

FY 2019 NEW YORK STATE EXECUTIVE BUDGET

**REVENUE
ARTICLE VII LEGISLATION**

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Legislative Bill Drafting Commission
12674-01-8

S. -----
Senate

IN SENATE--Introduced by Sen

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

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

BUDGBI

(Enacts into law major components of
legislation which are necessary to
implement the state fiscal plan for
the 2018-2019 state fiscal year)

BUDGBI. REV (Executive)

AN ACT

to amend the real property tax law,
in relation to the annual growth in
STAR benefits (Part A); to amend the
real property tax law, in relation
to making the STAR income verifica-
tion program mandatory; to amend the
tax law, in relation to the calcu-
lation of income for basic STAR
purposes; to repeal subparagraphs
(v) and (vi) of paragraph (b) of
subdivision 4, paragraphs (b) and
(c) of subdivision 5 and paragraph

IN SENATE

Senate introducer's signature

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

s15 Addabbo	s03 Croci	s27 Hoylman	s25 Montgomery	s23 Savino
s52 Akshar	s50 DeFrancisco	s60 Jacobs	s40 Murphy	s41 Serino
s31 Alcantara	s18 Dilan	s09 Kaminsky	s58 O'Mara	s29 Serrano
s46 Amedore	s17 Felder	s26 Kavanagh	s62 Ortt	s51 Seward
s11 Avella	s02 Flanagan	s63 Kennedy	s21 Parker	s16 Stavisky
s36 Bailey	s55 Funke	s34 Klein	s13 Peralta	s35 Stewart-
s30 Benjamin	s59 Gallivan	s28 Krueger	s19 Persaud	Cousins
s42 Bonacic	s12 Gianaris	s24 Lanza	s07 Phillips	s49 Tedisco
s04 Boyle	s22 Golden	s39 Larkin	s61 Ranzenhofer	s53 Valesky
s44 Breslin	s47 Griffo	s01 LaValle	s48 Ritchie	s57 Young
s08 Brooks	s20 Hamilton	s45 Little	s33 Rivera	s32
s38 Carlucci	s06 Hannon	s05 Marcellino	s56 Robach	s37
s14 Comrie	s54 Helming	s43 Marchione	s10 Sanders	

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	a034 DenDekker	a135 Johns	a091 Otis	a022 Solages
a092 Abinanti	a070 Dickens	a115 Jones	a132 Palmesano	a114 Stec
a084 Arroyo	a054 Dilan	a077 Joyner	a002 Palumbo	a110 Steck
a035 Aubry	a081 Dinowitz	a040 Kim	a088 Paulin	a127 Stirpe
a120 Barclay	a147 DiPietro	a131 Kolb	a009 Pellegrino	a071 Taylor
a030 Barnwell	a016 D'Urso	a105 Lalor	a141 Peoples-	a001 Thiele
a106 Barrett	a004 Englebright	a013 Lavine	Stokes	a061 Titone
a060 Barron	a133 Errigo	a134 Lawrence	a058 Perry	a031 Titus
a082 Benedetto	a109 Fahy	a050 Lentol	a023 Pheffer	a033 Vanel
a042 Bichotte	a126 Finch	a125 Lifton	Amato	a055 Walker
a079 Blake	a008 Fitzpatrick	a123 Lupardo	a086 Pichardo	a143 Wallace
a117 Blankenbush	a124 Friend	a121 Magee	a089 Pretlow	a112 Walsh
a098 Brabenc	a095 Galef	a129 Magnarelli	a073 Quart	a146 Walter
a026 Braunstein	a137 Gantt	a064 Malliotakis	a019 Ra	a041 Weinstein
a119 Brindisi	a007 Garbarino	a090 Mayer	a012 Raia	a024 Weprin
a138 Bronson	a148 Giglio	a108 McDonald	a006 Ramos	a059 Williams
a093 Buchwald	a066 Glick	a014 McDonough	a043 Richardson	a113 Woerner
a118 Butler	a150 Goodell	a101 Miller, B.	a078 Rivera	a056 Wright
a094 Byrne	a075 Gottfried	a038 Miller, M.G.	a068 Rodriguez	a096 Zebrowski
a103 Cahill	a100 Gunther	a020 Miller, M.L.	a027 Rosenthal, D.	a005
a044 Carroll	a046 Harris	a015 Montesano	a067 Rosenthal, L.	a010
a062 Castorina	a139 Hawley	a136 Morelle	a025 Rozic	a017
a047 Colton	a083 Heastie	a145 Morinello	a149 Ryan	a039
a032 Cook	a028 Hevesi	a057 Mosley	a111 Santabarbara	a074
a085 Crespo	a048 Hikind	a003 Murray	a140 Schimminger	a080
a122 Crouch	a018 Hooper	a065 Niou	a076 Seawright	a102
a021 Curran	a128 Hunter	a037 Nolan	a087 Sepulveda	a107
a063 Cusick	a029 Hyndman	a144 Norris	a052 Simon	a142
a045 Cymbrowitz	a097 Jaffee	a130 Oaks	a036 Simotas	
a053 Davila	a011 Jean-Pierre	a069 O'Donnell	a104 Skartados	
a072 De La Rosa	a116 Jenne	a051 Ortiz	a099 Skoufis	

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).

