application for extension in such form as [said commis-
9 sion] the commissioner may prescribe by regulation and pays on or before
10 the date of such filing the amount properly estimated as its tax.

11 § 10. Subdivision (a) of section 213-b of the tax law, as amended by
12 section 2 of part G-1 of chapter 57 of the laws of 2009, is amended to
13 read as follows:

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

1 dollars and the taxpayer is subject to the tax surcharge imposed by
2 section two hundred nine-B of this chapter, the taxpayer must also pay
3 with the tax surcharge report required to be filed for the preceding
4 privilege period, or with an application for extension of the time for
5 filing the report, for taxable years beginning before January first, two
6 thousand sixteen, and must pay on or before the fifteenth day of the
7 third month of such privilege periods, for taxable years beginning on or
8 after January first, two thousand sixteen, an amount equal to (i) twenty-five percent of the tax surcharge imposed for the preceding year if
9 the preceding year's tax was equal to or less than one hundred thousand
10 dollars, or (ii) forty percent of the tax surcharge imposed for the
11 preceding year if the preceding year's tax exceeded one hundred thousand
12 dollars.
13

14 § 11. Subdivision (f) of section 213-b of the tax law, as amended by
15 chapter 613 of the laws of 1976, is amended to read as follows:

16 (f) The preceding year's tax defined.-- As used in this section, "the
17 preceding year's tax" means the tax imposed upon the taxpayer by section
18 two hundred nine of this chapter for the preceding calendar or fiscal
19 year, or, for purposes of computing the first installment of estimated
20 tax when either the mandatory first installment is paid pursuant to
21 subdivision (a) of this section or an application has been filed for
22 extension of the time for filing the report required to be filed for
23 such preceding calendar or fiscal year, the amount properly estimated
24 pursuant to section two hundred thirteen of this chapter as the tax
25 imposed upon the taxpayer for such calendar or fiscal year.

26 § 12. Paragraph 1 of subsection (c) of section 658 of the tax law, as
27 amended by chapter 760 of the laws of 1992, is amended to read as
28 follows:

1 (1) Partnerships. Every partnership having a resident partner or
2 having any income derived from New York sources, determined in accord-
3 ance with the applicable rules of section six hundred thirty-one as in
4 the case of a nonresident individual, shall make a return for the taxa-
5 ble year setting forth all items of income, gain, loss and deduction and
6 such other pertinent information as the commissioner may by regulations
7 and instructions prescribe. Such return shall be filed on or before the
8 fifteenth day of the fourth month following the close of each taxable
9 year, for taxable years beginning before January first, two thousand
10 sixteen, and on or before the fifteenth day of the third month following
11 the close of each taxable year, for taxable years beginning on or after
12 January first, two thousand sixteen, except that the due date for the
13 return of a partnership consisting entirely of nonresident aliens shall
14 be the date prescribed for the filing of its federal partnership return
15 for the taxable year. For purposes of this paragraph, "taxable year"
16 means a year or a period which would be a taxable year of the partner-
17 ship if it were subject to tax under this article.

18 § 13. Subparagraph (A) of paragraph 3 of subsection (c) of section 658
19 of the tax law, as amended by section 18 of part U of chapter 61 of the
20 laws of 2011, is amended to read as follows:

21 (A) Every subchapter K limited liability company, every limited
22 liability company that is a disregarded entity for federal income tax
23 purposes, and every partnership which has any income derived from New
24 York sources, determined in accordance with the applicable rules of
25 section six hundred thirty-one of this article as in the case of a
26 nonresident individual, shall[, within sixty days after the last day of
27 the taxable year,] on or before the fifteenth day of the third month
28 following the close of each taxable year make a payment of a filing fee.

1 The amount of the filing fee is the amount set forth in subparagraph (B)
2 of this paragraph. The minimum filing fee is twenty-five dollars for
3 taxable years beginning in two thousand eight and thereafter. Limited
4 liability companies that are disregarded entities for federal income tax
5 purposes must pay a filing fee of twenty-five dollars for taxable years
6 beginning on or after January first, two thousand eight.

7 § 14. Subsection (i) of section 1087 of the tax law, as added by chap-
8 ter 188 of the laws of 1964, is amended to read as follows:

9 (i) Prepaid tax.--For purposes of this section, any tax paid by the
10 taxpayer before the last day prescribed for its payment (including any
11 amount paid by the taxpayer as estimated tax for a taxable year) shall
12 be deemed to have been paid by it on the fifteenth day of the third
13 month following the close of the taxable year the income of which is the
14 basis for tax under article nine-a, [nine-b or nine-c,] or on the last
15 day prescribed in article nine for the filing of a final return for such
16 taxable year, or portion thereof, determined in all cases without regard
17 to any extension of time granted the taxpayer, for taxable years begin-
18 ning before January first, two thousand sixteen, and on the fifteenth
19 day of the fourth month following the close of the taxable year the
20 income of which is the basis for tax under article nine-a, or on the
21 last day prescribed in article nine for the filing of a final return for
22 such taxable year, or portion thereof, determined in all cases without
23 regard to any extension of time granted the taxpayer, for taxable years
24 beginning on or after January first, two thousand sixteen.

25 § 15. Paragraph 3 of subdivision (a) of section 1514 of the tax law,
26 as amended by section 89 of part A of chapter 389 of the laws of 1997,
27 is amended to read as follows:

1 (3) Such amount or amounts described in paragraphs one and two of this
2 subdivision shall be paid with the return required to be filed with
3 respect to such tax or tax surcharge for such preceding taxable year or
4 with an application for extension of the time for filing such return,
5 for taxable years beginning before January first, two thousand sixteen,
6 and shall be paid on or before the fifteenth day of the third month of
7 each taxable year, for taxable years beginning on or after January
8 first, two thousand sixteen.

9 § 16. Subdivision (f) of section 1514 of the tax law, as amended by
10 section 26 of part H3 of chapter 62 of the laws of 2003, is amended to
11 read as follows:

12 (f) The preceding year's tax defined. As used in this section, "the
13 preceding year's tax" means, for taxpayers subject to tax under subdivi-
14 sion (b) of section fifteen hundred ten of this article, the taxes
15 imposed upon the taxpayer by sections fifteen hundred one and fifteen
16 hundred ten of this article from the preceding taxable year or as other-
17 wise determined by subdivision (b) of section fifteen hundred five of
18 this article, and for taxpayers subject to tax under section fifteen
19 hundred two-a of this article, the tax imposed upon the taxpayer by such
20 section fifteen hundred two-a of this article from the preceding year,
21 or for purposes of computing the first installment of estimated tax when
22 either the mandatory first installment is paid pursuant to subdivision
23 (a) of this section or an application has been filed for extension of
24 the time for filing the return required to be filed for such preceding
25 taxable year, the amount properly estimated pursuant to paragraph one of
26 subdivision (b) of section fifteen hundred sixteen of this article as
27 the tax imposed upon the taxpayer for such taxable year.

1 § 17. Subdivision (a) of section 1515 of the tax law, as added by
2 section 649 of the laws of 1974 and as further amended by section 104 of
3 part A of chapter 62 of the laws of 2011, is amended to read as follows:

4 (a) Every taxpayer and every other foreign and alien insurance corpo-
5 ration having an employee, including any officer, in this state or
6 having an agent or representative in this state, shall annually, on or
7 before the fifteenth day of the third month following the close of its
8 taxable year, for taxable years beginning before January first, two
9 thousand sixteen, and on or before the fifteenth day of the fourth month
10 following the close of its taxable year, for taxable years beginning on
11 or after January first, two thousand sixteen, transmit to the [tax
12 commission] commissioner a return in a form prescribed by [it] the
13 commissioner setting forth such information as the [tax commission]
14 commissioner may prescribe and every taxpayer which ceases to exercise
15 its franchise or to be subject to the tax imposed by this article shall
16 transmit to the [tax commission] commissioner a return on the date of
17 such cessation or at such other time as the [tax commission] commission-
18 er may require covering each year or period for which no return was
19 theretofore filed. A copy of each return required under this subdivision
20 shall also be transmitted to the superintendent of financial services at
21 or before the times specified for filing such returns with the [tax
22 commission] commissioner.

23 § 18. Subdivisions (a) and (b) of section 11-514 of the administrative
24 code of the city of New York, subdivision (a) as amended by chapter 183
25 of the laws of 2009, are amended to read as follows:

26 (a) General. [On or before the fifteenth day of the fourth month
27 following the close of a taxable year, an] An unincorporated business
28 income tax return shall be made and filed, and the balance of any tax

1 shown on the face of such return, not previously paid as installments of
2 estimated tax, shall be paid, on or before the fifteenth day of the
3 fourth month following the close of a taxable year for taxable years
4 beginning before January first, two thousand sixteen, and on or before
5 the fifteenth day of the third month following the close of a taxable
6 year for taxable years beginning on or after January first, two thousand
7 sixteen:

8 (1) by or for every unincorporated business, for taxable years begin-
9 ning after nineteen hundred eighty-six but before nineteen hundred nine-
10 ty-seven, having unincorporated business gross income, determined for
11 purposes of this subdivision without any deduction for the cost of goods
12 sold or services performed, of more than ten thousand dollars, or having
13 any amount of unincorporated business taxable income;

14 (2) by or for every partnership, for taxable years beginning after
15 nineteen hundred ninety-six but before two thousand nine, having unin-
16 corporated business gross income, determined for purposes of this subdi-
17 vision without any deduction for the cost of goods sold or services
18 performed, of more than twenty-five thousand dollars, or having unincor-
19 porated business taxable income of more than fifteen thousand dollars;

20 (3) by or for every unincorporated business other than a partnership,
21 for taxable years beginning after nineteen hundred ninety-six but before
22 two thousand nine, having unincorporated business gross income, deter-
23 mined for purposes of this subdivision without any deduction for the
24 cost of goods sold or services performed, of more than seventy-five
25 thousand dollars, or having unincorporated business taxable income of
26 more than thirty-five thousand dollars; and

27 (4) by or for every unincorporated business, for taxable years begin-
28 ning after two thousand eight, having unincorporated business gross

1 income, determined for purposes of this subdivision without any
2 deduction for the cost of goods sold or services performed, of more than
3 ninety-five thousand dollars.

4 (b) Decedents. The return for any deceased individual shall be made
5 and filed by his or her executor, administrator, or other person charged
6 with his or her property. If a final return of a decedent is for a frac-
7 tional part of a year, the due date of such return shall be, for taxable
8 years beginning before January first, two thousand sixteen, the
9 fifteenth day of the fourth month following the close of the twelve-
10 month period [which] that began with the first day of such fractional
11 part of the year, and, for taxable years beginning on or after January
12 first, two thousand sixteen, the fifteenth day of the third month
13 following the close of the twelve-month period that began with the first
14 day of such fractional part of the year.

15 § 19. Subdivision (i) of section 11-527 of the administrative code of
16 the city of New York is amended to read as follows:

17 (i) Prepaid tax. For purposes of this section, any tax paid by the
18 taxpayer before the last day prescribed for its payment and any amount
19 paid by the taxpayer as estimated tax for a taxable year shall be deemed
20 to have been paid by the taxpayer, for taxable years beginning before
21 January first, two thousand sixteen, on the fifteenth day of the fourth
22 month following the close of his or her taxable year with respect to
23 which such amount constitutes a credit or payment, and, for taxable
24 years beginning on or after January first, two thousand sixteen, on the
25 fifteenth day of the third month following the close of his or her taxa-
26 ble year with respect to which such amount constitutes a credit or
27 payment.

1 § 20. Paragraph (a) of subdivision 1 of section 11-653 of the adminis-
2 trative code of the city of New York, as added by section 1 of part D of
3 chapter 60 of the laws of 2015, is amended to read as follows:

4 (a) For the privilege of doing business, or of employing capital, or
5 of owning or leasing property in the city in a corporate or organized
6 capacity, or of maintaining an office in the city, for all or any part
7 of each of its fiscal or calendar years, every domestic or foreign
8 corporation, except corporations specified in subdivision four of this
9 section, shall annually pay a tax, upon the basis of its business
10 income, or upon such other basis as may be applicable as hereinafter
11 provided, for such fiscal or calendar year or part thereof, on a report
12 [which] that shall be filed, except as hereinafter provided, for taxable
13 years beginning before January first, two thousand sixteen, on or before
14 the fifteenth day of March next succeeding the close of each such calen-
15 dar year, or, in the case of a taxpayer [which] that reports on the
16 basis of a fiscal year, within two and one-half months after the close
17 of each such fiscal year, and for taxable years beginning on or after
18 January first, two thousand sixteen, on or before the fifteenth day of
19 April next succeeding the close of each such calendar year, or, in the
20 case of a taxpayer that reports on the basis of a fiscal year, within
21 three and one-half months after the close of each such fiscal year, and
22 shall be paid as hereinafter provided.

23 § 21. Subdivision 1 of section 11-655 of the administrative code of
24 the city of New York, as added by section 1 of part D of chapter 60 of
25 the laws of 2015, is amended to read as follows:

26 1. Every corporation having an officer, agent or representative within
27 the city, shall, annually on or before March fifteenth for taxable years
28 beginning before January first, two thousand sixteen, and annually on or

1 before April fifteenth for taxable years beginning on or after January
2 first, two thousand sixteen, transmit to the commissioner of finance a
3 report, in a form prescribed by the commissioner of finance [(except
4 that a corporation which reports on the basis of a fiscal year shall
5 transmit its report within two and one-half months after the close of
6 its fiscal year)], setting forth such information as the commissioner of
7 finance may prescribe, [and every] except that a corporation that
8 reports on the basis of a fiscal year shall transmit such report, for
9 taxable years beginning before January first, two thousand sixteen,
10 within two and one-half months after the close of its fiscal year, and,
11 for taxable years beginning after January first, two thousand sixteen,
12 within three and one-half months after the close of its fiscal year.
13 Every taxpayer [which] that ceases to do business in the city or to be
14 subject to the tax imposed by this subchapter shall transmit to the
15 commissioner of finance a report on the date of such cessation or at
16 such other time as the commissioner of finance may require covering each
17 year or period for which no report was theretofore filed. Every taxpayer
18 shall also transmit such other reports and such facts and information as
19 the commissioner of finance may require in the administration of this
20 subchapter. The commissioner of finance may grant a reasonable extension
21 of time for filing reports whenever good cause exists.

22 An automatic extension of six months for the filing of its annual
23 report shall be allowed any taxpayer if, within the time prescribed by
24 the preceding paragraph, whichever is applicable, such taxpayer files
25 with the commissioner of finance an application for extension in such
26 form as the commissioner of finance may prescribe by regulation and pays
27 on or before the date of such filing the amount properly estimated as
28 its tax.

1 § 22. Subdivision 1 of section 11-658 of the administrative code of
2 the city of New York, as added by section 1 of part D of chapter 60 of
3 the laws of 2015, is amended to read as follows:

4 1. [Every] For taxable years beginning before January first, two thou-
5 sand sixteen, every taxpayer subject to the tax imposed by section
6 11-653 of this subchapter shall pay with the report required to be filed
7 for the preceding privilege period, if any, or with an application for
8 extension of the time and filing such report, an amount equal to twen-
9 ty-five per centum of the preceding year's tax if such preceding year's
10 tax exceeded one thousand dollars. For taxable years beginning on or
11 after January first, two thousand sixteen, such amount shall be paid on
12 or before the fifteenth day of March next succeeding the close of each
13 such calendar year, or, in the case of a taxpayer that reports on the
14 basis of a fiscal year, within two and one-half months after the close
15 of each such fiscal year.

16 § 23. Subdivision 6 of section 11-658 of the administrative code of
17 the city of New York, as added by section 1 of part D of chapter 60 of
18 the laws of 2015, is amended to read as follows:

19 6. As used in this section, "the preceding year's tax" means the tax
20 imposed upon the taxpayer by section 11-653 of this subchapter for the
21 preceding calendar or fiscal year, or, for purposes of computing the
22 first installment of estimated tax when either the mandatory first
23 installment is paid pursuant to subdivision one of this section or an
24 application has been filed for extension of the time for filing the
25 report required to be filed for such preceding calendar or fiscal year,
26 the amount properly estimated pursuant to section 11-657 of this
27 subchapter as the tax imposed upon the taxpayer for such calendar or
28 fiscal year.

1 § 24. This act shall take effect immediately provided, however, that
2 section five of this act shall take effect on the same date and in the
3 same manner as section 26 of part S of chapter 59 of the laws of 2014,
4 takes effect, and that section five of this act shall apply to taxable
5 years beginning on or after January 1, 2018 and that section thirteen of
6 this act shall apply to taxable years beginning on or after January 1,
7 2016.

