

DRAFT LBDC

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend the tax law and the state finance law, in
relation to the imposition of an employer compensation
expense tax (Part);

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

1 PART ____

2 Section 1. The tax law is amended by adding a new article 24 to read
3 as follows:

4 ARTICLE 24

5 EMPLOYER COMPENSATION EXPENSE TAX

6 Section 850. Definitions.

7 851. Employer election.

8 852. Imposition and rate of tax.

9 853. Pass through of tax.

10 854. Payment of tax.

11 855. Employee credit.

12 856. Deposit and disposition of revenue.

13 857. Procedural provisions.

14 § 850. Definitions. For purposes of this article:

15 (a) Employer. Employer means an employer that is required by section
16 six hundred seventy-one of this chapter to deduct and withhold tax from
17 wages.

1 (b) Electing employer. Electing employer is an employer that has made
2 the election provided for in section eight hundred fifty-one of this
3 article.

4 (c) Payroll expense. Payroll expense means wages and compensation as
5 defined in sections 3121 and 3231 of the internal revenue code (without
6 regard to section 3121(a)(1) and section 3231(e)(2)(A)(i)), paid to all
7 covered employees.

8 (d) Covered employee. Covered employee means an employee of an elect-
9 ing employer who is required to have amounts withheld under section six
10 hundred seventy-one of this chapter and receives annual wages and
11 compensation from his or her employer of more than forty thousand
12 dollars annually.

13 § 851. Employer election. (a) Any employer who employs covered employ-
14 ees in the state shall be allowed to make an election to be taxed under
15 this article.

16 (b) In order to be effective, the election must be made by (1) unani-
17 mous consent of all owners of the employer at the time the election is
18 made if the employer is not a corporation; or (2) if the employer is a
19 for-profit or not-for-profit corporation, by any officer or manager of
20 the employer who is authorized under the law of the state where the
21 corporation is incorporated or under the employer's organizational docu-
22 ments to make the election and who represents to having such authori-
23 zation under penalty of perjury; or (3) if the employer is a trust, by
24 the unanimous consent of all trustees; or (4) if the employer is a
25 governmental entity, by the chief executive officer of such governmental
26 entity.

27 (c) The election must be made by October first of a calendar year and
28 will take effect for the immediately succeeding calendar year. If an

1 election is made after October first of a calendar year, it will first
2 take effect in the second succeeding calendar year.

3 § 852. Imposition and rate of tax. A tax is hereby imposed on the
4 payroll expense paid by electing employers to covered employees. For two
5 thousand nineteen, the tax shall be equal to one and one-half percent of
6 the payroll expense paid by electing employers to covered employees
7 during the calendar quarter. For two thousand twenty, the tax shall be
8 equal to three percent of the payroll expense paid by electing employers
9 to covered employees during the calendar quarter. For two thousand twen-
10 ty-one and thereafter, the tax shall be equal to five percent of the
11 payroll expense paid by electing employers to covered employees during
12 the calendar quarter. An electing employer shall only be subject to the
13 tax imposed under this article on the payroll expense paid to any
14 covered employee during the calendar year in excess of forty thousand
15 dollars.

16 § 853. Pass through of tax. An employer cannot deduct from the wages
17 or compensation of an employee any amount that represents all or any
18 portion of the tax imposed on the employer under this article.

19 § 854. Payment of tax. (a) Employers with payroll expense. The tax
20 imposed on the payroll expense of electing employers under section eight
21 hundred fifty-two of this article must be paid at the same time the
22 electing employer is required to remit payments under section six
23 hundred seventy-four of this chapter; provided however, that electing
24 employers subject to the provisions in section nine of this chapter must
25 pay the tax on the payroll expense at the same time as the withholding
26 tax remitted under the electronic payment reporting system and the elec-
27 tronic funds transfer system authorized by section nine of this chapter.

1 (b) Responsible person liability. Any officer, director or employee of
2 a corporation or of a dissolved corporation, any employee of a partner-
3 ship, any employee or manager of a limited liability company, any trus-
4 tee of a trust, or any employee of an individual proprietorship, any
5 partner of a partnership or any member of a limited liability company,
6 who as such officer, director, employee, manager, partner or member is
7 under a duty to act for such corporation, partnership, limited liability
8 company or individual proprietorship in complying with any requirement
9 of this article, shall be jointly and severally liable with the electing
10 employer for any tax, penalty or interest owed under this article.