(c) of subdivision 6 of section 425 of the real property tax law relating to the school tax relief (STAR) exemption; and to repeal section 171-o of the tax law relating to income verification for a city with a population of one million or more (Part B); to amend the real property law, in relation to real property transfer reports (Part C); to amend the real property law, in relation to reports of manufactured housing park owners (Part D); to amend the general municipal law, the education law, the state finance law, the real property tax law and the tax law, in relation to making technical corrections to various statutes impacting property taxes; and to repeal subsection (bbb) of section 606 of the tax law, section 3-d of the general municipal law and section 2023-b of the education law, relating thereto (Part E); to amend the real property tax law, in relation to taxable state land (Part F); to amend the real property tax law, in relation to assessment ceilings; and to amend chapter 475 of the laws of 2013, amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to the effectiveness thereof (Part G); to amend the tax law and the administrative code of the city of New York, in relation to extending the statute of limitations for assessing tax on amended returns (Part H); to amend the tax law, in relation to providing for employee wage reporting consistency between the department of taxation and finance and the department of labor (Part I); to amend the tax law, in relation to sales and compensating use taxes imposed on food and beverages sold by restaurants and similar establishments (Part J); to amend the tax law, in relation to allowing sharing with the comptroller information regarding unwarranted fixed and final debt (Part K); to amend the social services law, in relation to the disclosure of certain information relating to a person receiv-

ing public assistance to the commissioner of taxation and finance (Part L); to amend the tax law, in relation to establishing a conditional tax on carried interest (Part M); to amend the tax law, in relation to permitting the commissioner of taxation and finance to seek judicial review of decisions of the tax appeals tribunal (Part N); to amend the tax law and the administrative code of the city of New York, in relation to the definition of resident for tax purposes of the personal income tax (Part O); to amend the tax law, in relation to the empire state child credit (Part P); to amend the tax law, in relation to extending the hire a veteran credit for an additional two years (Part Q); to amend the labor law and the tax law, in relation to enhancing the New York youth jobs program (Part R); to amend the tax law, in relation to the temporary deferral of certain tax credits (Part S); to amend the tax law, in relation to extending the real estate transfer tax statute of limitations for refunds from two to three years and providing for consistent joint liability treatment within the real estate transfer tax (Part T); to amend the tax law, in relation to the taxation of cigars (Part U); to amend the tax law and the administrative code of the city of New York, in relation to sales and use taxes on gas and electric service; and repealing section 1105-C of the tax law relating thereto (Part V); to amend the tax law, in relation to exempting from sales and use tax certain veterinary drugs and medicines and removing the refund/credit therefor (Part W); to amend the tax law, in relation to providing relief from sales tax liability for certain partners of a limited partnership and members of a limited liability company (Part X); to amend the tax law, in relation to exempting items of food and drink when sold from certain vending machines from the sales and compensating use tax (Part Y); to amend

part A of chapter 61 of the laws of 2017, amending the tax law relating to the imposition of sales and compensating use taxes in certain counties, in relation to extending the revenue distribution provisions for the additional rates of sales and use tax of Genesee, Monroe, Onondaga and Orange counties (Part Z); to amend the tax law, in relation to imposing an internet fairness conformity tax and requiring non-collecting sellers to provide specified information to New York purchasers and to the commissioner of taxation and finance (Part AA); to amend the tax law, in relation to imposing a health tax on vapor products (Part BB); to amend the tax law, in relation to the imposition of an opioid epidemic surcharge; and to amend the state finance law, in relation to establishing the opioid prevention, treatment and recovery account (Part CC); to amend the tax law, in relation to establishing a health-care insurance windfall profit fee (Part DD); to amend the racing, pari-mutuel wagering and breeding law, in relation to adjusting the franchise payment, and authorizing night races under certain circumstances; creating an equine drug testing advisory committee; and providing for the repeal of certain provisions upon the expiration thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to providing funds for the aftercare of retired horses (Part FF); 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 and 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 provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part GG); to amend the state finance law, in relation to the commercial gaming revenue fund; and to repeal subdivision 4 of section 97-nnmn of the state finance law relating to base year gaming revenue (Part HH); and to amend the tax law, in relation to commissions paid to the operator of a video lottery facility; to repeal certain provisions of such law relating thereto; and providing for the repeal of certain provisions upon expiration thereof (Part II)