8 PART R

9 Section 1. Subparagraph (iv) of paragraph (a) of subdivision 1 of
10 section 210 of the tax law, as amended by section 12 of part A of chap-
11 ter 59 of the laws of 2014, is amended to read as follows:

(iv) (A) for taxable years beginning before January first, two thousand sixteen, if the business income base is not more than two hundred ninety thousand dollars the amount shall be six and one-half percent of the business income base; if the business income base is more than two hundred ninety thousand dollars but not over three hundred ninety thousand dollars the amount shall be the sum of (1) eighteen thousand eight hundred fifty dollars, (2) seven and one-tenth percent of the excess of the business income base over two hundred ninety thousand dollars but not over three hundred ninety thousand dollars and (3) four and thirty-five hundredths percent of the excess of the business income base over three hundred fifty thousand dollars but not over three hundred ninety thousand dollars;

24 (B) for taxable years beginning on or after January first, two thou-
25 sand seventeen, if the business income base is not more than two hundred
26 ninety thousand dollars the amount shall be four percent of the business

1 income base; if the business income base is more than two hundred ninety
2 thousand dollars but not over three hundred ninety thousand dollars the
3 amount shall be the sum of (1) eleven thousand six hundred dollars, (2)
4 six and one-half percent of the excess of the business income base over
5 two hundred ninety thousand dollars but not over three hundred ninety
6 thousand dollars and (3) eighteen and thirteen hundredths percent of the
7 excess of the business income base over three hundred fifty thousand
8 dollars but not over three hundred ninety thousand dollars;

9 § 2. Paragraph 39 of subsection (c) of section 612 of the tax law, as
10 added by section 1 of part Y of chapter 59 of the laws of 2013, is
11 amended to read as follows:

12 (39) (A) In the case of a taxpayer who is a small business or a
13 taxpayer who is a member, partner, or shareholder of a limited liability
14 company, partnership, or New York S corporation, respectively, that is a
15 small business, who or which has business income and/or farm income as
16 defined in the laws of the United States, an amount equal to [three]
17 fifteen percent of the net items of income, gain, loss and deduction
18 attributable to such business or farm entering into federal adjusted
19 gross income, but not less than zero[, for taxable years beginning after
20 two thousand thirteen, an amount equal to three and three-quarters
21 percent of the net items of income, gain, loss and deduction attribut-
22 able to such business or farm entering into federal adjusted gross
23 income, but not less than zero, for taxable years beginning after two
24 thousand fourteen, and an amount equal to five percent of the net items
25 of income, gain, loss and deduction attributable to such business or
26 farm entering into federal adjusted gross income, but not less than
27 zero, for taxable years beginning after two thousand fifteen].

1 (B) (i) For the purposes of this paragraph, the term small business
2 shall mean: (I) a sole proprietor [or a farm business] who employs one
3 or more persons during the taxable year and who has net business income
4 or net farm income of less than two hundred fifty thousand dollars; or
5 (II) a limited liability company, partnership or New York S corporation
6 that during the taxable year employs one or more persons and has New
7 York gross business income attributable to a non-farm business that is
8 greater than zero but less than one million five hundred thousand
9 dollars or net farm income attributable to a farm business that is
10 greater than zero but less than two hundred fifty thousand dollars.

11 (ii) For purposes of this paragraph, the term New York gross business
12 income shall mean: (I) in the case of a limited liability company or a
13 partnership New York source gross income as defined in subparagraph (B)
14 of paragraph three of subsection (c) of section six hundred fifty-eight
15 of this article, and, (II) in the case of a New York S corporation, New
16 York receipts included in the numerator of the apportionment factor
17 determined under section two hundred ten-A of this chapter for the tax-
18 ble year.

19 (C) To qualify for this modification in relation to a small business
20 that is a limited liability company, partnership or New York S corpo-
21 ration, the taxpayer's income attributable to the net business income
22 and/or net farm income from its ownership interests in limited liability
23 companies, partnerships or New York S corporations must be less than two
24 hundred fifty thousand dollars.

25 § 3. This act shall take effect immediately and shall apply to taxable
26 years beginning on or after January 1, 2017.

1 Section 1. This act shall be known and may be cited as the "parental
2 choice in education act".

3 § 2. The education law is amended by adding a new article 25 to read
4 as follows:

5 ARTICLE 25

6 EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT

7 Section 1209. Short title.

8 1210. Definitions.

9 1211. Approval to issue certificates of receipt.

10 1212. Applications for approval to issue certificates of
11 receipt.

12 1213. Application approval for certificates of receipt.

13 1214. Revocation of approval to issue certificates of receipt.

14 1215. Reporting and recordkeeping.

15 1216. Joint annual report.

16 1217. Commissioner; powers.

17 § 1209. Short title. This article shall be known and may be cited as
18 the "education scholarship and program tax credit".

19 § 1210. Definitions. For the purposes of this section, the following
20 terms shall have the following meanings:

21 1. "Authorized contribution" means the contribution amount that is
22 listed on the contribution authorization certificate issued to a taxpay-
23 er.

24 2. "Contribution" means a donation paid by cash, check, electronic
25 funds transfer, debit card or credit card that is made by a taxpayer
26 during the taxable year.

27 3. "Educational program" means an academic or similar program of a
28 public school that enhances the curriculum or academic program of the

1 public school, or provides a pre-kindergarten program to a public
2 school. For purposes of this definition, the instruction, materials,
3 programs and other activities offered by or through an educational
4 program may include, but are not limited to, the following features: (a)
5 instruction or materials promoting health, physical education, and fami-
6 ly and consumer sciences; literary, performing and visual arts; math-
7 ematics, social studies, technology and scientific achievement; (b)
8 instruction or programming to meet the education needs of at-risk
9 students or students with disabilities, including tutoring or coun-
10 seling; or (c) the use of specialized instructional materials, instruc-
11 tors or instruction not provided by a public school.

12 4. "Educational scholarship organization" means an entity that:

13 (a) is exempt from taxation under paragraph three of subsection (c) of
14 section five hundred one of the internal revenue code; (b) uses at least
15 ninety percent of the qualified contributions received during the calen-
16 dar year and any income derived from qualified contributions during such
17 year for scholarships; (c) provides more than fifty percent of its scho-
18 larships during a calendar year to eligible pupils who reside in a
19 household that has an income not to exceed one hundred fifty percent of
20 the income qualification required for the reduced price school lunches
21 under the national school lunch act, provided however for the purposes
22 of an educational scholarship organization fulfilling such requirement,
23 an educational scholarship organization may enter into an agreement with
24 another educational scholarship organization or organizations to jointly
25 report their scholarship information to meet such requirement; (d)
26 deposits and holds qualified contributions and any income derived from
27 qualified contributions in an account that is separate from the organ-
28 ization's operating or other funds until such qualified contributions or

1 income are withdrawn for use; (e) provides scholarships to eligible
2 pupils for use at not fewer than three qualified schools; and (f) is
3 approved to issue certificates of receipt pursuant to this article.

4 5. "Eligible pupil" means a child who is: (a) a resident of this
5 state; (b) of school age in accordance with subdivision one of section
6 thirty-two hundred two of this chapter or who is four years of age on or
7 before December first of the year in which such child is enrolled in a
8 pre-kindergarten program; (c) attends or is about to attend a qualified
9 school; and (d) resides in a household that has a federal adjusted gross
10 income of two hundred fifty thousand dollars or less, provided however,
11 for households with three or more dependent children, such income level
12 shall be increased by ten thousand dollars per dependent child, not to
13 exceed three hundred thousand dollars.

14 6. "Local education fund" means a not-for-profit entity that: (a) is
15 exempt from taxation under paragraph three of subsection (c) of section
16 five hundred one of the internal revenue code; (b) is established for
17 the purpose of supporting at least one public school or public school
18 district located in this state; (c) uses at least ninety percent of the
19 qualified contributions received during the calendar year and any income
20 derived from qualified contributions during such months to support the
21 public school or schools or public school district or districts that
22 such fund has been established to support; (d) deposits and holds quali-
23 fied contributions and any income derived from qualified contributions
24 in an account that is separate from the fund's operating or other funds
25 until such qualified contributions or income are withdrawn for use; and
26 (e) is approved to issue certificates of receipt pursuant to this arti-
27 cle.

1 7. "Non-public school" means any not-for-profit pre-kindergarten
2 program, elementary, or secondary sectarian or nonsectarian school
3 located in this state, other than a public school, that provides
4 instruction at one or more locations to an eligible pupil in accordance
5 with section thirty-two hundred four of this chapter.

6 8. "Public education entity" means a public school district or a
7 public school in this state, provided that such public school district
8 or public school: (a) deposits and holds qualified contributions and any
9 income derived from such qualified contributions in an account that is
10 separate from the public school or public school district's operating or
11 other funds until such qualified contributions or income are withdrawn
12 for use; and (b) is approved to receive authorized contributions and
13 issue certificates of receipt pursuant to this article.

14 9. "Public school" means any free elementary or secondary school in
15 this state pursuant to article eleven of the constitution, but shall not
16 include a charter school authorized by article fifty-six of this chap-
17 ter.

18 10. "Qualified contribution" means the authorized contribution made by
19 a taxpayer to a public education entity, school improvement organiza-
20 tion, local education fund, or educational scholarship organization
21 listed in the contribution authorization certificate issued to the
22 taxpayer for which the taxpayer has received a certificate of receipt
23 from such entity, fund or organization. A contribution does not qualify
24 if the taxpayer designates the taxpayer's contribution to an entity or
25 organization for the direct benefit of any particular or specified
26 student.

27 11. "Qualified school" means a public school or non-public school
28 located in this state.

1 12. "Scholarship" means an educational scholarship or tuition grant
2 awarded to an eligible pupil to attend a qualified school in an amount
3 not to exceed the tuition charged to attend such school less any other
4 educational scholarship or tuition grant received by such eligible pupil
5 or his or her parent, parents, legal guardian, or legal guardians for
6 such eligible pupil's tuition; provided, however, in the case of an
7 eligible pupil attending a public school of a district of which such
8 pupil is not a resident, the amount of the educational scholarship or
9 tuition grant awarded may not exceed the tuition charged by the public
10 school pursuant to paragraph d of subdivision four of section thirty-two
11 hundred two of this chapter, but only if the school district of which
12 such pupil is a resident is not required to pay for such tuition.

13 13. "School improvement organization" means a not-for-profit entity
14 that: (a) is exempt from taxation under paragraph three of subsection
15 (c) of section five hundred one of the internal revenue code; (b) uses
16 at least ninety percent of the qualified contributions received during
17 the calendar year and any income derived from qualified contributions
18 during such months to assist public schools or public school districts
19 located in this state in their provision of educational programs, either
20 by making contributions to one or more public schools or public school
21 districts located in this state or providing educational programs to, or
22 in conjunction with, one or more public schools or public school
23 districts located in this state; (c) deposits and holds qualified
24 contributions and any income derived from qualified contributions in an
25 account that is separate from the organization's operating or other
26 funds until such qualified contributions or income are withdrawn for
27 use; and (d) is approved to issue certificates of receipt pursuant to
28 this article. Such term includes a pre-kindergarten program or not-for-

1 profit entity that allows the taxpayer to choose to donate to a program
2 project or initiative for use in a public school.

3 § 1211. Approval to issue certificates of receipt. 1. Public schools
4 and public school districts. All public schools and public school
5 districts shall be approved to issue certificates of receipt for quali-
6 fied contributions in accordance with section forty-two of the tax law,
7 provided, however, that such public school or public school district
8 shall not be approved if either: (a) such public school or public school
9 district fails to deposit and hold qualified contributions and any
10 income derived from qualified contributions in an account that is sepa-
11 rate from the school or school district's operating or other funds until
12 such qualified contributions or income are withdrawn for use; or (b) the
13 commissioner has revoked such approval for such public school or public
14 school district pursuant to section twelve hundred fourteen of this
15 article.

16 2. School improvement organizations, educational scholarship organiza-
17 tions and local education funds. No school improvement organization,
18 educational scholarship organization or local education fund shall issue
19 any certificates of receipt without filing an application pursuant to
20 section twelve hundred twelve of this article and receiving approval
21 pursuant to section twelve hundred thirteen of this article.

22 § 1212. Applications for approval to issue certificates of receipt.
23 Each school improvement organization, educational scholarship organiza-
24 tion and local education fund shall submit an application to the commis-
25 sioner for approval to issue certificates of receipt in the form and
26 manner prescribed by the commissioner, provided that such application
27 shall include: (a) submission of documentation that such school improve-
28 ment organization, local education fund or educational scholarship

1 organization has been granted exemption from taxation under paragraph
2 three of subsection (c) of section five hundred one of the internal
3 revenue code; (b) a list of names and addresses of all members of the
4 governing board of the school improvement organization, local education
5 fund or educational scholarship organization; and (c) for an educational
6 scholarship organization, submission of criteria for the awarding of
7 scholarships to eligible students.

8 § 1213. Application approval for certificates of receipt. 1. In gener-
9 al. The commissioner shall review each application to issue certificates
10 of receipt pursuant to this article. The commissioner shall publish
11 criteria used to determine selection and establish an appeals process
12 for applications that are not approved.

13 2. Notification. Applicants shall be notified of the commissioner's
14 determination within five business days of the determination.

15 § 1214. Revocation of approval to issue certificates of receipt. The
16 commissioner, in consultation with the commissioner of taxation and
17 finance, may revoke the approval of a school improvement organization,
18 educational scholarship organization, local education fund, public
19 school or public school district to issue certificates of receipt upon a
20 finding that such organization, fund, school or school district has
21 violated this article or section forty-two of the tax law. These
22 violations shall include, but not be limited to, any of the following:
23 (a) failure to meet the requirements of this article or section forty-
24 two of the tax law; (b) the failure to maintain full and adequate
25 records with respect to the receipt of qualified contributions; (c) the
26 failure to supply such records to the commissioner, the department, or
27 the department of taxation and finance when requested; or (d) the fail-
28 ure to provide notice to the department of taxation and finance of the

1 issuance or non-issuance of certificates of receipt pursuant to section
2 forty-two of the tax law; provided, however, that the commissioner shall
3 not revoke approval pursuant to this section based upon a violation of
4 the tax law unless the commissioner of taxation and finance agrees that
5 revocation is warranted; and provided further that the commissioner
6 shall not revoke approval pursuant to this section when the failure to
7 comply is due to clerical error and not negligence or intentional disre-
8 gard for the law. Within five days of the determination revoking
9 approval, the commissioner shall provide notice of such revocation to
10 the educational scholarship organization, school improvement organiza-
11 tion, local education fund, public school, or public school district and
12 to the department of taxation and finance. The commissioner shall estab-
13 lish an appeals process for determinations revoking approvals.

14 § 1215. Reporting and recordkeeping. 1. Reporting. Each educational
15 scholarship organization, school improvement organization, local educa-
16 tion fund, public school and public school district that receives quali-
17 fied contributions shall report to the commissioner and the department
18 of taxation and finance by January thirty-first of each calendar year.
19 Such report shall be in the form and manner prescribed by the commis-
20 sioner in consultation with the commissioner of taxation and finance.

21 2. Recordkeeping. Each educational scholarship organization, school
22 improvement organization, local education fund, public school and public
23 school district that issued at least one certificate of receipt shall
24 maintain records including: (a) notifications received from the depart-
25 ment of taxation and finance; (b) notifications made to the department
26 of taxation and finance; (c) copies of qualified contributions received;
27 (d) copies of the deposit of such qualified contributions; (e) copies of
28 issued certificates of receipt; (f) annual financial statements; (g) in

1 the case of school improvement organizations, educational scholarship
2 organizations and local education funds, the application submitted
3 pursuant to section twelve hundred twelve of this article and the
4 approval issued by the commissioner; and (h) any other information
5 prescribed by the commissioner. Such records shall be maintained by the
6 entity or organization for five years.

7 § 1216. Joint annual report. On or before the last day of May for
8 each calendar year, the commissioner of taxation and finance and the
9 commissioner, jointly, shall submit a written report as provided in
10 subdivision (k) of section forty-two of the tax law.

11 § 1217. Commissioner; powers. The commissioner shall promulgate on an
12 emergency basis regulations necessary for the implementation of this
13 section. The commissioner shall make any forms required to be filed
14 pursuant to this article available to applicants within sixty days of
15 the effective date of this article.

16 § 3. The education law is amended by adding a new section 1503-a to
17 read as follows:

18 § 1503-a. Power to accept and solicit gifts and donations. 1. The
19 trustees or boards of education of all school districts organized by
20 special laws or pursuant to the provisions of a general law are hereby
21 authorized and empowered to accept gifts, donations, and contributions
22 to the district and to solicit the same.

23 2. Notwithstanding any other provision of this chapter or of any other
24 general or special law to the contrary, the receipt of such gifts,
25 donations and contributions made pursuant to article twenty-five of this
26 chapter, and any income derived therefrom, shall be disregarded for the
27 purposes of all apportionments, computations, and determinations of
28 state aid.

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

3 § 42. Education scholarship and program tax credit. (a) Definitions.
4 For the purposes of this section, the following terms shall have the
5 same meanings as provided in section twelve hundred ten of the education
6 law: "Authorized Contribution", "Contribution", "Educational program",
7 "Educational scholarship organization", "Eligible pupil", "Local educa-
8 tion fund", "Non-public school", "Public education entity", "Public
9 school", "Qualified contribution", "Qualified school", "Scholarship",
10 and "School improvement organization".