11 § 855. Employee credit. A covered employee shall be allowed a credit
12 against the tax imposed under article twenty-two of this chapter,
13 computed pursuant to the provisions of subsection (aaaa) of section six
14 hundred six of this chapter.

15 § 856. Deposit and disposition of revenue. All taxes, interest, penal-
16 ties, and fees collected or received by the commissioner under this
17 article shall be deposited and disposed of pursuant to the provisions of
18 section one hundred seventy-one-a of this chapter.

19 § 857. Procedural provisions. (a) General. All provisions of article
20 twenty-two of this chapter will apply to the provisions of this article
21 in the same manner and with the same force and effect as if the language
22 of article twenty-two of this chapter had been incorporated in full into
23 this article and had been specifically adjusted for and expressly
24 referred to the tax imposed by this article, except to the extent that
25 any provision is either inconsistent with a provision of this article or
26 is not relevant to this article. Notwithstanding the preceding
27 sentence, no credit against tax in article twenty-two of this chapter
28 can be used to offset the tax due under this article.

1 (b) Notwithstanding the provisions of section six hundred ninety-seven
2 of this chapter, if the commissioner determines that a person is liable
3 for any tax, penalty or interest under this article pursuant to
4 subsection (b) of section eight hundred fifty-four of this article, upon
5 request in writing of such person, the commissioner shall disclose in
6 writing to such person (1) the name of any other person the commissioner
7 has determined to be liable for such tax, penalty or interest under this
8 article for the electing employer, and (2) whether the commissioner has
9 attempted to collect such tax, penalty or interest from such other
10 person or electing employer, the general nature of such collection
11 activities, and the amount collected.

12 (c) Notwithstanding any other law to the contrary, the commissioner
13 may require that all filings of forms or returns under this article must
14 be filed electronically and all payments of tax must be paid electron-
15 ically. The commissioner may prescribe the methods for quarterly
16 filings by electing employers, including but not limited to, the inclu-
17 sion of specific employee-level detail.

18 § 2. Section 606 of the tax law is amended by adding a new subsection
19 (aaaa) to read as follows:

20 (aaaa) Article twenty-four employee credit. A covered employee of an
21 electing employer shall be entitled to a credit against the tax imposed
22 by this article as provided in this subsection. For purposes of this
23 subsection the terms "covered employee" and "electing employer" shall
24 have the same meanings as under section eight hundred fifty of this
25 chapter. (1) For two thousand nineteen, the credit shall be equal to
26 the product of (i) the covered employee's wages and compensation in
27 excess of forty thousand dollars received during the tax year from the
28 covered employer that are subject to tax under this article and (ii) one

1 and one-half percent and (iii) the result of one minus a fraction, the
2 numerator of which shall be the tax imposed on the covered employee as
3 determined pursuant to section six hundred one of this article before
4 the application of any credits for the applicable tax year and the
5 denominator of which shall be the covered employee's taxable income as
6 determined pursuant to this article for the applicable tax year. (2) For
7 two thousand twenty, the credit shall be equal to the product of (i) the
8 covered employee's wages and compensation in excess of forty thousand
9 dollars received during the tax year from the covered employer that are
10 subject to tax under this article and (ii) three percent and (iii) the
11 result of one minus a fraction, the numerator of which shall be the tax
12 imposed on the covered employee as determined pursuant to section six
13 hundred one of this article before the application of any credits for
14 the applicable tax year and the denominator of which shall be the
15 covered employee's taxable income as determined pursuant to this article
16 for the applicable tax year. (3) For two thousand twenty-one and there-
17 after, the credit shall be equal to the product of (i) the covered
18 employee's wages and compensation in excess of forty thousand dollars
19 received during the tax year from the covered employer that are subject
20 to tax under this article and (ii) five percent and (iii) the result of
21 one minus a fraction, the numerator of which shall be the tax imposed on
22 the covered employee as determined pursuant to section six hundred one
23 of this article before the application of any credits for the applicable
24 tax year and the denominator of which shall be the covered employee's
25 taxable income as determined pursuant to this article for the applicable
26 tax year. If the amount of the credit allowable under this subsection
27 for any taxable year shall exceed the taxpayer's tax for such year, the
28 excess allowed for a taxable year may be carried over to the following

1 year or years and may be deducted from the taxpayer's tax for such year
2 or years.