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

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2018-2019
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through II. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part, 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. Subparagraph (i) of paragraph (a) of subdivision 2 of
14 section 1306-a of the real property tax law, as amended by section 6 of
15 part N of chapter 58 of the laws of 2011, is amended to read as follows:

16 (i) The tax savings for each parcel receiving the exemption authorized
17 by section four hundred twenty-five of this chapter shall be computed by
18 subtracting the amount actually levied against the parcel from the
19 amount that would have been levied if not for the exemption, provided
20 however, that [beginning with] for the two thousand eleven-two thousand
21 twelve through two thousand seventeen-two thousand eighteen school
22 [year] years, the tax savings applicable to any "portion" (which as used
23 herein shall mean that part of an assessing unit located within a school
24 district) shall not exceed the tax savings applicable to that portion in
25 the prior school year multiplied by one hundred two percent, with the
26 result rounded to the nearest dollar; and provided further that begin-

1 ning with the two thousand eighteen-two thousand nineteen school year,
2 the tax savings applicable to any portion shall not exceed the tax
3 savings for the prior year. The tax savings attributable to the basic
4 and enhanced exemptions shall be calculated separately. It shall be the
5 responsibility of the commissioner to calculate tax savings limitations
6 for purposes of this subdivision.

7 § 2. This act shall take effect immediately.

8 PART B

9 Section 1. Subparagraph (ii) of paragraph (b) of subdivision 4 of
10 section 425 of the real property tax law, as amended by section 3 of
11 part E of chapter 83 of the laws of 2002, is amended to read as follows:

12 (ii) The term "income" as used herein shall mean the "adjusted gross
13 income" for federal income tax purposes as reported on the applicant's
14 federal or state income tax return for the applicable income tax year,
15 subject to any subsequent amendments or revisions, reduced by distrib-
16 utions, to the extent included in federal adjusted gross income,
17 received from an individual retirement account and an individual retire-
18 ment annuity; provided that if no such return was filed for the applica-
19 ble income tax year, "income" shall mean the adjusted gross income that
20 would have been so reported if such a return had been filed. Provided
21 further, that effective with exemption applications for final assessment
22 rolls to be completed in two thousand nineteen, where an income-eligi-
23 bility determination is wholly or partly based upon the income of one or
24 more individuals who did not file a return for the applicable income tax
25 year, then in order for the application to be considered complete, each
26 such individual must file a statement with the department showing the

1 source or sources of his or her income for that income tax year, and the
2 amount or amounts thereof, that would have been reported on such a
3 return if one had been filed. Such statement shall be filed at such
4 time, and in such form and manner, as may be prescribed by the depart-
5 ment, and shall be subject to the secrecy provisions of the tax law to
6 the same extent that a personal income tax return would be. The depart-
7 ment shall make such forms and instructions available for the filing of
8 such statements.

9 § 2. Subparagraph (iv) of paragraph (b) of subdivision 4 of section
10 425 of the real property tax law, as amended by chapter 451 of the laws
11 of 2015, is amended to read as follows:

12 (iv) (A) Effective with applications for the enhanced exemption on
13 final assessment rolls to be completed in two thousand [three] nineteen,
14 the application form shall indicate that [the] all owners of the proper-
15 ty and any owners' spouses residing on the premises [may authorize the
16 assessor to] must have their income eligibility verified annually [ther-
17 eafter] by the [state] department [of taxation and finance, in lieu of
18 furnishing copies of the applicable income tax return or returns with
19 the application. If the owners of the property and any owners' spouses
20 residing on the premises elect to participate in this program, which
21 shall be known as the STAR income verification program, they] and must
22 furnish their taxpayer identification numbers in order to facilitate
23 matching with records of the department. [Thereafter, their] The income
24 eligibility of such persons shall be verified annually by the
25 department, and the assessor shall not request income documentation from
26 them[, unless such department advises the assessor that they do not
27 satisfy the applicable income eligibility requirements, or that it is
28 unable to determine whether they satisfy those requirements]. All appli-

1 cants for the enhanced exemption and all assessing units shall be
2 required to participate in this program, which shall be known as the
3 STAR income verification program.