11 (b) Allowance of credit. A taxpayer subject to tax under article
12 nine-A or twenty-two of this chapter shall be allowed an education scho-
13 larship and program tax credit against such tax, pursuant to the
14 provisions referenced in subdivision (1) of this section, with respect
15 to qualified contributions made during the taxable year.

16 (c) Amount of credit. The amount of the credit shall be the lesser of
17 seventy-five per cent of the taxpayer's total qualified contributions or
18 one million dollars. If the taxpayer is a partner in a partnership or
19 shareholder of a New York S corporation, then the cap imposed by the
20 preceding sentence shall be applied at the entity level, so that the
21 aggregate credit allowed to all the partners or shareholders of each
22 such entity in the taxable year does not exceed one million dollars.

23 (d) Information to be posted on the department's website. Beginning
24 on the sixteenth day of January of each year, the commissioner shall
25 maintain on the department's website a running total of the amount of
26 available credit for which taxpayers may apply pursuant to this section.
27 Additionally, the commissioner shall maintain on the department's
28 website a list of the school improvement organizations, local education

1 funds and educational scholarship organizations approved to issue
2 certificates of receipt pursuant to article twenty-five of the education
3 law. The commissioner shall also maintain on the department's website a
4 list of public education entities, school improvement organizations,
5 local education funds and educational scholarship organizations whose
6 approval to issue certificates of receipt has been revoked, along with
7 the date of such revocation.

8 (e) Applications for contribution authorization certificates. Prior to
9 making a contribution to a public education entity, school improvement
10 organization, local education fund, or educational scholarship organiza-
11 tion, the taxpayer shall apply to the department for a contribution
12 authorization certificate for such contribution. Such application shall
13 be in the form and manner prescribed by the department. The department
14 may allow taxpayers to make multiple applications on the same form,
15 provided that each contribution listed on such application shall be
16 treated as a separate application and that the department shall issue
17 separate contribution authorization certificates for each such applica-
18 tion.

19 (f) Contribution authorization certificates. 1. Issuance of certif-
20 icates. The commissioner shall issue contribution authorization certif-
21 icates in two phases. In phase one, which begins on the first day of
22 January and ends on the fifteenth day of January, the commissioner shall
23 accept applications for contribution authorization certificates, but
24 shall not issue any such certificates. Commencing after the sixteenth
25 day of January, the commissioner shall issue contribution authorization
26 certificates for applications received during phase one, provided that
27 if the aggregate total of the contributions for which applications have
28 been received during phase one exceeds the amount of the credit cap in

1 subdivision (h) of this section, phase one of the applications shall be
2 allocated in two steps. In step one, the credit cap shall be divided by
3 the number of applications to determine a base allocation. Each applica-
4 tion requesting the base allocation or less shall be approved. In step
5 two, the remaining funds shall be calculated and allocated among the
6 other applications on a dollar pro rata basis. If the credit cap is not
7 exceeded, phase two commences on January sixteenth and ends on November
8 first, during which period the commissioner shall issue contribution
9 authorization certificates on a first-come first-served basis based upon
10 the date the department received the taxpayer's application for such
11 certificate; provided, however, that if on any day the department
12 receives applications requesting contribution authorization certificates
13 for contributions that in the aggregate exceed the amount of the remain-
14 ing available credit on such day, the authorized contribution amount
15 listed in each contribution authorization certificate shall be the
16 taxpayer's pro-rata share of the remaining available credit. For
17 purposes of determining a taxpayer's pro-rata share of remaining avail-
18 able credit, the commissioner shall multiply the amount of remaining
19 available credit by a fraction, the numerator of which equals the total
20 contribution amount listed on the taxpayer's application and the denomi-
21 nator of which equals the aggregate amount of contributions listed on
22 the applications for contribution authorization certificates received on
23 such day. Contribution authorization certificates for applications
24 received during phase one shall be mailed no later than the fifth day of
25 February. Contribution authorization certificates for applications
26 received during phase two shall be mailed within twenty days of receipt
27 of such applications. Provided, however, that no contribution authori-
28 zation certificates for applications received during phase two shall be

1 issued until all of the contribution authorization certificates for
2 applications received during phase one have been issued.

3 2. Contribution authorization certificate contents. Each contribution
4 authorization certificate shall state: (i) the date such certification
5 was issued; (ii) the date by which the authorized contribution listed in
6 the certificate must be made, which shall be no later than November
7 thirtieth of the year for which the contribution authorization certif-
8 icate was issued; (iii) the taxpayer's name and address; (iv) the amount
9 of authorized contributions; (v) the contribution authorization certif-
10 icate's certificate number; (vi) the name and address of the public
11 education entity, school improvement organization, local education fund
12 or educational scholarship organization for which the taxpayer may make
13 the authorized contribution; and (vii) any other information that the
14 commissioner deems necessary.

15 3. Notification of the issuance of a contribution authorization
16 certificate. Upon issuance of a contribution authorization certificate,
17 the commissioner shall notify the educational scholarship organization,
18 public education entity, school improvement organization or local educa-
19 tion fund of the issuance of the contribution authorization certificate
20 to a taxpayer. Such notification shall include: (i) the taxpayer's name
21 and address; (ii) the date such certificate was issued; (iii) the date
22 by which the authorized contribution listed in the notification must be
23 made by the taxpayer; (iv) the amount of the authorized contribution;
24 (v) contribution authorization certificate; and (vi) any other informa-
25 tion that the commissioner deems necessary.

26 (g) Certificate of receipt. 1. In general. No public education entity,
27 school improvement organization, local education fund, or educational
28 scholarship organization shall issue a certificate of receipt for any

1 contribution made by a taxpayer unless such public education entity,
2 school improvement organization, local education fund, or educational
3 scholarship organization has been approved to issue certificates of
4 receipt pursuant to article twenty-five of the education law. No public
5 education entity, school improvement organization, local education fund,
6 or educational scholarship organization shall issue a certificate of
7 receipt for a contribution made by a taxpayer unless such public educa-
8 tion entity, school improvement organization, local education fund, or
9 educational scholarship organization has received notice from the
10 department that the department issued a credit authorization certificate
11 to the taxpayer for such contribution.

12 2. Timely contribution. If a taxpayer makes an authorized contribution
13 to the public education entity, school improvement organization, local
14 education fund, or educational scholarship organization set forth on the
15 authorization certificate issued to the taxpayer no later than the date
16 by which such authorized contribution is required to be made, such
17 public education entity, school improvement organization, local educa-
18 tion fund, or educational scholarship organization shall, within thirty
19 days of receipt of the authorized contribution, issue to the taxpayer a
20 written certificate of receipt; provided, however, that if the taxpayer
21 contributes an amount that is less than the amount listed on the taxpay-
22 er's contribution authorization certificate, the taxpayer shall not be
23 issued a certificate of receipt for such contribution.

24 3. Certificate of receipt contents. Each certificate of receipt shall
25 state: (i) the name and address of the issuing public education entity,
26 school improvement organization, local education fund, or or educational
27 scholarship organization; (ii) the taxpayer's name and address; (iii)
28 the date for each contribution; (iv) the amount of each contribution and

1 the corresponding contribution authorization certificate number; (v) the
2 total amount of contributions; and (vi) any other information that the
3 commissioner deems necessary.

4 4. Notification to the department of the issuance of a certificate of
5 receipt. Upon the issuance of a certificate of receipt, the issuing
6 public education entity, school improvement organization, local educa-
7 tion fund, or educational scholarship organization shall, within thirty
8 days of issuing the certificate of receipt, provide the department with
9 notification of the issuance of such certificate in the form and manner
10 prescribed by the department.

11 5. Notification to the department of the non-issuance of a certificate
12 of receipt. Each public education entity, school improvement organiza-
13 tion, local education fund, or educational scholarship organization that
14 received notification from the department pursuant to subdivision (f) of
15 this section regarding the issuance of a contribution authorization
16 certificate to a taxpayer shall, within thirty days of the expiration
17 date for such authorized contribution, provide notification to the
18 department for each taxpayer that failed to make the authorized contrib-
19 ution to such public education entity, school improvement organization,
20 local education fund, or educational scholarship organization in the
21 form and manner prescribed by the department.

22 6. Failure to notify the department. Within thirty days of discovery
23 of the failure of any public education entity, school improvement organ-
24 ization, local education fund, or educational scholarship organization
25 to comply with the notification requirements prescribed by paragraphs
26 four and/or five of this subdivision, the commissioner shall issue a
27 notice of compliance failure to such entity, program fund or organiza-
28 tion. Such entity, program fund or organization shall have thirty days

1 from the date of such notice to make the notifications prescribed by
2 paragraphs four and/or five of this subdivision. Such period may be
3 extended for an additional thirty days upon the request of the entity,
4 program fund or organization. Upon the expiration of the period for
5 compliance set forth in the notice prescribed by this paragraph, the
6 commissioner shall notify the commissioner of education that such enti-
7 ty, program fund or organization failed to make the notifications
8 prescribed by paragraphs four and/or five of this subdivision.

9 (h) Credit cap. The maximum permitted credits under this section
10 available annually for calendar year two thousand seventeen and all
11 following years to all taxpayers for qualified contributions to public
12 education entities, school improvement organizations, and local educa-
13 tion funds shall be twenty million dollars. The maximum permitted cred-
14 its under this section available annually for calendar year two thousand
15 seventeen and all following years to all taxpayers for qualified
16 contributions to educational scholarship organizations shall be fifty
17 million dollars.

18 (i) Additions to the credit cap. Unissued certificates of receipt. Any
19 amounts for which the department receives notification of non-issuance
20 of a certificate of receipt shall be added to the cap prescribed in
21 subdivision (h) of this section for the immediately following year.

22 (j) Other requirements; miscellaneous. Record keeping. Each taxpayer
23 shall, for each taxable year for which the education scholarship and
24 program tax credit provide for under this section is claimed, maintain
25 records of the following information: (i) contribution authorization
26 certificates obtained pursuant to subdivision (f) of this section, and
27 (ii) certificates of receipt obtained pursuant to subdivision (g) of
28 this section.

1 (k) Joint annual report. On or before the last day of May for each
2 calendar year, for the immediately preceding year, the commissioner and
3 the commissioner of education shall jointly submit a written report to
4 the governor, the temporary president of the senate, the speaker of the
5 assembly, the chairman of the senate finance committee and the chairman
6 of the assembly ways and means committee regarding the credit. Such
7 report shall contain information for articles nine-A and twenty-two of
8 this chapter, respectively, regarding: (i) the number of applications
9 received; (ii) the number of and aggregate value of the contribution
10 authorization certificates issued for contributions to public education
11 entities, school improvement organizations, local education funds, and
12 educational scholarship organizations, respectively (iii) the geograph-
13 ical distribution by county, to the extent feasible, of (A) the applica-
14 tions for contribution authorization certificates, and (B) the public
15 education entities, school improvement organizations, local education
16 funds, and educational scholarship organizations listed on the issued
17 contribution authorization certificates; and (iv) information, including
18 geographical distribution by county, to the extent feasible, of the
19 number of eligible pupils that received scholarships, the number of
20 qualified schools attended by eligible pupils that received such schol-
21 arships, and the average value of scholarships received by such eligible
22 pupils. The commissioner and designated employees of the department and
23 the commissioner of education and designated employees of the department
24 of education shall be allowed and are directed to share and exchange
25 information regarding the school improvement organizations, local educa-
26 tion funds and educational scholarship organizations that applied for
27 approval to be authorized to receive qualified contributions; and the
28 public education entities, school improvement organizations, local

1 education funds, and educational scholarship organizations authorized to
2 issue certificates of receipt, including information contained in or
3 derived from application forms and reports submitted to the department
4 of education or the commissioner of education.

5 (1) Cross references. For application of the credit provided for in
6 this section, see the following provisions of this chapter:

7 1. Article 9-A: section 210-B; subdivision 51; and

8 2. Article 22: section 606, subsection (ccc).

9 § 5. Paragraph (b) of subdivision 9 of section 208 of the tax law is
10 amended by adding a new subparagraph 22 to read as follows:

11 (22) The amount of any federal deduction for charitable contributions
12 allowed under section one hundred seventy of the internal revenue code
13 to the extent such contributions are used as the basis of the calcu-
14 lation of the education scholarship and program tax credit allowed under
15 subdivision fifty-one of section two hundred ten-B of this article.

16 § 6. Section 210-B of the tax law is amended by adding a new subdivi-
17 sion 51 to read as follows:

18 51. Education scholarship and program tax credit. (a) Allowance of
19 credit. A taxpayer shall be allowed a credit, to be computed as provided
20 in section forty-two of this chapter, against the tax imposed by this
21 article.

22 (b) Application of credit. The credit allowed under this subdivision
23 for any taxable year shall not reduce the tax due for that year to less
24 than the amount prescribed in paragraph (d) of subdivision one of
25 section two hundred ten of this article. If the amount of credit allow-
26 able under this subdivision for any taxable year reduces the tax to such
27 amount or if the taxpayer otherwise pays tax on the fixed dollar minimum
28 amount, any amount of credit not deductible in such taxable year may be

1 carried over to the following year or years for up to five years and may
2 be deducted from the taxpayer's tax for such year or years.

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

6 <u>(xli) Education scholarship</u>	<u>Amount of credit under</u>
7 <u>and program tax credit under</u>	<u>subdivision fifty-one of section</u>
8 <u>subsection (ccc)</u>	<u>two hundred ten-B</u>

9 § 8. Section 606 of the tax law is amended by adding a new subsection
10 (ccc) to read as follows:

11 (ccc) Education scholarship and program tax credit. Allowance of cred-
12 it. A taxpayer shall be allowed a credit to be computed as provided in
13 section forty-two of this chapter, against the tax imposed by this arti-
14 cle. If the amount of credit allowable under this subsection for any
15 taxable year shall exceed the taxpayer's tax for such year, the excess
16 allowed for a taxable year may be carried over to the following year or
17 years for up to five years and may be deducted from the taxpayer's tax
18 for such year or years.

19 § 9. Subsection (c) of section 615 of the tax law is amended by adding
20 a new paragraph 9 to read as follows:

21 (9) With respect to a taxpayer who has claimed the education scholar-
22 ship and program tax credit for qualified contributions pursuant to
23 subsection (ccc) of section six hundred six of this article, the taxpay-
24 er's New York itemized deduction shall be reduced by any charitable
25 contribution deduction allowed under section one hundred seventy of the
26 internal revenue code with respect to such qualified contributions.

27 § 10. Section 606 of the tax law is amended by adding a new subsection
28 (v) to read a follows:

1 (v) Instructional materials and supplies credit. (1) A taxpayer shall
2 be allowed a credit, not to exceed two hundred dollars, that is equal to
3 the amount paid by the taxpayer during the taxable year for instruc-
4 tional materials and supplies with respect to classroom based instruc-
5 tion in a public or non-public elementary or secondary school in this
6 state, including a charter school authorized by article fifty-six of the
7 education law, provided, however, the taxpayer must be a teacher or
8 instructor at such school for at least nine hundred hours during the
9 taxable year. For purposes of this subsection, the term "materials and
10 supplies" means instructional materials or supplies that are designated
11 for classroom use.

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

17 (3) The maximum amount of credit that shall be allowed annually under
18 this subsection shall be ten million dollars. In order to claim a credit
19 under this subsection, a taxpayer shall be required to apply to the
20 department for approval during the taxable year. The taxpayer shall be
21 required to submit documentation demonstrating that the taxpayer is a
22 teacher or instructor as required under this subsection and that the
23 taxpayer purchased materials and supplies. The department shall review
24 the application and provide a taxpayer with a certificate that specifies
25 how much credit the taxpayer is entitled to claim. If required by the
26 commissioner, the taxpayer must submit that certificate with his or her
27 tax return. The commissioner shall allocate the credits on a first come

1 first served basis and prescribe the necessary procedures for reviewing
2 the applications and producing the certificates.

3 § 11. Subsection (b) of section 612 of the tax law is amended by
4 adding a new paragraph 43 to read as follows:

5 (43) The amount of any federal deduction for certain expenses of
6 eligible educators pursuant to subparagraph (D) of paragraph two of
7 subsection (a) of section sixty-two of the internal revenue code to the
8 extent such expenses are used as the basis of the calculation of the
9 credit allowed under subsection (v) of section six hundred six of this
10 article.

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

13 (w) Family choice education credit. (1) General. A resident taxpayer
14 shall be allowed a credit, to be computed as provided in paragraph four
15 of this subsection, against the tax imposed by this article, for quali-
16 fied primary or secondary education tuition expenses.

17 (2) Definitions. For the purposes of this credit:

18 (A) The term "eligible student" shall mean any dependent of the
19 taxpayer with respect to whom the taxpayer is allowed an exemption under
20 section six hundred sixteen of this article for the taxable year.

21 (B) The term "qualified primary or secondary education tuition
22 expenses" shall mean the tuition required for the enrollment or attend-
23 ance of an eligible student at a public school or a non-public school,
24 as defined in section forty-two of this chapter. Provided, however,
25 tuition payments made pursuant to the receipt of any scholarships or
26 financial aid shall be excluded from the definition of "qualified prima-
27 ry or secondary education tuition expenses".