3 § 3. Subdivision 1 of section 171-a of the tax law, as amended by
4 section 15 of part AAA of chapter 59 of the laws of 2017, is amended to
5 read as follows:

6 1. All taxes, interest, penalties and fees collected or received by
7 the commissioner or the commissioner's duly authorized agent under arti-
8 cles nine (except section one hundred eighty-two-a thereof and except as
9 otherwise provided in section two hundred five thereof), nine-A,
10 twelve-A (except as otherwise provided in section two hundred eighty-
11 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
12 section three hundred twelve thereof), eighteen, nineteen, twenty
13 (except as otherwise provided in section four hundred eighty-two there-
14 of), twenty-B, twenty-one, twenty-two, twenty-four, twenty-six, twenty-
15 eight (except as otherwise provided in section eleven hundred two or
16 eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one
17 (except as otherwise provided in section fourteen hundred twenty-one
18 thereof), thirty-three and thirty-three-A of this chapter shall be
19 deposited daily in one account with such responsible banks, banking
20 houses or trust companies as may be designated by the comptroller, to
21 the credit of the comptroller. Such an account may be established in one
22 or more of such depositories. Such deposits shall be kept separate and
23 apart from all other money in the possession of the comptroller. The
24 comptroller shall require adequate security from all such depositories.
25 Of the total revenue collected or received under such articles of this
26 chapter, the comptroller shall retain in the comptroller's hands such
27 amount as the commissioner may determine to be necessary for refunds or
28 reimbursements under such articles of this chapter out of which amount

1 the comptroller shall pay any refunds or reimbursements to which taxpay-
2 ers shall be entitled under the provisions of such articles of this
3 chapter. The commissioner and the comptroller shall maintain a system of
4 accounts showing the amount of revenue collected or received from each
5 of the taxes imposed by such articles. The comptroller, after reserving
6 the amount to pay such refunds or reimbursements, shall, on or before
7 the tenth day of each month, pay into the state treasury to the credit
8 of the general fund all revenue deposited under this section during the
9 preceding calendar month and remaining to the comptroller's credit on
10 the last day of such preceding month, (i) except that the comptroller
11 shall pay to the state department of social services that amount of
12 overpayments of tax imposed by article twenty-two of this chapter and
13 the interest on such amount which is certified to the comptroller by the
14 commissioner as the amount to be credited against past-due support
15 pursuant to subdivision six of section one hundred seventy-one-c of this
16 article, (ii) and except that the comptroller shall pay to the New York
17 state higher education services corporation and the state university of
18 New York or the city university of New York respectively that amount of
19 overpayments of tax imposed by article twenty-two of this chapter and
20 the interest on such amount which is certified to the comptroller by the
21 commissioner as the amount to be credited against the amount of defaults
22 in repayment of guaranteed student loans and state university loans or
23 city university loans pursuant to subdivision five of section one
24 hundred seventy-one-d and subdivision six of section one hundred seven-
25 ty-one-e of this article, (iii) and except further that, notwithstanding
26 any law, the comptroller shall credit to the revenue arrearage account,
27 pursuant to section ninety-one-a of the state finance law, that amount
28 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-

1 ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest
2 thereon, which is certified to the comptroller by the commissioner as
3 the amount to be credited against a past-due legally enforceable debt
4 owed to a state agency pursuant to paragraph (a) of subdivision six of
5 section one hundred seventy-one-f of this article, provided, however, he
6 shall credit to the special offset fiduciary account, pursuant to
7 section ninety-one-c of the state finance law, any such amount credita-
8 ble as a liability as set forth in paragraph (b) of subdivision six of
9 section one hundred seventy-one-f of this article, (iv) and except
10 further that the comptroller shall pay to the city of New York that
11 amount of overpayment of tax imposed by article nine, nine-A, twenty-
12 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any
13 interest thereon that is certified to the comptroller by the commission-
14 er as the amount to be credited against city of New York warrant
15 judgment debt pursuant to section one hundred seventy-one-l of this
16 article, (v) and except further that the comptroller shall pay to a
17 non-obligated spouse that amount of overpayment of tax imposed by arti-
18 cle twenty-two of this chapter and the interest on such amount which has
19 been credited pursuant to section one hundred seventy-one-c, one hundred
20 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or
21 one hundred seventy-one-l of this article and which is certified to the
22 comptroller by the commissioner as the amount due such non-obligated
23 spouse pursuant to paragraph six of subsection (b) of section six
24 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct
25 a like amount which the comptroller shall pay into the treasury to the
26 credit of the general fund from amounts subsequently payable to the
27 department of social services, the state university of New York, the
28 city university of New York, or the higher education services corpo-