4 (B) Where the commissioner finds that the enhanced exemption should be
5 replaced with a basic exemption because the income limitation applicable
6 to the enhanced exemption has been exceeded, he or she shall provide the
7 property owners with notice and an opportunity to submit to the commis-
8 sioner evidence to the contrary. Where the commissioner finds that the
9 enhanced exemption should be removed or denied without being replaced
10 with a basic exemption because the income limitation applicable to the
11 basic exemption has also been exceeded, he or she shall provide the
12 property owners with notice and an opportunity to submit to the commis-
13 sioner evidence to the contrary. In either case, if the owners fail to
14 respond to such notice within forty-five days from the mailing thereof,
15 or if their response does not show to the commissioner's satisfaction
16 that the property is eligible for the exemption claimed, the commission-
17 er shall direct the assessor or other person having custody or control
18 of the assessment roll or tax roll to either replace the enhanced
19 exemption with a basic exemption, or to remove or deny the enhanced
20 exemption without replacing it with a basic exemption, as appropriate.
21 The commissioner shall further direct such person to correct the roll
22 accordingly. Such a directive shall be binding upon the assessor or
23 other person having custody or control of the assessment roll or tax
24 roll, and shall be implemented by such person without the need for
25 further documentation or approval.

26 (C) Notwithstanding any provision of law to the contrary, neither an
27 assessor nor a board of assessment review has the authority to consider
28 an objection to the replacement or removal or denial of an exemption

1 pursuant to this subdivision, nor may such an action be reviewed in a
2 proceeding to review an assessment pursuant to title one or one-A of
3 article seven of this chapter. Such an action may only be challenged
4 before the department. If a taxpayer is dissatisfied with the depart-
5 ment's final determination, the taxpayer may appeal that determination
6 to the state board of real property tax services in a form and manner to
7 be prescribed by the commissioner. Such appeal shall be filed within
8 forty-five days from the issuance of the department's final determi-
9 nation. If dissatisfied with the state board's determination, the
10 taxpayer may seek judicial review thereof pursuant to article seventy-
11 eight of the civil practice law and rules. The taxpayer shall otherwise
12 have no right to challenge such final determination in a court action,
13 administrative proceeding or any other form of legal recourse against
14 the commissioner, the department, the state board of real property tax
15 services, the assessor or other person having custody or control of the
16 assessment roll or tax roll regarding such action.

17 § 3. Subparagraphs (v) and (vi) of paragraph (b) of subdivision 4 of
18 section 425 of the real property tax law are REPEALED.

19 § 4. Paragraphs (b) and (c) of subdivision 5 of section 425 of the
20 real property tax law are REPEALED.

21 § 5. Paragraph (d) of subdivision 5 of section 425 of the real proper-
22 ty tax law, as amended by section 5 of part E of chapter 83 of the laws
23 of 2002 and subparagraph (i) as further amended by subdivision (b) of
24 section 1 of part W of chapter 56 of the laws of 2010, is amended to
25 read as follows:

26 (d) Third party notice. (i) A senior citizen eligible for the enhanced
27 exemption may request that a notice be sent to an adult third party.
28 Such request shall be made on a form prescribed by the commissioner and

1 shall be submitted to the assessor of the assessing unit in which the
2 eligible taxpayer resides no later than sixty days before the first
3 taxable status date to which it is to apply. Such form shall provide a
4 section whereby the designated third party shall consent to such desig-
5 nation. Such request shall be effective upon receipt by the assessor.
6 The assessor shall maintain a list of all eligible property owners who
7 have requested notices pursuant to this paragraph and shall furnish a
8 copy of such list to the department upon request.

9 (ii) [In the case of a senior citizen who has not elected to partic-
10 ipate in the STAR income verification program, a notice shall be sent to
11 the designated third party at least thirty days prior to each ensuing
12 taxable status date; provided that no such notice need be sent in the
13 first year if the request was not received by the assessor at least
14 sixty days before the applicable taxable status date. Such notice shall
15 read substantially as follows:

16 "On behalf of (identify senior citizen or citizens), you are advised
17 that his, her, or their renewal application for the enhanced STAR
18 exemption must be filed with the assessor no later than (enter date).
19 You are encouraged to remind him, her, or them of that fact, and to
20 offer assistance if needed, although you are under no legal obligation
21 to do so. Your cooperation and assistance are greatly appreciated."

22 (iii) In the case of a senior citizen who has elected to participate
23 in the STAR income verification program, a] A notice shall be sent to
24 the designated third party whenever the assessor or department sends a
25 notice to the senior citizen regarding the possible removal of the
26 enhanced STAR exemption. When the exemption is subject to removal
27 because the commissioner has determined that the income eligibility
28 requirement is not satisfied, such notice shall be sent to the third

1 party by the department. When the exemption is subject to removal
2 because the assessor has determined that any other eligibility require-
3 ment is not satisfied, such notice shall be sent to the third party by
4 the assessor. Such notice shall read substantially as follows:

5 "On behalf of (identify senior citizen or citizens), you are advised
6 that his, her, or their enhanced STAR exemption is at risk of being
7 removed. You are encouraged to make sure that he, she or they are aware
8 of that fact, and to offer assistance if needed, although you are under
9 no legal obligation to do so. Your cooperation and assistance are great-
10 ly appreciated."