1 § 187-t. New York state thruway tolls tax credit. (1) A taxpayer that
2 operates a motor vehicle on the New York state thruway, and pays New
3 York state thruway tolls through an E-ZPass account, shall be allowed a
4 credit, as hereinafter provided, against the tax imposed by sections one
5 hundred eighty-three and one hundred eighty-four of this article for
6 taxable years beginning on or after January first, two thousand sixteen
7 but before January first, two thousand nineteen. In no event shall the
8 credit under this section be allowed in an amount that will reduce the
9 tax to less than the applicable minimum tax fixed by section one hundred
10 eighty-three of this article. If, however, the amount of credit allowed
11 under this section for any taxable year reduces the tax to such amount,
12 any amount of credit not deductible in such taxable year may be carried
13 forward to the following year or years and may be deducted from the
14 taxpayer's tax for such year or years.

15 (2) For purposes of this section, the following definitions shall
16 apply:

17 (a) "Motor vehicle" means a vehicle as defined in section one hundred
18 twenty-five of the vehicle and traffic law:

19 (b) "E-ZPass business account" means a prepaid E-ZPass account issued
20 by an authorized entity in a corporation's or commercial enterprise's
21 name.

22 (c) "E-ZPass commercial account" means a post-paid E-ZPass account
23 issued by an authorized entity in a corporation's or commercial enter-
24 prise's name.

25 (3)(a) The credit for a taxpayer holding an E-ZPass business or
26 commercial account or accounts shall be in an amount equal to fifty
27 percent of the sum of all New York state thruway tolls paid by the
28 taxpayer through such an account or accounts during the taxable year.

1 To qualify for the credit, the taxpayer must have paid one hundred
2 dollars or more in New York state thruway tolls through such account or
3 accounts during the taxable year. A taxpayer that pays ten thousand
4 dollars or more in New York state thruway tolls through an E-ZPass busi-
5 ness or commercial account or accounts during the taxable year does not
6 qualify for the credit in any amount in that taxable year.

7 (b) If a taxpayer has more than one E-ZPass transponder on an account
8 or has more than one account, all the New York state thruway tolls paid
9 by the taxpayer for all E-ZPass transponders and all accounts shall be
10 aggregated for purposes of applying the minimum and maximum amounts of
11 New York state thruway tolls referenced in paragraph (a) of this subdivi-
12 vision.

13 (4) Notwithstanding any other law to the contrary, the amount of any
14 claim made for a New York state thruway tolls tax credit may be verified
15 through E-ZPass toll receipt records created and maintained by the enti-
16 ty authorized to issue the E-ZPass account and made available to, and
17 upon request by, the department for this purpose.

18 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
19 sion 49 to read as follows:

20 49. New York state thruway tolls tax credit. (a) A taxpayer that oper-
21 ates a motor vehicle, or a farm vehicle in connection with farm oper-
22 ations, on the New York state thruway, and pays New York state thruway
23 tolls through an E-ZPass account, shall be allowed a credit, as herein-
24 after provided, against the tax imposed by this article for taxable
25 years beginning on or after January first, two thousand sixteen but
26 before January first, two thousand nineteen. The credit allowed under
27 this subdivision for any taxable year may not reduce the tax due for
28 that year to less than the amount prescribed in paragraph (d) of subdivi-

1 vision one of section two hundred ten of this article. However, if the
2 amount of credit allowed under this subdivision for any taxable year
3 reduces the tax to such amount, or if the taxpayer otherwise pays tax
4 based on the fixed dollar minimum amount, any amount of credit thus not
5 deductible in that taxable year shall be carried forward to the follow-
6 ing year or years and may be deducted from the taxpayer's tax for such
7 year or years.

8 (b) For purposes of this subdivision, the following definitions shall
9 apply:

10 (1) "Motor vehicle" means a vehicle as defined in section one hundred
11 twenty-five of the vehicle and traffic law.

12 (2) "Farm vehicle" means a motor vehicle having a gross vehicle weight
13 rating of not more than twenty-six thousand pounds that is owned by a
14 person primarily engaged in production by means of (i) the planting,
15 cultivation and harvesting of agricultural, vegetable and food products
16 of the soil, including horticultural specialties such as nursery stock,
17 ornamental shrubs, ornamental trees and flowers, (ii) the raising, feed-
18 ing and care of livestock, bees, and poultry, or (iii) dairy farming.
19 Such farm vehicle shall be principally used for the transportation of
20 agricultural or dairy commodities or supplies, or used in conjunction
21 with lumbering operations connected with but only incidental to the
22 operation of a farm.

23 (3) "E-ZPass business account" means a prepaid E-ZPass account issued
24 by an authorized entity in a corporation's or commercial enterprise's
25 name.

26 (4) "E-ZPass commercial account" means a post-paid E-ZPass account
27 issued by an authorized entity in a corporation's or commercial enter-
28 prise's name.

1 (c)(1) The credit for a taxpayer holding an E-ZPass business or
2 commercial account or accounts shall be in an amount equal to fifty
3 percent of the sum of all New York state thruway tolls paid by the
4 taxpayer through such an account or accounts during the taxable year. To
5 qualify for the credit, the taxpayer must have paid one hundred dollars
6 or more in New York state thruway tolls through such account or accounts
7 during the taxable year. A taxpayer that pays ten thousand dollars or
8 more in New York state thruway tolls through an E-ZPass business or
9 commercial account or accounts during the taxable year does not qualify
10 for the credit in any amount in that taxable year.

11 (2) The credit for a taxpayer owning and operating a farm vehicle and
12 holding an E-ZPass business or commercial account or accounts shall be
13 in an amount equal to one hundred percent of the sum of all New York
14 state thruway tolls paid by the taxpayer through such an account or
15 accounts during the taxable year for that farm vehicle, provided the
16 qualifying New York state thruway tolls were incurred in connection with
17 farm operations.

18 (3) A taxpayer may claim the credit provided for in subparagraph one
19 or two of this paragraph in a taxable year but may not claim a credit
20 under both subparagraphs one and two of this paragraph in the same tax-
21 able year.

22 (4) If a taxpayer has more than one E-ZPass transponder on an account
23 or has more than one account, all the New York state thruway tolls paid
24 by the taxpayer for all E-ZPass transponders and all accounts shall be
25 aggregated for purposes of applying the minimum and maximum amounts of
26 New York state thruway tolls referenced in subparagraph one of this
27 paragraph.

1 (d) Notwithstanding any other law to the contrary, the amount of any
2 claim made for a New York state thruway tolls tax credit may be verified
3 through E-ZPass toll receipt records created and maintained by the enti-
4 ty authorized to issue the E-ZPass account and made available to, and
5 upon request by, the department for this purpose.

6 § 3. Section 606 of the tax law is amended by adding a new subsection
7 (ccc) to read as follows:

8 (ccc) New York state thruway tolls tax credit. (1) A taxpayer that
9 operates a motor vehicle, or a farm vehicle in connection with farm
10 operations, on the New York state thruway, and pays New York state thru-
11 way tolls through an E-ZPass account, shall be allowed a credit, as
12 hereinafter provided, against the tax imposed by this article for taxa-
13 ble years beginning on or after January first, two thousand sixteen but
14 before January first, two thousand nineteen. If the amount of credit
15 allowable under this subsection for any taxable year exceeds the taxpay-
16 er's tax for such year, any amount of credit not deductible in such
17 taxable year shall be carried forward to the following year or years and
18 may be deducted from the taxpayer's tax for such year or years.

19 (2) For purposes of this section, the following definitions shall
20 apply:

21 (a) "Motor vehicle" means a vehicle as defined in section one hundred
22 twenty-five of the vehicle and traffic law.

23 (b) "Farm vehicle" means a motor vehicle having a gross vehicle weight
24 rating of not more than twenty-six thousand pounds that is owned by a
25 person primarily engaged in production by means of (i) the planting,
26 cultivation and harvesting of agricultural, vegetable and food products
27 of the soil, including horticultural specialties such as nursery stock,
28 ornamental shrubs, ornamental trees and flowers, (ii) the raising, feed-

1 ing and care of livestock, bees, and poultry, or (iii) dairy farming.
2 Such farm vehicle shall be principally used for the transportation of
3 agricultural or dairy commodities or supplies, or used in conjunction
4 with lumbering operations connected with but only incidental to the
5 operation of a farm.

6 (c) "E-ZPass individual account" means a prepaid E-ZPass account
7 issued by an authorized entity in an individual's name.

8 (d) "E-ZPass business account" means a prepaid E-ZPass account issued
9 by an authorized entity in a corporation's or commercial enterprise's
10 name.

11 (e) "E-ZPass commercial account" means a post-paid E-ZPass account
12 issued by an authorized entity in a corporation's or commercial enter-
13 prise's name.

14 (3)(a) The credit for a taxpayer holding an E-ZPass individual account
15 or accounts shall be in an amount equal to fifty percent of the sum of
16 all New York state thruway tolls paid by the taxpayer through such an
17 account or accounts during the taxable year. To qualify for the credit,
18 the taxpayer must have paid at least fifty dollars in New York state
19 thruway tolls through such account or accounts during the taxable year.

20 (b) The credit for a taxpayer holding an E-ZPass business or commer-
21 cial account or accounts shall be in an amount equal to fifty percent of
22 the sum of all New York state thruway tolls paid by the taxpayer through
23 such an account or accounts during the taxable year. To qualify for the
24 credit, the taxpayer must have paid one hundred dollars or more in New
25 York state thruway tolls through such account or accounts during the
26 taxable year. A taxpayer that pays ten thousand dollars or more in New
27 York state thruway tolls through an E-ZPass business or commercial

1 account or accounts during the taxable year does not qualify for the
2 credit in any amount in that taxable year.

3 (c) The credit for a taxpayer owning and operating a farm vehicle and
4 holding an E-ZPass business or commercial account or accounts shall be
5 in an amount equal to one hundred percent of the sum of all New York
6 state thruway tolls paid by the taxpayer through such an account or
7 accounts during the taxable year for that farm vehicle, provided the
8 qualifying New York state thruway tolls were incurred in connection with
9 farm operations.

10 (d) A taxpayer may claim the credit provided for in subparagraph (a),
11 (b) or (c) of this paragraph in a taxable year but may not claim a cred-
12 it under more than one subparagraph of this paragraph in the same taxa-
13 ble year.

14 (e) If a taxpayer has more than one E-ZPass transponder on an account
15 or has more than one account, all the New York state thruway tolls paid
16 by the taxpayer for all E-ZPass transponders and all accounts shall be
17 aggregated for purposes of applying the minimum and maximum amounts of
18 New York state thruway tolls referenced in subparagraphs (a) and (b) of
19 this paragraph.

20 (4) Notwithstanding any other law to the contrary, the amount of any
21 claim made for a New York state thruway tolls tax credit may be verified
22 through E-ZPass toll receipts records created and maintained by the
23 entity authorized to issue the E-ZPass account and made available to,
24 and upon request by, the department of taxation and finance for this
25 purpose.

26 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
27 of the tax law is amended by adding a new clause (xli) to read as
28 follows:

1 (xli) New York state Amount of credit under
2 thruway tolls tax credit subdivision forty-nine of
3 under subsection (ccc) section two hundred ten-B

4 § 5. Section 1511 of the tax law is amended by adding a new subdivi-
5 sion (dd) to read as follows:

6 (dd) New York state thruway tolls tax credit. (1) A taxpayer that
7 operates a motor vehicle on the New York state thruway, and pays New
8 York state thruway tolls through an E-ZPass account, shall be allowed a
9 credit, as hereinafter provided, against the tax imposed by this article
10 for taxable years beginning on or after January first, two thousand
11 sixteen but before January first, two thousand nineteen. The credit
12 allowed under this subdivision for any taxable year may not reduce the
13 tax due for that year to less than the amount prescribed in paragraph
14 four of subdivision (a) of section fifteen hundred two of this article,
15 or two hundred fifty dollars if section fifteen hundred two-a of this
16 article is applicable. However, if the amount of credit allowed under
17 this subdivision for any taxable year reduces the tax to such amount,
18 any amount of credit thus not deductible in that taxable year shall be
19 carried forward to the following year or years and may be deducted from
20 the taxpayer's tax for such year or years.

21 (2) For purposes of this section, the following definitions shall
22 apply.

23 (a) "Motor vehicle" means a vehicle as defined in section one hundred
24 twenty-five of the vehicle and traffic law.

25 (b) "E-ZPass business account" means a prepaid E-ZPass account issued
26 by an authorized entity in a corporation's or commercial enterprise's
27 name.

1 (c) "E-ZPass commercial account" means a post-paid E-ZPass account
2 issued by an authorized entity in a corporation's or commercial enter-
3 prise's name.

4 (3) (a) The credit for a taxpayer holding an E-ZPass business or
5 commercial account or accounts shall be in an amount equal to fifty
6 percent of the sum of all New York state thruway tolls paid by the
7 taxpayer through such an account or accounts during the taxable year. To
8 qualify for the credit, the taxpayer must have paid one hundred dollars
9 or more in New York state thruway tolls through such account or accounts
10 during the taxable year. A taxpayer that pays ten thousand dollars or
11 more in New York state thruway tolls through an E-ZPass business or
12 commercial account or accounts during the taxable year does not qualify
13 for the credit in any amount in that taxable year.

14 (b) If a taxpayer has more than one E-ZPass transponder on an account
15 or has more than one account, all the New York state thruway tolls paid
16 by the taxpayer for all E-ZPass transponders and all accounts shall be
17 aggregated for purposes of applying the minimum and maximum amounts of
18 New York state thruway tolls referenced in subparagraph (a) of this
19 paragraph.

20 (4) Notwithstanding any other law to the contrary, the amount of any
21 claim made for a New York state thruway tolls tax credit may be verified
22 through E-ZPass toll receipt records created and maintained by the enti-
23 ty authorized to issue the E-ZPass account and made available to, and
24 upon request by, the department for this purpose.

25 § 6. Paragraph (b) of subdivision 9 of section 208 of the tax law is
26 amended by adding a new subparagraph 22 to read as follows:

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

10 § 2. This act shall take effect immediately.

11 PART V

12 Section 1. Section 37 of the tax law, as added by chapter 109 of the
13 laws of 2012, subdivision (c) as amended by section 52 of part A of
14 chapter 59 of the laws of 2014, is amended to read as follows:

15 § 37. [Beer] Alcoholic beverage production credit. (a) General. A
16 taxpayer subject to tax under article nine-A or twenty-two of this chap-
17 ter, that is registered as a distributor under article eighteen of this
18 chapter, and that produces sixty million or fewer gallons of beer or
19 cider, twenty million or fewer gallons of wine, or eight hundred thou-
20 sand or fewer gallons of liquor in this state in the taxable year, shall
21 be allowed a credit against such taxes in the amount specified in subdivi-
22 sion (b) of this section and pursuant to the provisions referenced in
23 subdivision (c) of this section. Provided, however, that no credit shall
24 be allowed for any beer, cider, wine or liquor produced in excess of
25 fifteen million five hundred thousand gallons in the taxable year. If
26 the taxpayer is a partner in a partnership or shareholder of a New York

1 S corporation, then the cap imposed by the preceding sentence shall be
2 applied at the entity level, so that the aggregate credit allowed to all
3 the partners or shareholders of each such entity in the taxable year
4 does not exceed that cap.

5 (b) The amount of the credit per taxpayer per taxable year (or pro
6 rata share of earned credit in the case of a partnership) for each
7 gallon of beer, cider, wine or liquor produced in this state [on or
8 after April first, two thousand twelve] shall be determined as follows:

9 (1) for the first five hundred thousand gallons of beer, cider, wine
10 or liquor produced in this state in the taxable year, the credit shall
11 equal fourteen cents per gallon; and

12 (2) for each gallon of beer, cider, wine or liquor produced in this
13 state in the taxable year in excess of five hundred thousand gallons,
14 the credit shall equal four and one-half cents per gallon.

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

17 (1) Article 9-A: Section 210-B, subdivision 39.

18 (2) Article 22: Section 606, subsections (i) and (uu).

19 § 2. Subdivision 39 of section 210-B of the tax law, as added by
20 section 17 of part A of chapter 59 of the laws of 2014, is amended to
21 read as follows:

22 39. [Beer] Alcoholic beverage production credit. A taxpayer shall be
23 allowed a credit, to be computed as provided in section thirty-seven of
24 this chapter, against the tax imposed by this article. In no event shall
25 the credit allowed under this subdivision for any taxable year reduce
26 the tax due for such year to less than the amount prescribed in para-
27 graph (d) of subdivision one of section two hundred ten of this article.
28 However, if the amount of credit allowed under this subdivision for any

1 taxable year reduces the tax to such amount or if the taxpayer otherwise
2 pays tax based on the fixed dollar minimum amount, any amount of credit
3 thus not deductible in such taxable year shall be treated as an overpay-
4 ment of tax to be credited or refunded in accordance with the provisions
5 of section one thousand eighty-six of this chapter. Provided, however,
6 the provisions of subsection (c) of section one thousand eighty-eight of
7 this chapter notwithstanding, no interest shall be paid thereon.