1 ration, or the revenue arrearage account or special offset fiduciary
2 account pursuant to section ninety-one-a or ninety-one-c of the state
3 finance law, as the case may be, whichever had been credited the amount
4 originally withheld from such overpayment, and (vii) with respect to
5 amounts originally withheld from such overpayment pursuant to section
6 one hundred seventy-one-1 of this article and paid to the city of New
7 York, the comptroller shall collect a like amount from the city of New
8 York.

9 § 4. Subdivision 1 of section 171-a of the tax law, as amended by
10 section 16 of part AAA of chapter 59 of the laws of 2017, is amended to
11 read as follows:

12 1. All taxes, interest, penalties and fees collected or received by
13 the commissioner or the commissioner's duly authorized agent under arti-
14 cles nine (except section one hundred eighty-two-a thereof and except as
15 otherwise provided in section two hundred five thereof), nine-A,
16 twelve-A (except as otherwise provided in section two hundred eighty-
17 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
18 section three hundred twelve thereof), eighteen, nineteen, twenty
19 (except as otherwise provided in section four hundred eighty-two there-
20 of), twenty-one, twenty-two, twenty-four, twenty-six, twenty-eight
21 (except as otherwise provided in section eleven hundred two or eleven
22 hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one
23 (except as otherwise provided in section fourteen hundred twenty-one
24 thereof), thirty-three and thirty-three-A of this chapter shall be
25 deposited daily in one account with such responsible banks, banking
26 houses or trust companies as may be designated by the comptroller, to
27 the credit of the comptroller. Such an account may be established in one
28 or more of such depositories. Such deposits shall be kept separate and

1 apart from all other money in the possession of the comptroller. The
2 comptroller shall require adequate security from all such depositories.
3 Of the total revenue collected or received under such articles of this
4 chapter, the comptroller shall retain in the comptroller's hands such
5 amount as the commissioner may determine to be necessary for refunds or
6 reimbursements under such articles of this chapter out of which amount
7 the comptroller shall pay any refunds or reimbursements to which taxpay-
8 ers shall be entitled under the provisions of such articles of this
9 chapter. The commissioner and the comptroller shall maintain a system of
10 accounts showing the amount of revenue collected or received from each
11 of the taxes imposed by such articles. The comptroller, after reserving
12 the amount to pay such refunds or reimbursements, shall, on or before
13 the tenth day of each month, pay into the state treasury to the credit
14 of the general fund all revenue deposited under this section during the
15 preceding calendar month and remaining to the comptroller's credit on
16 the last day of such preceding month, (i) except that the comptroller
17 shall pay to the state department of social services that amount of
18 overpayments of tax imposed by article twenty-two of this chapter and
19 the interest on such amount which is certified to the comptroller by the
20 commissioner as the amount to be credited against past-due support
21 pursuant to subdivision six of section one hundred seventy-one-c of this
22 article, (ii) and except that the comptroller shall pay to the New York
23 state higher education services corporation and the state university of
24 New York or the city university of New York respectively that amount of
25 overpayments of tax imposed by article twenty-two of this chapter and
26 the interest on such amount which is certified to the comptroller by the
27 commissioner as the amount to be credited against the amount of defaults
28 in repayment of guaranteed student loans and state university loans or