11 [(iv)] (iii) The obligation to mail such notices shall cease if the
12 eligible taxpayer cancels the request or ceases to qualify for the
13 enhanced STAR exemption.

14 § 6. Paragraph (c) of subdivision 6 of section 425 of the real proper-
15 ty tax law is REPEALED.

16 § 7. Subdivision 9-b of section 425 of the real property tax law, as
17 added by section 8 of part E of chapter 83 of the laws of 2002 and para-
18 graph (b) as amended by chapter 742 of the laws of 2005 and further
19 amended by subdivision (b) of section 1 of part W of chapter 56 of the
20 laws of 2010, is amended to read as follows:

21 9-b. Duration of exemption; enhanced exemption. (a) [In the case of
22 persons who have elected to participate in the STAR income verification
23 program, the] The enhanced exemption, once granted, shall remain in
24 effect until discontinued in the manner provided in this section.

25 (b) [In the case of persons who have not elected to participate in the
26 STAR income verification program, the enhanced exemption shall apply for
27 a term of one year. To continue receiving such enhanced exemption, a
28 renewal application must be filed annually with the assessor on or

1 before the applicable taxable status date on a form prescribed by the
2 commissioner. Provided, however, that if a renewal application is not so
3 filed, the assessor shall discontinue the enhanced exemption but shall
4 grant the basic exemption, subject to the provisions of subdivision
5 eleven of this section.

6 (c) Whether or not the recipients of an enhanced STAR exemption have
7 elected to participate in the STAR income verification program, the] The
8 assessor [may review their] shall review the continued compliance of
9 recipients of the enhanced exemption with the applicable ownership and
10 residency requirements to the same extent as if they were receiving a
11 basic STAR exemption.

12 [(d) Notwithstanding the foregoing provisions of this subdivision, the
13 enhanced exemption shall be continued without a renewal application as
14 long as the property continues to be eligible for the senior citizens
15 exemption authorized by section four hundred sixty-seven of this title.]

16 § 8. Section 425 of the real property tax law is amended by adding a
17 new subdivision 14-a to read as follows:

18 14-a. Implementation of certain eligibility determinations. When a
19 taxpayer's eligibility for exemption under this section for a school
20 year is affected by a determination made in accordance with subparagraph
21 (iv) of paragraph (b) of subdivision four of this section or paragraph
22 (c) or (d) of subdivision fourteen of this section, and the determi-
23 nation is made after the school district taxes for that school year have
24 been levied, the provisions of this subdivision shall be applicable.

25 (a) If the determination restores or increases the taxpayer's
26 exemption for that school year, the commissioner is authorized to remit
27 the excess directly to the property owner upon receiving confirmation
28 that the taxpayer's original school tax bill has been paid in full. The

1 amounts payable by the commissioner under this paragraph shall be paid
2 from the account established for the payment of STAR benefits to late
3 registrants pursuant to subparagraph (iii) of paragraph (a) of subdivi-
4 sion fourteen of this section. When the commissioner implements the
5 determination in this manner, he or she shall so notify the assessor and
6 county director of real property tax services, but no correction shall
7 be made to the assessment roll or tax roll for that school year, and no
8 refund shall be issued by the school authorities to the property owner
9 or his or her agent for the excessive amount of school taxes paid for
10 that school year.

11 (b) If the determination removes, denies or decreases the taxpayer's
12 exemption for that school year, the commissioner is authorized to
13 collect the shortfall directly from the owners of the property, together
14 with interest, by utilizing any of the procedures for collection, levy,
15 and lien of personal income tax set forth in article twenty-two of the
16 tax law, and any other relevant procedures referenced within the
17 provisions of such article. When the commissioner implements the deter-
18 mination in this manner, he or she shall so notify the assessor and
19 county director of real property tax services, but no correction shall
20 be made to the assessment roll or tax roll for that school year, and no
21 corrected school tax bill shall be sent to the taxpayer for that school
22 year.

23 § 9. Section 171-o of the tax law is REPEALED.