8 § 3. Subdivision 3 of section 420 of the tax law, as amended by chap-
9 ter 94 of the laws of 1934, is amended to read as follows:

10 3. "Alcoholic beverages" mean and include ciders, as defined by the
11 alcoholic beverage control law, beers, wines or liquors.

12 § 4. Section 424 of the tax law is amended by adding a new subdivision
13 6 to read as follows:

14 6. Notwithstanding any other provision of this article, there shall be
15 exempt from the taxes imposed under this article, alcoholic beverages
16 furnished by a licensed producer of alcoholic beverages at no charge to
17 a customer or prospective customer at a tasting held in accordance with
18 the alcoholic beverage control law for consumption at such tasting.

19 § 5. Clause (xxxiv) of subparagraph (B) of paragraph 1 of subsection
20 (i) of section 606 of the tax law, as amended by section 68 of part A of
21 chapter 59 of the laws of 2014, is amended to read as follows:

22 (xxxiv) [Beer] <u>Alcoholic beverage</u>	Amount of credit
23 production credit under	under subdivision thirty-nine of
24 subsection (uu)	section two hundred ten-B

25 § 6. Subsection (uu) of section 606 of the tax law, as added by chap-
26 ter 109 of the laws of 2012, is amended to read as follows:

27 (uu) [Beer] Alcoholic beverage production credit. A taxpayer shall be
28 allowed a credit, to be computed as provided in section thirty-seven of

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

7 § 7. Subdivision 13 of section 1118 of the tax law, as added by
8 section 2 of part U of chapter 59 of the laws of 2015, is amended to
9 read as follows:

10 (13) In respect to the use of the following items at a tasting held by
11 a licensed [brewery, farm brewery, cider producer, farm cidery, distil-
12 lery or farm distillery] producer of alcoholic beverages in accordance
13 with the alcoholic beverage control law: (i) the alcoholic beverage or
14 beverages authorized by the alcoholic beverage control law to be
15 furnished at no charge to a customer or prospective customer at such
16 tasting for consumption at such tasting; and (ii) bottles, corks, caps
17 and labels used to package such alcoholic beverages.

18 § 8. This act shall take effect immediately, provided, however, that:
19 sections one, two, five and six of this act shall apply to taxable years
20 beginning on or after January 1, 2016; sections three and four of this
21 act shall apply to taxable periods beginning on or after April 1, 2016;
22 and section seven of this act shall apply to uses occurring on and after
23 June 1, 2016.

24 PART W

25 Section 1. The tax law is amended by adding a new section 478-a to
26 read as follows:

1 § 478-a. Jeopardy assessments. If the commissioner believes that the
2 collection of any tax will be jeopardized by delay, he or she may deter-
3 mine the amount of such tax and assess the same, together with all
4 interest and penalties provided by law, against any person liable there-
5 for prior to the filing of his or her return and prior to the date when
6 his or her return is required to be filed. The amount so determined
7 shall become due and payable to the commissioner by the person against
8 whom such a jeopardy assessment is made, as soon as notice thereof is
9 given to him or her. The provisions of section four hundred seventy-
10 eight of this article shall apply to any such determination except to
11 the extent that they may be inconsistent with the provisions of this
12 section. The commissioner may abate any jeopardy assessment if he or she
13 finds that jeopardy does not exist. The collection of any jeopardy
14 assessment may be stayed by filing with the commissioner a bond issued
15 by a surety company authorized to transact business in this state and
16 approved by the superintendent of financial services as to solvency and
17 responsibility, or such other security acceptable to the commissioner,
18 conditioned upon payment of the amount assessed and interest thereon, or
19 any lesser amount to which such assessment may be reduced by the admin-
20 istrative law judge or the tax appeals tribunal or by a proceeding under
21 article seventy-eight of the civil practice law and rules as provided in
22 section four hundred seventy-eight of this article, such payment to be
23 made when the assessment or any such reduction thereof becomes final and
24 not subject to further review. If such a bond is filed and thereafter a
25 proceeding under article seventy-eight of the civil practice law and
26 rules is commenced as provided in section four hundred seventy-eight of
27 this article, deposit of the taxes, penalties and interest assessed
28 shall not be required as a condition precedent to the commencement of

1 such proceeding. Where a jeopardy assessment is made, any property
2 seized for the collection of the tax shall not be sold: (1) until expi-
3 ration of the time to apply for a hearing as provided in section four
4 hundred seventy-eight of this article, and (2) if such application is
5 timely filed, until the expiration of the time to file an exception to
6 the determination of the administrative law judge or, if an exception is
7 timely filed, until four months after the tax appeals tribunal has given
8 notice of its decision to the person against whom the assessment is
9 made; provided, however, such property may be sold at any time if such
10 person has failed to attend a hearing of which he or she has been duly
11 notified, or if he or she consents to the sale, or if the commissioner
12 determines that the expenses of conservation and maintenance will great-
13 ly reduce the net proceeds, or if the property is perishable.

14 § 2. This act shall take effect immediately.

15 PART X

16 Section 1. Paragraph 2 of subdivision (e) of section 1105 of the tax
17 law, as amended by section 1 of part Q of chapter 59 of the laws of
18 2012, is amended to read as follows:

19 (2) Except as provided in subdivision (r) of section eleven hundred
20 eleven of this part, when occupancy is provided, for a single consider-
21 ation, with property, services, amusement charges, or any other items,
22 the separate sale of which is not subject to tax under this article, and
23 the rent paid for such occupancy does not qualify for the exemption in
24 subdivision (kk) of section eleven hundred fifteen of this article, the
25 entire consideration shall be treated as rent subject to tax under para-
26 graph one of this subdivision; provided, however, that where the amount

1 of the rent for occupancy is stated separately from the price of such
2 property, services, amusement charges, or other items, on any sales
3 slip, invoice, receipt, or other statement given the occupant, and such
4 rent is reasonable in relation to the value of such property, services,
5 amusement charges or other items, only such separately stated rent will
6 be subject to tax under paragraph one of this subdivision.

7 § 2. Section 1115 of the tax law is amended by adding a new subdivi-
8 sion (kk) to read as follows:

9 (kk) Rent paid by a room remarketer to an operator that is not a room
10 remarketer for an occupancy that the room remarketer intends to provide
11 to an occupant for rent shall be exempt from the hotel unit fee imposed
12 by section eleven hundred four of this article and the tax imposed by
13 subdivision (e) of section eleven hundred five of this article, provided
14 that such room remarketer furnishes such operator a certificate in such
15 form and containing such information as may be prescribed by the commis-
16 sioner. The exemption certificate provided for by this subdivision shall
17 be administered by the commissioner in conformity with the rules for
18 exemption or resale certificates in subparagraph (i) of paragraph one of
19 subdivision (c) of section eleven hundred thirty-two of this article.

20 § 3. Paragraph 4 of subdivision a of section 11-2502 of the adminis-
21 trative code of the city of New York, as amended by section 4 of part Q
22 of chapter 59 of the laws of 2012, is amended to read as follows:

23 (4) (i) When occupancy is provided, for a single consideration, with
24 property, services, amusement charges, or any other items, the separate
25 sale of which is not subject to tax under this chapter, and the rent
26 paid for such occupancy does not qualify for the exemption in subdivi-
27 sion 1 of this section, the entire consideration shall be treated as
28 rent subject to tax under paragraph one of this subdivision; provided,

1 however, that where the amount of the rent for occupancy is stated sepa-
2 rately from the price of such property, services, amusement charges or
3 other items on any sales slip, invoice, receipt, or other statement
4 given the occupant and such rent is reasonable in relation to the value
5 of such property, services, amusement charges, or other items, only such
6 separately stated rent will be subject to tax under this subdivision.

7 (ii) In regard to the collection of tax on occupancies by remarketers,
8 when occupancy is provided, for a single consideration, with property,
9 services, amusement charges, or any other items, whether or not such
10 other items are taxable, the rent portion of the consideration for such
11 sale shall be computed as follows: the total consideration for the sale
12 multiplied by a fraction, the numerator of which shall be the consider-
13 ation paid to the hotel for the occupancy and the denominator of which
14 shall be the consideration paid to the hotel for the occupancy plus the
15 consideration paid to the providers of the other items being sold, or by
16 any other reasonable method pursuant to which the rent portion of
17 consideration would be no less than the computation of rent portion of
18 consideration under subparagraph (i) of this paragraph. Nothing herein
19 shall be construed to subject to tax or exempt from tax any service or
20 property or amusement charge or other items otherwise subject to tax or
21 exempt from tax under this chapter.

22 § 4. Section 11-2502 of the administrative code of the city of New
23 York is amended by adding a new subdivision 1 to read as follows:

24 1. An occupancy that an operator conveys or furnishes to a room
25 remarketer that the room remarketer intends to convey or furnish,
26 directly or indirectly, to an occupant for rent shall be exempt from the
27 taxes imposed by this section, provided that such room remarketer
28 furnishes the operator with a certificate in such form and containing

1 such information as may be prescribed by the commissioner of finance.
2 The operator shall retain such statement and provide it to the commis-
3 sioner of finance upon request.

4 § 5. This act shall take effect immediately and apply to rent paid for
5 occupancies on or after June 1, 2016.

6 PART Y

7 Section 1. The section heading of section 951-a of the tax law, as
8 added by chapter 190 of the laws of 1990, is amended to read as follows:

9 [Definitions] General provisions and definitions.

10 § 2. Section 951-a of the tax law is amended by adding a new
11 subsection (f) to read as follows:

12 (f) Tax treatment of charitable contributions for determining domi-
13 cile. Notwithstanding any other provision of any other law to the
14 contrary, the making of a financial contribution, gift, bequest,
15 donation or any other financial instrument or pledge in any amount or
16 the donation or loan of any object of any value, or the volunteering,
17 giving or donation of uncompensated time, or any combination of the
18 foregoing, considered a charitable contribution under subsection (c) of
19 section one hundred seventy of the internal revenue code, or to a not-
20 for-profit organization, as defined in subdivision seven of section one
21 hundred seventy-nine-q of the state finance law, shall not be used in
22 any manner to determine where an individual is domiciled at the time of
23 his or her death.

24 § 3. This act shall take effect immediately.

25 PART Z

1 Section 1. Subdivision 2 of section 89-b of the state finance law, as
2 amended by chapter 56 of the laws of 1993, is amended to read as
3 follows:

4 2. The dedicated highway and bridge trust fund shall consist of [two]
5 three accounts: (a) the special obligation reserve and payment account;
6 [and] (b) the highway and bridge capital account; and (c) the aviation
7 purpose account. Moneys in each account shall be kept separate and not
8 commingled with any other moneys in the custody of the comptroller.

9 § 2. Section 89-b of the state finance law is amended by adding a new
10 subdivision 4-a to read as follows:

11 4-a. (a) The aviation purpose account shall consist of all moneys
12 required to be deposited by section three hundred twelve of the tax law
13 and any other moneys credited or transferred thereto from any other
14 fund, account or source.

15 (b) Moneys in the aviation purpose account shall be utilized for
16 airports and aviation facilities and equipment and related projects,
17 including but not limited to the acquisition of real or tangible
18 personal property, construction, reconstruction, reconditioning, preser-
19 vation, maintenance or improvement of airport or aviation capital facil-
20 ities and noise mitigation projects, and any other purpose not prohibit-
21 ed by federal law.

22 § 3. Section 312 of the tax law, as amended by section 32 of part K of
23 chapter 61 of the laws of 2011, is amended to read as follows:

24 § 312. Deposit and disposition of revenue.-- (a) Except as otherwise
25 provided, of all taxes, interest and penalties collected or received on
26 or after April first, two thousand one, from the taxes imposed by
27 [sections] section three hundred one-a [and three hundred one-e] of this
28 article, (i) initially eighty and three-tenths percent shall be deposit-

1 ed, as prescribed by subdivision (d) of section three hundred one-j of
2 this article and (ii) nineteen and seven-tenths percent shall be depos-
3 ited in such mass transportation operating assistance fund to the credit
4 of the metropolitan mass transportation operating assistance account and
5 the public transportation systems operating assistance account thereof
6 in the manner provided by subdivision eleven of section one hundred
7 eighty-two-a of this chapter. Provided, further that on or before the
8 twenty-fifth day of each month commencing with April, two thousand one,
9 the comptroller shall deduct the amount of six hundred twenty-five thou-
10 sand dollars prior to any deposit or disposition of the taxes, interest,
11 and penalties collected or received pursuant to such [sections] section
12 three hundred one-a [and three hundred one-e] and shall deposit such
13 amount in the dedicated fund accounts pursuant to subdivision (d) of
14 section three hundred one-j of this article. Provided, further, that
15 commencing January fifteenth, nineteen hundred ninety-one, and on or
16 before the tenth day of March and the fifteenth day of June and Septem-
17 ber of such year, the commissioner shall, based on information supplied
18 by taxpayers and other appropriate sources, estimate the amount of the
19 utility credit authorized by section three hundred one-d of this article
20 which has been accrued to reduce tax liability under section one hundred
21 eighty-six-a of this chapter during the period covered by such estimate
22 and certify to the state comptroller such estimated amount. The comp-
23 troller shall forthwith, after receiving such certificate, deduct the
24 amount of such credit so certified by the commissioner prior to any
25 deposit or disposition of the taxes, interest and penalties collected or
26 received pursuant to such [sections] section three hundred one-a [and
27 three hundred one-e] and shall pay such amount so certified and deducted
28 into the state treasury to the credit of the general fund. Also, subse-

1 quently, during the fiscal year when the commissioner becomes aware of
2 changes or modifications with respect to actual credit usage, the
3 commissioner shall, as soon as practicable, issue a certification
4 setting forth the amount of any required adjustment to the amount of
5 actual credit usage previously certified. After receiving the certifi-
6 cate of the commissioner with respect to actual credit usage or modifi-
7 cation of the same, the comptroller shall forthwith adjust general fund
8 receipts and the revenues to be deposited or disposed of under this
9 article to reflect the difference so certified by the commissioner. The
10 commissioner shall not be liable for any overestimate or underestimate
11 of the amount of the utility credit which has been accrued to reduce tax
12 liability under such section one hundred eighty-six-a. Nor shall the
13 commissioner be liable for any inaccuracy in any certificate with
14 respect to the amount of such credit actually used or any required
15 adjustment with respect to actual credit usage, but the commissioner
16 shall as soon as practicable after discovery of any error adjust the
17 next certification under this section to reflect any such error.

18 Prior to making deposits as provided in this section, the comptroller
19 shall retain such amount as the commissioner may determine to be neces-
20 sary, subject to the approval of the director of the budget, for reason-
21 able costs of the department in administering and collecting the taxes
22 deposited pursuant to this section and for refunds and reimbursements
23 with respect to such taxes, out of which the comptroller shall pay any
24 refunds or reimbursements of such taxes to which taxpayers shall be
25 entitled.

26 (b) Notwithstanding any other provision of law, all taxes, interest,
27 and penalties collected or received on or after December first, two
28 thousand seventeen from the taxes imposed by section three hundred one-e

1 of this article shall be deposited in the aviation purpose account of
2 the dedicated highway and bridge trust fund established by section
3 eighty-nine-b of the state finance law.

4 § 4. Paragraph 1 of subdivision (a) of section 1102 of the tax law, as
5 amended by chapter 261 of the laws of 1988, is amended to read as
6 follows:

7 (1) Every distributor of motor fuel shall pay, as a prepayment on
8 account of the taxes imposed by this article and pursuant to the author-
9 ity of article twenty-nine of this chapter, a tax on each gallon of
10 motor fuel (i) which he imports or causes to be imported into this state
11 for use, distribution, storage or sale in the state or produces,
12 refines, manufactures or compounds in this state or (ii) if the tax has
13 not been imposed prior to its sale in this state, which he sells (which
14 acts shall in regard to motor fuel hereinafter in this article be encom-
15 passed by the phrase "imported, manufactured or sold"), except when
16 imported, manufactured or sold under circumstances which preclude the
17 collection of such tax by reason of the United States constitution and
18 of the laws of the United States enacted pursuant thereto or when
19 imported or manufactured by an organization described in paragraph one
20 or two of subdivision (a) of section eleven hundred sixteen of this
21 article or a hospital included in the organizations described in para-
22 graph four of such subdivision for its own use and consumption and
23 except kero-jet fuel when imported by an airline for use in its
24 airplanes, and except aviation gasoline sold for use in commercial
25 aircraft and general aviation aircraft.

26 § 5. Subparagraph (i) of paragraph 1 of subdivision (a) of section
27 1210 of the tax law, as amended by section 3 of part Z of chapter 59 of
28 the laws of 2015, is amended to read as follows:

1 (i) Any local law, ordinance or resolution enacted by any city of less
2 than one million or by any county or school district, imposing the taxes
3 authorized by this subdivision, shall, notwithstanding any provision of
4 law to the contrary, exclude from the operation of such local taxes all
5 sales of tangible personal property for use or consumption directly and
6 predominantly in the production of tangible personal property, gas,
7 electricity, refrigeration or steam, for sale, by manufacturing, proc-
8 essing, generating, assembly, refining, mining or extracting; and all
9 sales of tangible personal property for use or consumption predominantly
10 either in the production of tangible personal property, for sale, by
11 farming or in a commercial horse boarding operation, or in both; and all
12 sales of fuel sold for use in commercial aircraft and general aviation
13 aircraft; and, unless such city, county or school district elects other-
14 wise, shall omit the provision for credit or refund contained in clause
15 six of subdivision (a) or subdivision (d) of section eleven hundred
16 nineteen of this chapter.