1 city university loans pursuant to subdivision five of section one
2 hundred seventy-one-d and subdivision six of section one hundred seven-
3 ty-one-e of this article, (iii) and except further that, notwithstanding
4 any law, the comptroller shall credit to the revenue arrearage account,
5 pursuant to section ninety-one-a of the state finance law, that amount
6 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-
7 ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest
8 thereon, which is certified to the comptroller by the commissioner as
9 the amount to be credited against a past-due legally enforceable debt
10 owed to a state agency pursuant to paragraph (a) of subdivision six of
11 section one hundred seventy-one-f of this article, provided, however, he
12 shall credit to the special offset fiduciary account, pursuant to
13 section ninety-one-c of the state finance law, any such amount credita-
14 ble as a liability as set forth in paragraph (b) of subdivision six of
15 section one hundred seventy-one-f of this article, (iv) and except
16 further that the comptroller shall pay to the city of New York that
17 amount of overpayment of tax imposed by article nine, nine-A, twenty-
18 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any
19 interest thereon that is certified to the comptroller by the commission-
20 er as the amount to be credited against city of New York tax warrant
21 judgment debt pursuant to section one hundred seventy-one-l of this
22 article, (v) and except further that the comptroller shall pay to a
23 non-obligated spouse that amount of overpayment of tax imposed by arti-
24 cle twenty-two of this chapter and the interest on such amount which has
25 been credited pursuant to section one hundred seventy-one-c, one hundred
26 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or
27 one hundred seventy-one-l of this article and which is certified to the
28 comptroller by the commissioner as the amount due such non-obligated

1 spouse pursuant to paragraph six of subsection (b) of section six
2 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct
3 a like amount which the comptroller shall pay into the treasury to the
4 credit of the general fund from amounts subsequently payable to the
5 department of social services, the state university of New York, the
6 city university of New York, or the higher education services corpo-
7 ration, or the revenue arrearage account or special offset fiduciary
8 account pursuant to section ninety-one-a or ninety-one-c of the state
9 finance law, as the case may be, whichever had been credited the amount
10 originally withheld from such overpayment, and (vii) with respect to
11 amounts originally withheld from such overpayment pursuant to section
12 one hundred seventy-one-1 of this article and paid to the city of New
13 York, the comptroller shall collect a like amount from the city of New
14 York.

15 § 5. Subdivisions 2, 3 and paragraph (a) of subdivision 5 of section
16 92-z of the state finance law, subdivision 2 as amended by section 30 of
17 part T of chapter 57 of the laws of 2007, and subdivision 3 and para-
18 graph (a) of subdivision 5 as added by section 1 of part I of chapter
19 383 of the laws of 2001, are amended to read as follows:

20 2. Such fund shall consist of [twenty-five] (a) fifty percent of
21 receipts from the imposition of personal income taxes pursuant to arti-
22 cle twenty-two of the tax law, less such amounts as the commissioner of
23 taxation and finance may determine to be necessary for refunds, and (b)
24 fifty percent of receipts from the imposition of employer compensation
25 expense taxes pursuant to article twenty-four of the tax law, less such
26 amounts as the commissioner of taxation and finance may determine to be
27 necessary for refunds.

1 3. (a) Beginning on the first day of each month, the comptroller shall
2 deposit all of the receipts collected pursuant to section six hundred
3 seventy-one of the tax law in the revenue bond tax fund until the amount
4 of monthly receipts anticipated to be deposited pursuant to the certif-
5 icate required in paragraph (b) of subdivision five of this section are
6 met. On or before the twelfth day of each month, the commissioner of
7 taxation and finance shall certify to the state comptroller the amounts
8 specified in paragraph (a) of subdivision two of this section relating
9 to the preceding month and, in addition, no later than March thirty-
10 first of each fiscal year the commissioner of taxation and finance shall
11 certify such amounts relating to the last month of such fiscal year. The
12 amounts so certified shall be deposited by the state comptroller in the
13 revenue bond tax fund.

14 (b) Beginning on the first day of each month, the comptroller shall
15 deposit all of the receipts collected pursuant to section eight hundred
16 fifty-four of the tax law in the revenue bond tax fund until the amount
17 of monthly receipts anticipated to be deposited pursuant to the certif-
18 icate required in paragraph (b) of subdivision five of this section are
19 met. On or before the twelfth day of each month, the commissioner of
20 taxation and finance shall certify to the state comptroller the amounts
21 specified in paragraph (b) of subdivision two of this section relating
22 to the preceding month and, in addition, no later than March thirty-
23 first of each fiscal year the commissioner of taxation and finance shall
24 certify such amounts relating to the last month of such fiscal year. The
25 amounts so certified shall be deposited by the state comptroller in the
26 revenue bond tax fund.