24 § 10. Subparagraph (B) of paragraph 1 of subsection (eee) of section
25 606 of the tax law, as amended by section 8 of part A of chapter 73 of
26 the laws of 2016, is amended to read as follows:

27 (B) "Affiliated income" shall mean for purposes of the basic STAR
28 credit, the combined income of all of the owners of the parcel who

1 resided primarily thereon as of December thirty-first of the taxable
2 year, and of any owners' spouses residing primarily thereon as of such
3 date, and for purposes of the enhanced STAR credit, the combined income
4 of all of the owners of the parcel as of December thirty-first of the
5 taxable year, and of any owners' spouses residing primarily thereon as
6 of such date; provided that for both purposes the income to be so
7 combined shall be the "adjusted gross income" for the taxable year as
8 reported for federal income tax purposes, or that would be reported as
9 adjusted gross income if a federal income tax return were required to be
10 filed, reduced by distributions, to the extent included in federal
11 adjusted gross income, received from an individual retirement account
12 and an individual retirement annuity. For taxable years beginning on
13 and after January first, two thousand nineteen, where an income-eligi-
14 bility determination is wholly or partly based upon the income of one or
15 more individuals who did not file a return pursuant to section six
16 hundred fifty-one of this article for the applicable income tax year,
17 then in order to be eligible for the credit authorized by this
18 subsection, each such individual must file a statement with the depart-
19 ment showing the source or sources of his or her income for that income
20 tax year, and the amount or amounts thereof, that would have been
21 reported on such a return if one had been filed. Such statement shall be
22 filed at such time, and in such form and manner, as may be prescribed by
23 the department, and shall be subject to the provisions of section six
24 hundred ninety-seven of this article to the same extent that a return
25 would be. The department shall make such forms and instructions avail-
26 able for the filing of such statements. Provided further, that if the
27 qualified taxpayer was an owner of the property during the taxable year
28 but did not own it on December thirty-first of the taxable year, then

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

6 § 11. No application for an enhanced exemption on a final assessment
7 roll to be completed in 2019 may be approved if the applicants have not
8 enrolled in the STAR income verification program established by subpara-
9 graph (iv) of paragraph (b) of subdivision 4 of section 425 of the real
10 property tax law as amended by section two of this act, regardless of
11 when the application was filed. The assessor shall notify such appli-
12 cants that participation in that program has become mandatory for all
13 applicants and that their applications cannot be approved unless they
14 enroll therein. The commissioner of taxation and finance shall provide
15 a form for assessors to use, at their option, when making this notifica-
16 tion.

17 § 12. This act shall take effect immediately.

18 PART C

19 Section 1. Subdivision 1-e of section 333 of the real property law is
20 amended by adding two new paragraphs ix and x to read as follows:

21 ix. Whenever there has been a transfer or acquisition of a share or
22 shares in a cooperative housing corporation, and such share or shares
23 come with a right to occupy a unit or apartment located in property
24 owned by such corporation, a transfer report must be filed by the trans-
25 feree or transferees directly with the department of taxation and
26 finance, regardless of whether a deed is prepared, delivered or

1 recorded, as set forth in this paragraph. The fee imposed by subdivision
2 three of this section shall not apply to transfer reports filed directly
3 with the department of taxation and finance pursuant to this paragraph.
4 Such report shall be in a form prescribed by the commissioner of taxa-
5 tion and finance, must contain the information required to be included
6 by this subdivision, and in addition, must specify the number of shares
7 being transferred or acquired. When a real estate transfer tax return is
8 filed with such commissioner pursuant to section fourteen hundred nine
9 of the tax law in relation to such property, the report required by this
10 paragraph shall be filed concurrently therewith, but in no event shall
11 the report required by this paragraph be deemed to be a part of such
12 real estate transfer tax return.

13 x. Whenever there has been a transfer or acquisition of a controlling
14 interest in an entity with an interest in real property, a transfer
15 report must be filed by the transferee or transferees directly with the
16 department of taxation and finance, regardless of whether a deed is
17 prepared, delivered or recorded, as set forth in this paragraph. The fee
18 imposed by subdivision three of this section shall not apply to transfer
19 reports filed directly with the department of taxation and finance
20 pursuant to this paragraph. Such report shall be in a form prescribed by
21 the commissioner of taxation and finance, must contain the information
22 required to be included by this subdivision, and in addition, must spec-
23 ify the percentage of the ownership interest being transferred or
24 acquired. The transfer report shall indicate the percentage of the tran-
25 saction that is exempt from the real estate transfer tax as a mere
26 change in identity or form of ownership or organization where there is
27 no change in beneficial ownership pursuant to paragraph six of subdivi-
28 sion (b) of section fourteen hundred five of the tax law, if any. When

1 a real estate transfer tax return is filed with such commissioner pursu-
2 ant to section fourteen hundred nine of the tax law in relation to such
3 property, the report required by this paragraph shall be filed concur-
4 rently therewith, but in no event shall the report required by this
5 paragraph be deemed to be a part of such real estate transfer tax
6 return. For purposes of this paragraph, the terms "controlling interest"
7 and "interest in real property" shall have the same meaning as set forth
8 in section fourteen hundred one of the tax law, provided, however, that
9 the term "interest in real property" shall be limited to interests in
10 real property subject to real property tax assessment such as lands,
11 buildings, structures, and other improvements, and shall not include
12 development rights, air space, or air rights.