17 § 6. Subparagraphs (xii) and (xiii) of paragraph 4 of subdivision (a)
18 of section 1210 of tax law, as amended by section 3 of part 2 of chapter
19 59 of the laws of 2015, are amended and a new subparagraph (xiv) is
20 added to read as follows:

21 (xii) shall omit, unless such city elects otherwise, the exemption for
22 residential solar energy systems equipment and electricity provided in
23 subdivision (ee) of section eleven hundred fifteen of this chapter;
24 [and] (xiii) shall omit, unless such city elects otherwise, the
25 exemption for commercial solar energy systems equipment and electricity
26 provided in subdivision (ii) of section eleven hundred fifteen of this
27 chapter; and (xiv) shall exclude from the operation of such local taxes
28 all sales of fuel sold for use in commercial aircraft and general

1 aviation aircraft. Any reference in this chapter or in any local law,
2 ordinance or resolution enacted pursuant to the authority of this arti-
3 cle to former subdivisions (n) or (p) of this section shall be deemed to
4 be a reference to clauses (xii) or (xiii) of this paragraph, respective-
5 ly, and any such local law, ordinance or resolution that provides the
6 exemptions provided in such former subdivisions (n) and/or (p) shall be
7 deemed instead to provide the exemptions provided in clauses (xii)
8 and/or (xiii) of this paragraph.

9 § 7. Notwithstanding any law to the contrary, the comptroller is here-
10 by authorized and directed to transfer from the general fund for deposit
11 into the mass transportation operating assistance fund, pursuant to
12 section 88-a of the state finance law and the dedicated mass transporta-
13 tion trust fund, pursuant to section 89-c of the state finance law, upon
14 request of the director of the budget, on or before March 31 of each
15 year, an amount equal to the amount of revenue received by the commis-
16 sioner of taxation and finance during the state fiscal year from petro-
17 leum business taxes imposed pursuant to the authority of section 301-e
18 of the tax law that would have otherwise been directed to such funds
19 pursuant to section 312 of the tax law as such section was in effect on
20 the day before this act became a law.

21 § 8. Sections one, two and seven of this act shall take effect April
22 1, 2017; provided however that sections three, four, five and six of
23 this act shall take effect December 1, 2017; and provided further that
24 if section 19 of part W1 of chapter 109 of the laws of 2006 shall have
25 not expired on or before such date then section four of this act shall
26 take effect on the same date and in the same manner as such chapter of
27 the laws of 2006 takes effect.

1

PART AA

2 Section 1. Subdivision 2 of section 228 of the racing, pari-mutuel
3 wagering and breeding law, as amended by chapter 18 of the laws of 2008,
4 the opening paragraph as amended by chapter 236 of the laws of 2015, is
5 amended to read as follows:

6 2. The New York state gaming commission shall, as a condition of
7 racing, require any franchised corporation and every other corporation
8 subject to its jurisdiction to withhold one percent of all purses,
9 except that for the franchised corporation, starting on September first,
10 two thousand seven and continuing through August thirty-first, two thou-
11 sand sixteen, two percent of all purses shall be withheld, and, in the
12 case of the franchised corporation, to pay such sum to the horsemen's
13 organization or its successor that was first entitled to receive
14 payments pursuant to this section in accordance with rules of the
15 commission adopted effective November third, nineteen hundred eighty-
16 three representing at least fifty-one percent of the owners and trainers
17 [utilizing] using the facilities of such franchised corporation, on the
18 condition that such horsemen's organization shall expend [as much as is
19 necessary, but not to exceed] one-half of one percent of such total
20 sum[,] to conduct equine drug testing research and to acquire and main-
21 tain the equipment required to [establish a program at a state college
22 within this state with an approved equine science program to] test for
23 the presence of drugs, including but not limited to steroids, in horses
24 at a suitable laboratory, as the gaming commission may determine in its
25 discretion, provided further that the qualified organization shall also,
26 in an amount to be determined by its board of directors, annually
27 include in its expenditures for benevolence programs, funds to support

1 an organization providing services necessary to backstretch employees,
2 and, in the case of every other corporation, to pay such one percent sum
3 of purses to the horsemen's organization or its successor that was first
4 entitled to receive payments pursuant to this section in accordance with
5 rules of the commission adopted effective May twenty-third, nineteen
6 hundred eighty-six representing at least fifty-one percent of the owners
7 and trainers [utilizing] using the facilities of such corporation.

8 In either case, any other horsemen's organization may apply to the
9 [board] commission to be approved as the qualified organization to
10 receive payment of the one percent of all purses by submitting to the
11 [board] commission proof of both, that (i) it represents more than
12 fifty-one percent of all the owners and trainers [utilizing] using the
13 same facilities and (ii) the horsemen's organization previously approved
14 as qualified by the [board] commission does not represent fifty-one
15 percent of all the owners and trainers [utilizing] using the same facil-
16 ities. If the [board] commission is satisfied that the documentation
17 submitted with the application of any other horsemen's organization is
18 conclusive with respect to items (i) and (ii) of this paragraph, it may
19 approve the applicant as the qualified recipient organization.

20 In the best interests of racing, upon receipt of such an application,
21 the [board] commission may direct the payments to the previously quali-
22 fied horsemen's organization to continue uninterrupted, or it may direct
23 the payments to be withheld and placed in interest-bearing accounts for
24 a period not to exceed ninety days, during which time the [board]
25 commission shall review and approve or disapprove the application. Funds
26 held in such manner shall be paid to the organization approved by the
27 [board] commission. In no event shall the [board] commission accept more

1 than one such application in any calendar year from the same horsemen's
2 organization.

3 The funds authorized to be paid by the [board] commission are to be
4 used exclusively for the benefit of those horsemen racing in New York
5 state through the administrative purposes of such qualified organiza-
6 tion, benevolent activities on behalf of backstretch employees, and for
7 the promotion of equine research.

8 § 2. Section 902 of the racing, pari-mutuel wagering and breeding law,
9 as amended by chapter 60 of the laws of 1993, subdivision 1 as amended
10 by chapter 15 of the laws of 2010, and subdivision 2 as amended by chap-
11 ter 18 of the laws of 2008, is amended to read as follows:

12 § 902. Equine drug testing and expenses. 1. In order to assure the
13 public's confidence and continue the high degree of integrity in racing
14 at the pari-mutuel betting tracks, equine drug testing at race meetings
15 shall be conducted by a [state college within this state with an
16 approved equine science program] suitable laboratory, as the gaming
17 commission may determine in its discretion. The [state racing and wager-
18 ing board] gaming commission shall promulgate any rules and regulations
19 necessary to implement the provisions of this section, including admin-
20 istrative penalties of loss of purse money, fines, or denial, suspen-
21 sion[,] or revocation of a license for racing drugged horses.

22 2. Notwithstanding any inconsistent provision of law, all costs and
23 expenses of the [state racing and wagering board] gaming commission for
24 equine drug testing and research shall be paid from an appropriation
25 from the state treasury, on the certification of the [chairman] chair of
26 the [state racing and wagering board] gaming commission, upon the audit
27 and warrant of the comptroller and pursuant to a plan developed by the

1 [state racing and wagering board] gaming commission as approved by the
2 director of the budget.

3 § 3. This act shall take effect immediately; provided, however,
4 section two of this act shall take effect upon expiration of an existing
5 contract with a New York state college within the state with an approved
6 equine science program, pursuant to section 902 of the racing, pari-mu-
7 tuel wagering and breeding law; provided that the gaming commission
8 shall notify the legislative bill drafting commission upon the occur-
9 rence of the enactment of the legislation provided for in section two of
10 this act in order that the commission may maintain an accurate and time-
11 ly effective data base of the official text of the laws of the state of
12 New York in furtherance of effectuating the provisions of section 44 of
13 the legislative law and section 70-b of the public officers law.

14 PART BB

15 Section 1. Subdivision 1 of section 236 of the racing, pari-mutuel
16 wagering and breeding law, as amended by chapter 18 of the laws of
17 2008, is amended to read as follows:

18 1. Every corporation authorized under this chapter to conduct pari-mu-
19 tuel betting at a race meeting on races run thereat, except as provided
20 in section two hundred thirty-eight of this article with respect to the
21 franchised corporation, shall distribute all sums deposited in any pari-
22 mutuel pool to the holders of winning tickets therein, providing such
23 tickets be presented for payment before April first of the year follow-
24 ing the year of their purchase, less an amount [which] that shall be
25 established and retained by such racing corporation of between fourteen
26 to twenty [per centum] percent of the total deposits in pools resulting

1 from regular on-track bets and less sixteen to twenty-two [per centum]
2 percent of the total deposits in pools resulting from multiple on-track
3 bets and less twenty to thirty [per centum] percent of the total depos-
4 its in pools resulting from exotic on-track bets and less twenty to
5 thirty-six [per centum] percent of the total pools resulting from super
6 exotic on-track bets, plus the breaks. The retention rate to be estab-
7 lished is subject to the prior approval of the [racing and wagering
8 board] gaming commission. Such rate may not be changed more than once
9 per calendar quarter to be effective on the first day of the calendar
10 quarter. "Exotic bets" and "multiple bets" shall have the meanings set
11 forth in section five hundred nineteen of this chapter and breaks are
12 hereby defined as [the odd cents over any multiple of ten, or for exotic
13 bets over any multiple of fifty, or for super exotic bets, over any
14 multiple of one hundred, calculated on the basis of one dollar, other-
15 wise payable to a patron provided, however, that effective after October
16 fifteenth, nineteen hundred ninety-four breaks are hereby defined as]
17 the odd cents over any multiple of five for payoffs greater than one
18 dollar five cents but less than five dollars, over any multiple of ten
19 for payoffs greater than five dollars but less than twenty-five dollars,
20 over any multiple of twenty-five for payoffs greater than twenty-five
21 dollars but less than two hundred fifty dollars, or over any multiple of
22 fifty for payoffs over two hundred fifty dollars. "Super exotic bets"
23 shall have the meaning set forth in section three hundred one of this
24 chapter. Of the amount so retained there shall be paid by such corpo-
25 ration to the department of taxation and finance as a reasonable tax by
26 the state for the privilege of conducting pari-mutuel betting on the
27 races run at the race meeting held by such corporation, which tax is
28 hereby levied, the following percentages of the total pool, plus fifty-

1 five [per centum] percent of the breaks; the applicable rates for regu-
2 lar and multiple bets shall be one and one-half [per centum] percent;
3 the applicable rates for exotic bets shall be six and three-quarter [per
4 centum] percent and the applicable rate for super exotic bets shall be
5 seven and three-quarter [per centum] percent. Effective on and after
6 September first, nineteen hundred ninety-four, the applicable tax rate
7 shall be one [per centum] percent of all wagers, provided that, an
8 amount equal to one-half the difference between the taxation rate for
9 on-track regular, multiple and exotic bets as of December thirty-first,
10 nineteen hundred ninety-three and the rates on such on-track wagers as
11 herein provided shall be used exclusively for purses. Provided, however,
12 that for any twelve-month period beginning on April first in nineteen
13 hundred ninety and any year thereafter, each of the applicable rates set
14 forth above shall be increased by one-quarter of one [per centum]
15 percent on all on-track bets of any such racing corporation that did not
16 expend an amount equal to at least one-half of one [per centum] percent
17 of its on-track bets during the immediately preceding calendar year for
18 enhancements consisting of capital improvements as defined by section
19 two hundred thirty-seven of this article, repairs to its physical plant,
20 structures, and equipment used in its racing or wagering operations as
21 certified by the [state racing and wagering board] gaming 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 of
25 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 [approved by the racing and wagering board]
28 subject to the prior approval of the gaming commission for purposes of

1 this subdivision. In the determination of the amounts expended for such
2 enhancements, the [board] gaming commission may consider the immediately
3 preceding [twelve month] twelve-month calendar period or the average of
4 the two immediately preceding [twelve month] twelve-month calendar peri-
5 ods. Provided further, however, that of the portion of the increased
6 amounts retained by such corporation above those amounts retained in
7 nineteen hundred eighty-four, an amount of such increase shall be
8 distributed to purses in the same proportion as commissions and purses
9 were distributed during nineteen hundred eighty-four as certified by the
10 [board] gaming commission. Such corporation in the second zone shall
11 receive a credit against the daily tax imposed by this subdivision in an
12 amount equal to four-tenths of one [per centum] percent of total daily
13 pools resulting from the simulcast of such corporation's races to
14 licensed facilities operated by regional off-track betting corporations
15 in accordance with section one thousand eight of this chapter, provided
16 however, that sixty [per centum] percent of the amount of such credit
17 shall be used exclusively to increase purses for overnight races
18 conducted by such corporation; and, provided further, that in no event
19 shall such total daily credit exceed four-tenths of one [per centum]
20 percent of the total daily pool of such corporation. [Provided, however,
21 that on and after September first, nineteen hundred ninety-four such
22 credit shall be four-tenths percent of total daily pools resulting from
23 such simulcasting and that in no event shall such total daily credit
24 equal four-tenths percent of the total daily pool of such corporation.]
25 Such corporation shall pay to the New York state thoroughbred breeding
26 and development fund one-half of one [per centum] percent of the total
27 daily on-track pari-mutuel pools from regular, multiple and exotic bets,
28 and three [per centum] percent of super exotic bets. The corporation

1 shall receive credit as a reduction of the tax by the state for the
2 privilege of conducting pari-mutuel betting for the amounts, except
3 amounts paid from super exotic betting pools, paid to the New York state
4 thoroughbred breeding and development fund after January first, nineteen
5 hundred seventy-eight.

6 Such corporation shall distribute to purses an amount equal to fifty
7 [per centum] percent of any compensation it receives from simulcasting
8 or from wagering conducted outside the United States. Such corporation
9 shall pay to the [racing and wagering board] gaming commission as a
10 regulatory fee, which fee is hereby levied, [fifty hundredths] six-
11 tenths of one [per centum] percent of the total daily on-track pari-mu-
12 tuel pools of such corporation.

13 § 2. Paragraph (d) of subdivision 1 of section 238 of the racing,
14 pari-mutuel wagering and breeding law, as amended by chapter 18 of the
15 laws of 2008, is amended to read as follows:

16 (d) (i) The pari-mutuel tax rate authorized by paragraph (a) of this
17 subdivision shall be effective so long as a franchised corporation noti-
18 fies the [racing and wagering board] gaming commission by August
19 fifteenth of each year that such pari-mutuel tax rate is effective of
20 its intent to conduct a race meeting at Aqueduct racetrack during the
21 months of December, January, February, March and April. For purposes of
22 this paragraph such race meeting shall consist of not less than ninety-
23 five days of racing. Not later than May first of each year that such
24 pari-mutuel tax rate is effective, the [racing and wagering board]
25 gaming commission shall determine whether a race meeting at Aqueduct
26 racetrack consisted of the number of days as required by this paragraph.
27 In determining the number of race days, cancellation of a race day
28 because of an act of God[, which] that the [racing and wagering board]

1 gaming commission approves or because of weather conditions that are
2 unsafe or hazardous which the [racing and wagering board] gaming commis-
3 sion approves shall not be construed as a failure to conduct a race day.
4 Additionally, cancellation of a race day because of circumstances beyond
5 the control of such franchised corporation for which the [racing and
6 wagering board] gaming commission gives approval shall not be construed
7 as a failure to conduct a race day. If the [racing and wagering board]
8 gaming commission determines that the number of days of racing as
9 required by this paragraph have not occurred then the pari-mutuel tax
10 rate in paragraph (a) of this subdivision shall revert to the pari-mutu-
11 el tax rates in effect prior to January first, nineteen hundred ninety-
12 five.

13 (ii) Such franchised corporation shall pay to the [racing and wagering
14 board] gaming commission as a regulatory fee, which fee is hereby
15 levied, [fifty hundredths] six-tenths of one [per centum] percent of the
16 total daily on-track pari-mutuel pools of such franchised corporation.

17 § 3. Paragraph d of subdivision 1 of section 318 of the racing, pari-
18 mutuel wagering and breeding law, as amended by section 3 of part B of
19 chapter 59 of the laws of 2005, is amended to read as follows:

20 d. Every harness racing association or corporation shall pay to the
21 [board] gaming commission as a regulatory fee, which fee is hereby
22 levied, [fifty hundredths] six-tenths of one percent of the total daily
23 on-track pari-mutuel pools of such association or corporation.

24 § 4. The opening paragraph and the opening paragraph of subdivision 1
25 of section 527 of the racing, pari-mutuel wagering and breeding law, the
26 opening paragraph as amended by chapter 18 of the laws of 2008 and the
27 opening paragraph of subdivision 1 as amended by chapter 300 of the laws
28 of 2015, are amended to read as follows:

1 Each regional corporation conducting off-track betting shall distrib-
2 ute all sums deposited in any pari-mutuel pool through such corporation
3 to the holders of winning tickets therein, providing such tickets be
4 presented for payment prior to April first of the year following the
5 year of their purchase, less an amount [which] that it shall retain at
6 the same rate established by the track accepting wagers from each such
7 regional corporation.