27 (a) The state comptroller shall from time to time, but in no event
28 later than the fifteenth day of each month (other than the last month of

1 the fiscal year) and no later than the thirty-first day of the last
2 month of each fiscal year, pay over and distribute to the credit of the
3 general fund of the state treasury all moneys in the revenue bond tax
4 fund, if any, in excess of the aggregate amount required to be set aside
5 for the payment of cash requirements pursuant to paragraph (b) of this
6 subdivision, provided that an appropriation has been made to pay all
7 amounts specified in any certificate or certificates delivered by the
8 director of the budget pursuant to paragraph (b) of this subdivision as
9 being required by each authorized issuer as such term is defined in
10 section sixty-eight-a of this chapter for the payment of cash require-
11 ments of such issuers for such fiscal year. Subject to the rights of
12 holders of debt of the state, in no event shall the state comptroller
13 pay over and distribute any moneys on deposit in the revenue bond tax
14 fund to any person other than an authorized issuer pursuant to such
15 certificate or certificates (i) unless and until the aggregate of all
16 cash requirements certified to the state comptroller as required by such
17 authorized issuers to be set aside pursuant to paragraph (b) of this
18 subdivision for such fiscal year shall have been appropriated to such
19 authorized issuers in accordance with the schedule specified in the
20 certificate or certificates filed by the director of the budget or (ii)
21 if, after having been so certified and appropriated, any payment
22 required to be made pursuant to paragraph (b) of this subdivision has
23 not been made to the authorized issuers which was required to have been
24 made pursuant to such certificate or certificates; provided, however,
25 that no person, including such authorized issuers or the holders of
26 revenue bonds, shall have any lien on moneys on deposit in the revenue
27 bond tax fund. Any agreement entered into pursuant to section sixty-
28 eight-c of this chapter related to any payment authorized by this

1 section shall be executory only to the extent of such revenues available
2 to the state in such fund. Notwithstanding subdivisions two and three of
3 this section, in the event the aggregate of all cash requirements certi-
4 fied to the state comptroller as required by such authorized issuers to
5 be set aside pursuant to paragraph (b) of this subdivision for the
6 fiscal year beginning on April first shall not have been appropriated to
7 such authorized issuers in accordance with the schedule specified in the
8 certificate or certificates filed by the director of the budget or, (ii)
9 if, having been so certified and appropriated, any payment required to
10 be made pursuant to paragraph (b) of this subdivision has not been made
11 pursuant to such certificate or certificates, all receipts collected
12 pursuant to section six hundred seventy-one of the tax law and section
13 eight hundred fifty-four of the tax law shall be deposited in the reven-
14 ue bond tax fund until the greater of [twenty-five] forty percent of the
15 aggregate of the receipts from the imposition of (A) the personal income
16 tax imposed by article twenty-two of the tax law and (B) the employer
17 compensation expense tax imposed by article twenty-four of the tax law
18 for the fiscal year beginning on April first and as specified in the
19 certificate or certificates filed by the director of the budget pursuant
20 to this paragraph or [six] a total of twelve billion dollars has been
21 deposited in the revenue bond tax fund. Notwithstanding any other
22 provision of law, if the state has appropriated and paid to the author-
23 ized issuers the amounts necessary for the authorized issuers to meet
24 their requirements for the current fiscal year pursuant to the certif-
25 icate or certificates submitted by the director of the budget pursuant
26 to paragraph (b) of this section, the state comptroller shall, on the
27 last day of each fiscal year, pay to the general fund of the state all
28 sums remaining in the revenue bond tax fund on such date except such

1 amounts as the director of the budget may certify are needed to meet the
2 cash requirements of authorized issuers during the subsequent fiscal
3 year.

4 § 6. Subdivision 5 of section 68-c of the state finance law, as added
5 by section 2 of part I of chapter 383 of the laws of 2001, is amended to
6 read as follows:

7 5. Nothing contained in this article shall be deemed to restrict the
8 right of the state to amend, repeal, modify or otherwise alter statutes
9 imposing or relating to the taxes imposed pursuant to article twenty-two
10 and article twenty-four of the tax law. The authorized issuers shall not
11 include within any resolution, contract or agreement with holders of the
12 revenue bonds issued under this article any provision which provides
13 that a default occurs as a result of the state exercising its right to
14 amend, repeal, modify or otherwise alter the taxes imposed pursuant to
15 article twenty-two and article twenty-four of the tax law.

16 § 7. This act shall take effect immediately; provided, however, that
17 the amendments to subdivision 1 of section 171-a of the tax law made by
18 section three of this act shall not affect the expiration of such subdi-
19 vision and shall expire therewith, when upon such date the provisions of
20 section four of this act shall take effect.