13 § 2. This act shall take effect January 1, 2019 and shall apply to
14 transfers and acquisitions occurring on and after such date.

15 PART D

16 Section 1. Subdivision v of section 233 of the real property law, as
17 amended by chapter 566 of the laws of 1996, is amended to read as
18 follows:

19 v. 1. On and after April first, nineteen hundred eighty-nine, the
20 commissioner of housing and community renewal shall have the power and
21 duty to enforce and ensure compliance with the provisions of this
22 section. However, the commissioner shall not have the power or duty to
23 enforce manufactured home park rules and regulations established under
24 subdivision f of this section.

25 2. On or before January first, nineteen hundred eighty-nine, each
26 manufactured home park owner or operator shall file a registration

1 statement with the commissioner and shall thereafter file an annual
2 registration statement on or before January first of each succeeding
3 year, up to and including two thousand eighteen. Thereafter, each manu-
4 factured home park owner or operator shall file quarterly registration
5 statements with the commissioner no later than twenty-one days after the
6 end of each calendar quarter. The commissioner, by regulation, shall
7 provide that such registration statement shall include [only] the names
8 of all persons owning an interest in the park, the names of all tenants
9 of the park, all services provided by the park owner to the tenants, and
10 such other information as the commissioner shall prescribe by regulation
11 after consultation with the commissioner of taxation and finance;
12 provided that in the case of a registration statement for the first
13 calendar quarter of a year, such statement shall also include a copy of
14 all current manufactured home park rules and regulations. The commis-
15 sioner shall provide the commissioner of taxation and finance with a
16 complete copy of each quarterly report no later than fifteen days after
17 the receipt thereof.

18 3. Whenever there shall be a violation of this section, an application
19 may be made by the commissioner of housing and community renewal in the
20 name of the people of the state of New York to a court or justice having
21 jurisdiction by a special proceeding to issue an injunction, and upon
22 notice to the defendant of not less than five days, to enjoin and
23 restrain the continuance of such violation; and if it shall appear to
24 the satisfaction of the court or justice that the defendant has, in
25 fact, violated this section, an injunction may be issued by such court
26 or justice, enjoining and restraining any further violation and with
27 respect to this subdivision, directing the filing of a registration
28 statement. In any such proceeding, the court may make allowances to the

1 commissioner of housing and community renewal of a sum not exceeding two
2 thousand dollars against each defendant, and direct restitution. When-
3 ever the court shall determine that a violation of this section has
4 occurred, the court may impose a civil penalty of not more than one
5 thousand five hundred dollars for each violation. Such penalty shall be
6 deposited in the manufactured home cooperative fund, created pursuant to
7 section fifty-nine-h of the private housing finance law. In connection
8 with any such proposed application, the commissioner of housing and
9 community renewal is authorized to take proof and make a determination
10 of the relevant facts and to issue subpoenas in accordance with the
11 civil practice law and rules. The provisions of this subdivision shall
12 not impair the rights granted under subdivision u of this section.

13 § 2. This act shall take effect immediately.

14 PART E

15 Section 1. Subsection (bbb) of section 606 of the tax law is REPEALED.

16 § 1-a. Section 3-d of the general municipal law is REPEALED.

17 § 1-b. Section 2023-b of the education law is REPEALED.

18 § 2. The general municipal law is amended by adding a new section 3-d
19 to read as follows:

20 § 3-d. Certification of compliance with tax levy limit. 1. Upon the
21 adoption of the budget of a local government unit, the chief executive
22 officer or budget officer of such local government unit shall certify to
23 the state comptroller and the commissioner of taxation and finance that
24 the budget so adopted does not exceed the tax levy limit prescribed in
25 section three-c of this article and, if the governing body of the local
26 government unit did enact a local law or approve a resolution to over-

1 ride the tax levy limit, that such local law or resolution was subse-
2 quently repealed. Such certification shall be made in a form and manner
3 prescribed by the state comptroller in consultation with the commission-
4 er of taxation and finance.

5 2. Notwithstanding any other law to the contrary, if such a certif-
6 ication has been made and the actual tax levy of the local government
7 unit exceeds the applicable tax levy limit, the excess amount shall be
8 placed in reserve and used in the manner prescribed by subdivision six
9 of section three-c of this article, even if a tax levy in excess of the
10 tax levy limit had been authorized for the applicable fiscal year by a
11 duly adopted local law or resolution.

12 3. Notwithstanding any provision of law to the contrary, every local
13 government unit shall report both its proposed budget and its adopted
14 budget to the office of the state comptroller at the time and in the
15 manner as he or she may prescribe, whether or not such budget has been
16 or will be certified as provided by this subdivision.