8 The disposition of the retained commission from pools resulting from
9 regular, multiple or exotic bets, as the case may be, whether placed on
10 races run within a region or outside a region, conducted by racing
11 corporations, harness racing associations or corporations, quarter horse
12 racing associations or corporations or races run outside the state shall
13 be governed by the tables in paragraphs a and b of this subdivision. The
14 rate denominated "state tax" shall represent the rate of a reasonable
15 tax imposed upon the retained commission for the privilege of conducting
16 off-track pari-mutuel betting, which tax is hereby levied and shall be
17 payable in the manner set forth in this section. Each off-track betting
18 corporation shall pay to the [racing and wagering board] gaming commis-
19 sion as a regulatory fee, which fee is hereby levied, [fifty hundredths]
20 six-tenths of one percent of the total daily pools of such corporation.
21 Each corporation shall also pay twenty [per centum] percent of the
22 breaks derived from bets on harness races and fifty [per centum] percent
23 of the breaks derived from bets on all other races to the agriculture
24 and New York State horse breeding and development fund and to the
25 thoroughbred breeding and development fund, the total of such payments
26 to be apportioned fifty [per centum] percent to each such fund. For the
27 purposes of this section, the New York city, Suffolk, Nassau, and the
28 Catskill regions shall constitute a single region and any thoroughbred

1 track located within the Capital District region shall be deemed to be
2 within such single region. A "regional meeting" shall refer to either
3 harness or thoroughbred meetings, or both, except that a franchised
4 corporation shall not be a regional track for the purpose of receiving
5 distributions from bets on thoroughbred races conducted by a thorough-
6 bred track in the Catskill region conducting a mixed meeting. With the
7 exception of a harness racing association or corporation first licensed
8 to conduct pari-mutuel wagering at a track located in Tioga or Saratoga
9 county after January first, two thousand five, racing corporations first
10 licensed to conduct pari-mutuel racing after January first, nineteen
11 hundred eighty-six or a harness racing association or corporation first
12 licensed to conduct pari-mutuel wagering at a track located in Genesee
13 County after January first, two thousand five, and quarter horse tracks
14 shall not be "regional tracks"; if there is more than one harness track
15 within a region, such tracks shall evenly divide payments made pursuant
16 to the tables in paragraphs a and b of this subdivision when neither
17 track is running. In the event a track elects to reduce its retained
18 percentage from any or all of its pari-mutuel pools, the payments to the
19 track holding the race and the regional track required by paragraphs a
20 and b of this subdivision shall be reduced in proportion to such
21 reduction. Nothing in this section shall be construed to authorize the
22 conduct of off-track betting contrary to the provisions of section five
23 hundred twenty-three of this article.

24 § 5. Paragraph a of subdivision 1 of section 904 of the racing, pari-
25 mutuel wagering and breeding law, as amended by chapter 18 of the laws
26 of 2008, are amended to read as follows:

27 a. The applicable state tax provided for in paragraphs a and b of
28 subdivision one of section five hundred twenty-seven of this chapter

1 shall be one-half [per centum] percent for regular, multiple and exotic
2 bets. Any harness racing or association or corporation, or thoroughbred
3 racing corporation authorized pursuant to this section shall pay to the
4 [racing and wagering board] gaming commission as a regulatory fee, which
5 fee is hereby levied, [fifty hundredths] six-tenths of one percent of
6 the total daily pari-mutuel pools.

7 § 6. Paragraph g of subdivision 3 of section 1007 of the racing, pari-
8 mutuel wagering and breeding law, as amended by chapter 18 of the laws
9 of 2008, is amended to read as follows:

10 g. Any harness racing or association or corporation, or thoroughbred
11 racing corporation authorized pursuant to this section shall pay to the
12 [racing and wagering board] gaming commission as a regulatory fee, which
13 fee is hereby levied, [fifty hundredths] six-tenths of one percent of
14 the total daily pari-mutuel pools.

15 § 7. Paragraph b of subdivision 3 of section 1008 of the racing, pari-
16 mutuel wagering and breeding law, as amended by section 7 of part B of
17 chapter 59 of the laws of 2005, is amended to read as follows:

18 b. Of the sums received by the sending track, fifty percent shall be
19 distributed to purses in addition to moneys distributed pursuant to
20 section five hundred twenty-seven of this chapter. The off-track betting
21 corporation shall pay to the [racing and wagering board] gaming commis-
22 sion as a regulatory fee, which fee is hereby levied, [fifty hundredths]
23 six-tenths of one percent of the total daily pools.

24 § 8. Paragraph d of subdivision 4 of section 1009 of the racing, pari-
25 mutuel wagering and breeding law, as amended by section 8 of part B of
26 chapter 59 of the laws of 2005, is amended to read as follows:

1 d. The operator shall pay to the [racing and wagering board] gaming
2 commission as a regulatory fee, which fee is hereby levied, [fifty
3 hundredths] six-tenths of one percent of the total daily pools.

4 § 9. Subparagraph (iv) of paragraph i of subdivision 1 of section 1014
5 of the racing, pari-mutuel wagering and breeding law, as amended by
6 chapter 18 of the laws of 2008, is amended to read as follows:

7 (iv) Any thoroughbred racing corporation or harness racing association
8 or corporation or off-track betting corporation authorized pursuant to
9 this section shall pay to the [racing and wagering board] gaming commis-
10 sion as a regulatory fee, which fee is hereby levied, [fifty hundredths]
11 six-tenths of one percent of all wagering pools.

12 § 10. Paragraph e of subdivision 3 of section 1015 of the racing,
13 pari-mutuel wagering and breeding law, as amended by chapter 18 of the
14 laws of 2008, is amended to read as follows:

15 e. Any thoroughbred racing corporation or harness racing association
16 or corporation or off-track betting corporation authorized pursuant to
17 this section shall pay to the [racing and wagering board] gaming commis-
18 sion as a regulatory fee, which fee is hereby levied, [fifty hundredths]
19 six-tenths of one percent of all wagering pools.

20 § 11. Clause (B) of subparagraph 2 of paragraph b of subdivision 1 of
21 section 1016 of the racing, pari-mutuel wagering and breeding law, as
22 amended by chapter 18 of the laws of 2008, is amended to read as
23 follows:

24 (B) Any harness racing or association or corporation or thoroughbred
25 racing corporation authorized pursuant to this section shall pay to the
26 [racing and wagering board] gaming commission as a regulatory fee, which
27 fee is hereby levied, [fifty hundredths] six-tenths of one percent of
28 the total daily pari-mutuel pools.

1 § 12. Paragraph b of subdivision 2 of section 1018 of the racing,
2 pari-mutuel wagering and breeding law, as amended by chapter 18 of the
3 laws of 2008, is amended to read as follows:

4 b. Any thoroughbred racing corporation or harness racing association
5 or corporation or off-track betting corporation shall pay to the [racing
6 and wagering board] gaming commission as a regulatory fee, which fee is
7 hereby levied, [fifty hundredths] six-tenths of one percent of all
8 wagering pools.

9 § 13. Paragraph 2 of subdivision b of section 1612 of the tax law, as
10 amended by section 1 of part 00 of chapter 59 of the laws of 2014, is
11 amended to read as follows:

12 2. As consideration for the operation of a video lottery gaming facil-
13 ity, the division, shall cause the investment in the racing industry of
14 a portion of the vendor fee received pursuant to paragraph one of this
15 subdivision in the manner set forth in this subdivision. With the
16 exception of Aqueduct racetrack or a facility in the county of Nassau or
17 Suffolk operated by a corporation established pursuant to section five
18 hundred two of the racing, pari-mutuel wagering and breeding law, each
19 such track shall dedicate a portion of its vendor fees, received pursu-
20 ant to clause (A), (B), (C), (D), (E), (F), or (G) of subparagraph (ii)
21 of paragraph one of this subdivision, for the purpose of enhancing purs-
22 es at such track, in an amount equal to eight and three-quarters percent
23 of the total revenue wagered at the vendor track after [pay out] payout
24 for prizes. One and six-tenths percent of the gross purse enhancement
25 amount, as required by this subdivision, shall be paid to the gaming
26 commission to be used exclusively to promote and ensure equine health
27 and safety in New York. Any portion of such funding to the gaming
28 commission unused during a fiscal year shall be returned to the video

1 lottery gaming operators on a pro rata basis in accordance with the
2 amounts originally contributed by each operator and shall be used for
3 the purpose of enhancing purses at such track. One and one-half percent
4 of the gross purse enhancement amount at a thoroughbred track, as
5 required by this subdivision, shall be paid to an account established
6 pursuant to section two hundred twenty-one-a of the racing, pari-mutuel
7 wagering and breeding law to be used exclusively to provide health
8 insurance for jockeys. In addition, with the exception of Aqueduct race-
9 track or a facility in the county of Nassau or Suffolk operated by a
10 corporation established pursuant to section five hundred two of the
11 racing, pari-mutuel wagering and breeding law, one and one-quarter
12 percent of total revenue wagered at the vendor track after [pay out]
13 payout for prizes, received pursuant to clause (A), (B), (C), (D), (E),
14 (F), or (G) of subparagraph (ii) of paragraph one of this subdivision,
15 shall be distributed to the appropriate breeding fund for the manner of
16 racing conducted by such track.

17 Provided, further, that nothing in this paragraph shall prevent each
18 track from entering into an agreement, not to exceed five years, with
19 the organization authorized to represent its horsemen to increase or
20 decrease the portion of its vendor fee dedicated to enhancing purses at
21 such track during the years of participation by such track, or to race
22 fewer dates than required herein.

23 § 14. Paragraph 1 of subdivision f of section 1612 of the tax law, as
24 amended by section 2 of part 00 of chapter 59 of the laws of 2014, is
25 amended to read as follows:

26 1. [~~Six~~] Seven and one-half percent of the total wagered after payout
27 of prizes for the [first year of] operation of video lottery gaming at
28 Aqueduct racetrack, [seven percent of the total wagered after payout of

1 prizes for the second year of operation, and seven and one-half percent
2 of the total wagered after payout of prizes for the third year of opera-
3 tion and thereafter,] for the purpose of enhancing purses at Aqueduct
4 racetrack, Belmont Park racetrack and Saratoga race course. One and
5 six-tenths percent of the gross purse enhancement amount, as required by
6 this subdivision, shall be paid to the gaming commission to be used
7 exclusively to promote and ensure equine health and safety in New York.
8 Any portion of such funding to the gaming commission unused during a
9 fiscal year shall be returned on a pro rata basis in accordance with the
10 amounts originally contributed and shall be used for the purpose of
11 enhancing purses at such tracks. One and one-half percent of the gross
12 purse enhancement amount, as required by this subdivision, shall be paid
13 to an account established pursuant to section two hundred twenty-one-a
14 of the racing, pari-mutuel wagering and breeding law to be used exclu-
15 sively to provide health insurance for jockeys.
16 § 15. This act shall take effect immediately.

17 PART CC

18 Section 1. Section 308 of the racing, pari-mutuel wagering and breed-
19 ing law, as amended by section 1 of part Y of chapter 58 of the laws of
20 2012, is amended to read as follows:

21 § 308. Officials at harness horse race meetings. 1. At all harness
22 race meetings licensed by the [state racing and wagering board] gaming
23 commission in accordance with the provisions of sections two hundred
24 twenty-two through seven hundred five of this chapter qualified judges
25 and starters shall be designated by the [state racing and wagering
26 board] gaming commission. Such officials shall enforce the rules and

1 regulations of the [state racing and wagering board] gaming commission
2 and shall render regular written reports of the activities and conduct
3 of such race meetings to the [state racing and wagering board] gaming
4 commission.

5 2. The licensed racing corporations shall reimburse the [state racing
6 and wagering board] gaming commission for the per diem cost to the
7 [board] commission to employ one associate judge and the starter to
8 serve at harness race meetings. The [board] commission shall notify each
9 such licensed racing [corporations] corporation of the per diem cost of
10 the associate judge and the starter [prior to the beginning] at the
11 track of such licensed racing corporation within sixty days of the end
12 of each month. Payment of the reimbursement required by this section
13 shall be made to the [board] commission by each entity required to make
14 such payments [on the last business day of each month] within thirty
15 days of such notification by the commission and shall cover all the
16 costs incurred during that month. A penalty of five percent of payment
17 due, and interest at the rate of one percent per month calculated from
18 such [last day of each month] date that payment is due to the date of
19 the payment of the per diem cost shall be payable in case any per diem
20 cost imposed by this subdivision is not paid when due. The [board]
21 commission shall promulgate rules and regulations to ensure the proper
22 reimbursement of such costs.

23 3. The [board] commission shall pay into the racing regulation
24 account, as defined in section ninety-nine-i of the state finance law,
25 under the joint custody of the comptroller and the [board] commission,
26 the total amount of the reimbursements collected pursuant to this
27 section. With the approval of the director of the budget, monies
28 [utilized] used to pay the costs and expenses of the operations of the

1 [board] commission shall be paid out of such account on the audit and
2 warrant of the comptroller on vouchers, certified and approved by the
3 director of the division of the budget or his or her duly designated
4 official.

5 4. Any associate judge and starter whose per diem costs are reimbursed
6 by a licensed racing corporation shall remain employees of the [state
7 racing and wagering board] gaming commission and shall retain all the
8 rights and privileges of their current civil service jurisdictional
9 classification and status and collective bargaining unit representation.
10 § 2. This act shall take effect immediately.

11 PART DD

12 Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of
13 section 1612 of the tax law is amended by adding a new clause (G-2) to
14 read as follows:

15 (G-2) Notwithstanding any provision to the contrary, when a vendor
16 track is located within region six of development zone two as defined by
17 section thirteen hundred ten of the racing, pari-mutuel wagering and
18 breeding law and is located within Ontario county, such vendor track
19 shall receive an additional commission at a rate equal to the percentage
20 of revenue wagered at the vendor track after payout for prizes pursuant
21 to this chapter, which percentage shall be one hundred, less the sum of
22 the percentages of net revenue wagered at the vendor track retained by
23 the commission for operation, administration, and procurement purposes;
24 and the vendor's fee, marketing allowance and capital award paid to the
25 vendor track pursuant to this chapter; and the effective tax rate paid
26 on all gross gaming revenue paid by a gaming facility within Seneca or

1 Wayne counties pursuant to section thirteen hundred fifty-one of the
2 racing, pari-mutuel wagering and breeding law, provided, however, such
3 additional commission shall be applied to revenue wagered at the vendor
4 track after payout for prizes only while a gaming facility in Seneca or
5 Wayne counties is open and operational pursuant to an operation certif-
6 icate issued pursuant to section thirteen hundred thirty-one of the
7 racing, pari-mutuel wagering and breeding law. The additional commission
8 set forth in this clause shall be paid to the vendor track within sixty
9 days after the conclusion of the state fiscal year based on the calcu-
10 lated percentage during the previous fiscal year.

11 § 2. This act shall take effect immediately and shall be deemed to
12 have been in full force and effect on and after January 1, 2014.

13 PART EE

14 Section 1. Clause (F) of subparagraph (ii) of paragraph 1 of subdivi-
15 sion b of section 1612 of the tax law, as amended by section 1 of part
16 WW of chapter 59 of the laws of 2015, is amended to read as follows:

17 (F) notwithstanding clauses (A), (B), (C), (D) and (E) of this subpar-
18 agraph, when a vendor track, is located in Sullivan county and within
19 sixty miles from any gaming facility in a contiguous state such vendor
20 fee shall, for a period of [eight] nine years commencing April first,
21 two thousand eight, be at a rate of forty-one percent of the total
22 revenue wagered at the vendor track after payout for prizes pursuant to
23 this chapter, after which time such rate shall be as for all tracks in
24 clause (C) of this subparagraph.

25 § 2. This act shall take effect immediately and shall be deemed to
26 have been in full force and effect on and after April 1, 2016.

1

PART FF

2 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
3 racing, pari-mutuel wagering and breeding law, as amended by section 1
4 of part NN of chapter 59 of the laws of 2015, is amended to read as
5 follows:

6 (a) Any racing association or corporation or regional off-track
7 betting corporation, authorized to conduct pari-mutuel wagering under
8 this chapter, desiring to display the simulcast of horse races on which
9 pari-mutuel betting shall be permitted in the manner and subject to the
10 conditions provided for in this article may apply to the commission for
11 a license so to do. Applications for licenses shall be in such form as
12 may be prescribed by the commission and shall contain such information
13 or other material or evidence as the commission may require. No license
14 shall be issued by the commission authorizing the simulcast transmission
15 of thoroughbred races from a track located in Suffolk county. The fee
16 for such licenses shall be five hundred dollars per simulcast facility
17 and for account wagering licensees that do not operate either a simul-
18 cast facility that is open to the public within the state of New York or
19 a licensed racetrack within the state, twenty thousand dollars per year
20 payable by the licensee to the commission for deposit into the general
21 fund. Except as provided in this section, the commission shall not
22 approve any application to conduct simulcasting into individual or group
23 residences, homes or other areas for the purposes of or in connection
24 with pari-mutuel wagering. The commission may approve simulcasting into
25 residences, homes or other areas to be conducted jointly by one or more
26 regional off-track betting corporations and one or more of the follow-
27 ing: a franchised corporation, thoroughbred racing corporation or a

1 harness racing corporation or association; provided (i) the simulcasting
2 consists only of those races on which pari-mutuel betting is authorized
3 by this chapter at one or more simulcast facilities for each of the
4 contracting off-track betting corporations which shall include wagers
5 made in accordance with section one thousand fifteen, one thousand
6 sixteen and one thousand seventeen of this article; provided further
7 that the contract provisions or other simulcast arrangements for such
8 simulcast facility shall be no less favorable than those in effect on
9 January first, two thousand five; (ii) that each off-track betting
10 corporation having within its geographic boundaries such residences,
11 homes or other areas technically capable of receiving the simulcast
12 signal shall be a contracting party; (iii) the distribution of revenues
13 shall be subject to contractual agreement of the parties except that
14 statutory payments to non-contracting parties, if any, may not be
15 reduced; provided, however, that nothing herein to the contrary shall
16 prevent a track from televising its races on an irregular basis primari-
17 ly for promotional or marketing purposes as found by the commission. For
18 purposes of this paragraph, the provisions of section one thousand thir-
19 teen of this article shall not apply. Any agreement authorizing an
20 in-home simulcasting experiment commencing prior to May fifteenth, nine-
21 teen hundred ninety-five, may, and all its terms, be extended until June
22 thirtieth, two thousand [sixteen] seventeen; provided, however, that any
23 party to such agreement may elect to terminate such agreement upon
24 conveying written notice to all other parties of such agreement at least
25 forty-five days prior to the effective date of the termination, via
26 registered mail. Any party to an agreement receiving such notice of an
27 intent to terminate, may request the commission to mediate between the
28 parties new terms and conditions in a replacement agreement between the

1 parties as will permit continuation of an in-home experiment until June
2 thirtieth, two thousand [sixteen] seventeen; and (iv) no in-home simul-
3 casting in the thoroughbred special betting district shall occur without
4 the approval of the regional thoroughbred track.

5 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
6 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
7 section 2 of part NN of chapter 59 of the laws of 2015, is amended to
8 read as follows:

9 (iii) Of the sums retained by a receiving track located in Westchester
10 county on races received from a franchised corporation, for the period
11 commencing January first, two thousand eight and continuing through June
12 thirtieth, two thousand [sixteen] seventeen, the amount used exclusively
13 for purses to be awarded at races conducted by such receiving track
14 shall be computed as follows: of the sums so retained, two and one-half
15 percent of the total pools. Such amount shall be increased or decreased
16 in the amount of fifty percent of the difference in total commissions
17 determined by comparing the total commissions available after July twen-
18 ty-first, nineteen hundred ninety-five to the total commissions that
19 would have been available to such track prior to July twenty-first,
20 nineteen hundred ninety-five.

21 § 3. The opening paragraph of subdivision 1 of section 1014 of the
22 racing, pari-mutuel wagering and breeding law, as amended by section 3
23 of part NN of chapter 59 of the laws of 2015, is amended to read as
24 follows:

25 The provisions of this section shall govern the simulcasting of races
26 conducted at thoroughbred tracks located in another state or country on
27 any day during which a franchised corporation is conducting a race meet-
28 ing in Saratoga county at Saratoga thoroughbred racetrack until June

1 thirtieth, two thousand [sixteen] seventeen and on any day regardless of
2 whether or not a franchised corporation is conducting a race meeting in
3 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,
4 two thousand [sixteen] seventeen. On any day on which a franchised
5 corporation has not scheduled a racing program but a thoroughbred racing
6 corporation located within the state is conducting racing, every off-
7 track betting corporation branch office and every simulcasting facility
8 licensed in accordance with section one thousand seven (that have
9 entered into a written agreement with such facility's representative
10 horsemen's organization, as approved by the commission), one thousand
11 eight, or one thousand nine of this article shall be authorized to
12 accept wagers and display the live simulcast signal from thoroughbred
13 tracks located in another state or foreign country subject to the
14 following provisions:

15 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
16 and breeding law, as amended by section 4 of part NN of chapter 59 of
17 the laws of 2015, is amended to read as follows:

18 1. The provisions of this section shall govern the simulcasting of
19 races conducted at harness tracks located in another state or country
20 during the period July first, nineteen hundred ninety-four through June
21 thirtieth, two thousand [sixteen] seventeen. This section shall super-
22 sede all inconsistent provisions of this chapter.

23 § 5. The opening paragraph of subdivision 1 of section 1016 of the
24 racing, pari-mutuel wagering and breeding law, as amended by section 5
25 of part NN of chapter 59 of the laws of 2015, is amended to read as
26 follows:

27 The provisions of this section shall govern the simulcasting of races
28 conducted at thoroughbred tracks located in another state or country on

1 any day during which a franchised corporation is not conducting a race
2 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
3 thirtieth, two thousand [sixteen] seventeen. Every off-track betting
4 corporation branch office and every simulcasting facility licensed in
5 accordance with section one thousand seven that have entered into a
6 written agreement with such facility's representative horsemen's organ-
7 ization as approved by the commission, one thousand eight or one thou-
8 sand nine of this article shall be authorized to accept wagers and
9 display the live full-card simulcast signal of thoroughbred tracks
10 (which may include quarter horse or mixed meetings provided that all
11 such wagering on such races shall be construed to be thoroughbred races)
12 located in another state or foreign country, subject to the following
13 provisions; provided, however, no such written agreement shall be
14 required of a franchised corporation licensed in accordance with section
15 one thousand seven of this article:

16 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
17 wagering and breeding law, as amended by section 6 of part NN of chapter
18 59 of the laws of 2015, is amended to read as follows:

19 Notwithstanding any other provision of this chapter, for the period
20 July twenty-fifth, two thousand one through September eighth, two thou-
21 sand [fifteen] sixteen, when a franchised corporation is conducting a
22 race meeting within the state at Saratoga Race Course, every off-track
23 betting corporation branch office and every simulcasting facility
24 licensed in accordance with section one thousand seven (that has entered
25 into a written agreement with such facility's representative horsemen's
26 organization as approved by the commission), one thousand eight or one
27 thousand nine of this article shall be authorized to accept wagers and
28 display the live simulcast signal from thoroughbred tracks located in

1 another state, provided that such facility shall accept wagers on races
2 run at all in-state thoroughbred tracks which are conducting racing
3 programs subject to the following provisions; provided, however, no such
4 written agreement shall be required of a franchised corporation licensed
5 in accordance with section one thousand seven of this article.

6 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
7 racing, pari-mutuel wagering and breeding law and other laws relating
8 to simulcasting, as amended by section 7 of part NN of chapter 59 of the
9 laws of 2015, is amended to read as follows:

10 § 32. This act shall take effect immediately and the pari-mutuel tax
11 reductions in section six of this act shall expire and be deemed
12 repealed on July 1, [2016] 2017; provided, however, that nothing
13 contained herein shall be deemed to affect the application, qualifica-
14 tion, expiration, or repeal of any provision of law amended by any
15 section of this act, and such provisions shall be applied or qualified
16 or shall expire or be deemed repealed in the same manner, to the same
17 extent and on the same date as the case may be as otherwise provided by
18 law; provided further, however, that sections twenty-three and twenty-
19 five of this act shall remain in full force and effect only until May 1,
20 1997 and at such time shall be deemed to be repealed.

21 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
22 racing, pari-mutuel wagering and breeding law and other laws relating to
23 simulcasting and the imposition of certain taxes, as amended by section
24 8 of part NN of chapter 59 of the laws of 2015, is amended to read as
25 follows:

26 § 54. This act shall take effect immediately; provided, however,
27 sections three through twelve of this act shall take effect on January
28 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-

1 ing law, as added by section thirty-eight of this act, shall expire and
2 be deemed repealed on July 1, [2016] 2017; and section eighteen of this
3 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
4 two of this act shall take effect as of the same date as chapter 772 of
5 the laws of 1989 took effect.

6 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
7 pari-mutuel wagering and breeding law, as amended by section 9 of part
8 NN of chapter 59 of the laws of 2015, is amended to read as follows:

9 (a) The franchised corporation authorized under this chapter to
10 conduct pari-mutuel betting at a race meeting or races run thereat shall
11 distribute all sums deposited in any pari-mutuel pool to the holders of
12 winning tickets therein, provided such tickets be presented for payment
13 before April first of the year following the year of their purchase,
14 less an amount which shall be established and retained by such fran-
15 chised corporation of between twelve to seventeen per centum of the
16 total deposits in pools resulting from on-track regular bets, and four-
17 teen to twenty-one per centum of the total deposits in pools resulting
18 from on-track multiple bets and fifteen to twenty-five per centum of the
19 total deposits in pools resulting from on-track exotic bets and fifteen
20 to thirty-six per centum of the total deposits in pools resulting from
21 on-track super exotic bets, plus the breaks. The retention rate to be
22 established is subject to the prior approval of the gaming commission.
23 Such rate may not be changed more than once per calendar quarter to be
24 effective on the first day of the calendar quarter. "Exotic bets" and
25 "multiple bets" shall have the meanings set forth in section five
26 hundred nineteen of this chapter. "Super exotic bets" shall have the
27 meaning set forth in section three hundred one of this chapter. For
28 purposes of this section, a "pick six bet" shall mean a single bet or

1 wager on the outcomes of six races. The breaks are hereby defined as the
2 odd cents over any multiple of five for payoffs greater than one dollar
3 five cents but less than five dollars, over any multiple of ten for
4 payoffs greater than five dollars but less than twenty-five dollars,
5 over any multiple of twenty-five for payoffs greater than twenty-five
6 dollars but less than two hundred fifty dollars, or over any multiple of
7 fifty for payoffs over two hundred fifty dollars. Out of the amount so
8 retained there shall be paid by such franchised corporation to the
9 commissioner of taxation and finance, as a reasonable tax by the state
10 for the privilege of conducting pari-mutuel betting on the races run at
11 the race meetings held by such franchised corporation, the following
12 percentages of the total pool for regular and multiple bets five per
13 centum of regular bets and four per centum of multiple bets plus twenty
14 per centum of the breaks; for exotic wagers seven and one-half per
15 centum plus twenty per centum of the breaks, and for super exotic bets
16 seven and one-half per centum plus fifty per centum of the breaks. For
17 the period June first, nineteen hundred ninety-five through September
18 ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be
19 three per centum and such tax on multiple wagers shall be two and one-
20 half per centum, plus twenty per centum of the breaks. For the period
21 September tenth, nineteen hundred ninety-nine through March thirty-
22 first, two thousand one, such tax on all wagers shall be two and six-
23 tenths per centum and for the period April first, two thousand one
24 through December thirty-first, two thousand [sixteen] seventeen, such
25 tax on all wagers shall be one and six-tenths per centum, plus, in each
26 such period, twenty per centum of the breaks. Payment to the New York
27 state thoroughbred breeding and development fund by such franchised
28 corporation shall be one-half of one per centum of total daily on-track

1 pari-mutuel pools resulting from regular, multiple and exotic bets and
2 three per centum of super exotic bets provided, however, that for the
3 period September tenth, nineteen hundred ninety-nine through March thir-
4 ty-first, two thousand one, such payment shall be six-tenths of one per
5 centum of regular, multiple and exotic pools and for the period April
6 first, two thousand one through December thirty-first, two thousand
7 [sixteen] seventeen, such payment shall be seven-tenths of one per
8 centum of such pools.

9 § 10. This act shall take effect immediately.

10 PART GG

11 Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivi-
12 sion b of section 1612 of the tax law, as amended by section 1 of part
13 MM of chapter 59 of the laws of 2015, is amended to read as follows:

14 (H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of
15 this subparagraph, the track operator of a vendor track shall be eligi-
16 ble for a vendor's capital award of up to four percent of the total
17 revenue wagered at the vendor track after payout for prizes pursuant to
18 this chapter, which shall be used exclusively for capital project
19 investments to improve the facilities of the vendor track which promote
20 or encourage increased attendance at the video lottery gaming facility
21 including, but not limited to hotels, other lodging facilities, enter-
22 tainment facilities, retail facilities, dining facilities, events
23 arenas, parking garages and other improvements that enhance facility
24 amenities; provided that such capital investments shall be approved by
25 the division, in consultation with the state racing and wagering board,
26 and that such vendor track demonstrates that such capital expenditures

1 will increase patronage at such vendor track's facilities and increase
2 the amount of revenue generated to support state education programs. The
3 annual amount of such vendor's capital awards that a vendor track shall
4 be eligible to receive shall be limited to two million five hundred
5 thousand dollars, except for Aqueduct racetrack, for which there shall
6 be no vendor's capital awards. Except for tracks having less than one
7 thousand one hundred video gaming machines, and except for a vendor
8 track located west of State Route 14 from Sodus Point to the Pennsylv-
9 nia border within New York, each track operator shall be required to
10 co-invest an amount of capital expenditure equal to its cumulative
11 vendor's capital award. For all tracks, except for Aqueduct racetrack,
12 the amount of any vendor's capital award that is not used during any one
13 year period may be carried over into subsequent years ending before
14 April first, two thousand [sixteen] seventeen. Any amount attributable
15 to a capital expenditure approved prior to April first, two thousand
16 [sixteen]seventeen and completed before April first, two thousand [eigh-
17 teen] nineteen; or approved prior to April first, two thousand [twenty]
18 twenty-one and completed before April first, two thousand [twenty-two]
19 twenty-three for a vendor track located west of State Route 14 from
20 Sodus Point to the Pennsylvania border within New York, shall be eligi-
21 ble to receive the vendor's capital award. In the event that a vendor
22 track's capital expenditures, approved by the division prior to April
23 first, two thousand [sixteen] seventeen and completed prior to April
24 first, two thousand [eighteen] nineteen, exceed the vendor track's cumu-
25 lative capital award during the five year period ending April first, two
26 thousand [sixteen] seventeen, the vendor shall continue to receive the
27 capital award after April first, two thousand [sixteen] seventeen until
28 such approved capital expenditures are paid to the vendor track subject

1 to any required co-investment. In no event shall any vendor track that
2 receives a vendor fee pursuant to clause (F) or (G) of this subparagraph
3 be eligible for a vendor's capital award under this section. Any opera-
4 tor of a vendor track which has received a vendor's capital award,
5 choosing to divest the capital improvement toward which the award was
6 applied, prior to the full depreciation of the capital improvement in
7 accordance with generally accepted accounting principles, shall reim-
8 burse the state in amounts equal to the total of any such awards. Any
9 capital award not approved for a capital expenditure at a video lottery
10 gaming facility by April first, two thousand [sixteen] seventeen shall
11 be deposited into the state lottery fund for education aid; and
12 § 2. This act shall take effect immediately.

13 PART HH

14 Section 1. Paragraph b of subdivision 3 of section 97-nnnn of the
15 state finance law, as added by chapter 174 of the laws of 2013, is
16 amended to read as follows:

17 b. ten percent of the moneys in such fund, as attributable to a
18 specific licensed gaming facility, shall be appropriated or transferred
19 from the commercial gaming revenue fund equally between the host munici-
20 pality and host county of such facility.

21 § 2. Clause (G) of subparagraph (ii) of paragraph 1 of subdivision b
22 of section 1612 of the tax law, as added by chapter 174 of the laws of
23 2013, is amended to read as follows:

24 (G) Notwithstanding any provision to the contrary, when a vendor track
25 is located within regions one, two, or five of development zone two as
26 defined by section thirteen hundred ten of the racing, pari-mutuel

1 wagering and breeding law, such vendor track shall receive an additional
2 commission at a rate equal to the percentage of revenue wagered at the
3 vendor track after payout for prizes pursuant to this chapter, which
4 percentage shall be one hundred, less [ten percent] the sum of the
5 percentages of net revenue wagered at the vendor track retained by the
6 commission for operation, administration, and procurement purposes; and
7 [payment of] the vendor's fee, marketing allowance[,] and capital award
8 paid to the vendor track pursuant to this chapter; and the effective tax
9 rate paid on all gross gaming revenue paid by a gaming facility within
10 the same region pursuant to section thirteen hundred fifty-one of the
11 racing, pari-mutuel wagering and breeding law, provided, however, such
12 additional commission shall be applied to revenue wagered at the vendor
13 track after payout for prizes only while a gaming facility in the same
14 region is open and operational pursuant to an operation certificate
15 issued pursuant to section thirteen hundred thirty-one of the racing,
16 pari-mutuel wagering and breeding law. The additional commission set
17 forth in this clause shall be paid to the vendor track within sixty days
18 after the conclusion of the state fiscal year based on the calculated
19 percentage during the previous fiscal year.

20 § 3. This act shall take effect immediately and shall be deemed to
21 have been in full force and effect on and after January 1, 2014.

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

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

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