17 § 3. The education law is amended by adding a new section 2023-b to
18 read as follows:

19 § 2023-b. Certification of compliance with tax levy limit. 1. Upon
20 the adoption of the budget of an eligible school district, the chief
21 executive officer of such school district shall certify to the state
22 comptroller, the commissioner of taxation and finance and the commis-
23 sioner that the budget so adopted does not exceed the tax levy limit
24 prescribed by section two thousand twenty-three-a of this part. Such
25 certification shall be made in a form and manner prescribed by the state
26 comptroller in consultation with the commissioner of taxation and
27 finance and the commissioner.

1 2. If such a certification has been made and the actual tax levy of
2 the school district exceeds the applicable tax levy limit, the excess
3 amount shall be placed in reserve and used in the manner prescribed by
4 subdivision five of section two thousand twenty-three-a of this part,
5 even if a tax levy in excess of the tax levy limit had been duly author-
6 ized for the applicable fiscal year by the school district voters.

7 3. Notwithstanding any provision of law to the contrary, every school
8 district that is subject to the provisions of section two thousand twen-
9 ty-three-a of this part shall report both its proposed budget and its
10 adopted budget to the office of the state comptroller and the commis-
11 sioner at the time and in the manner as they may prescribe, whether or
12 not such budget has been or will be certified as provided by this subdi-
13 vision.

14 § 4. Subdivision 3 of section 97-rrr of the state finance law, as
15 amended by section 1 of part F of chapter 59 of the laws of 2015, is
16 amended to read as follows:

17 3. The monies in such fund shall be appropriated for school property
18 tax exemptions granted pursuant to the real property tax law and payable
19 pursuant to section thirty-six hundred nine-e of the education law[, and
20 for payments to the city of New York pursuant to section fifty-four-f of
21 this chapter].

22 § 5. Section 925-b of the real property tax law, as amended by chapter
23 161 of the laws of 2006, is amended to read as follows:

24 § 925-b. Extension; certain persons sixty-five years of age or over.
25 Notwithstanding any contrary provision of this chapter, or any general,
26 special or local law, code or charter, the governing body of a municipal
27 corporation other than a county may, by resolution adopted prior to the
28 levy of any taxes on real property located within such municipal corpo-

1 ration, authorize an extension of no more than five business days for
2 the payment of taxes without interest or penalty to any resident of such
3 municipal corporation who has received an exemption pursuant to subdivi-
4 sion four of section four hundred twenty-five or four hundred sixty-sev-
5 en of this chapter, or a credit pursuant to subsection (eee) of section
6 six hundred six of the tax law, related to a principal residence located
7 within such municipal corporation. If such an extension is granted, and
8 any taxes are not paid by the final date so provided, those taxes shall
9 be subject to the same interest and penalties that would have applied if
10 no extension had been granted.

11 § 6. Paragraph (d) of subdivision 1 of section 928-a of the real prop-
12 erty tax law is relettered paragraph (f) and two new paragraphs (d) and
13 (e) are added to read as follows:

14 (d) If the taxes of a city, town, village or school district are
15 collected by a county official, the county shall have the sole authority
16 to establish a partial payment program pursuant to this section with
17 respect to the taxes so collected.

18 (e) If the taxes of a city, town, village or school district are not
19 collected by a county official, but its tax bills are prepared by the
20 county, or its tax collection accounting software is provided by the
21 county, then before the city, town, village or school district may
22 implement a partial payment program pursuant to this section, it must
23 obtain written approval of the chief executive officer of the county or
24 the county director of real property tax services.

25 § 7. Subparagraph (B) of paragraph 7 of subsection (eee) of section
26 606 of the tax law, as amended by section 1 of part G of chapter 59 of
27 the laws of 2017, is amended to read as follows:

1 (B) Notwithstanding any provision of law to the contrary, the names
2 and addresses of individuals who have applied for or are receiving the
3 credit authorized by this subsection may be disclosed to assessors
4 [and], county directors of real property tax services, and municipal tax
5 collecting officers. In addition, where an agreement is in place between
6 the commissioner and the head of the tax department of another state,
7 such information may be disclosed to such official or his or her desig-
8 nees. Such information shall be considered confidential and shall not be
9 subject to further disclosure pursuant to the freedom of information law
10 or otherwise.

11 § 7-a. Paragraph (g) of subdivision 2 of section 425 of the real prop-
12 erty tax law, as added by section 1 of part B of chapter 389 of the laws
13 of 1997 and as further amended by subdivision (b) of section 1 of part W
14 of chapter 56 of the laws of 2010, is amended to read as follows:

15 (g) Computation and certification by commissioner. It shall be the
16 responsibility of the commissioner to compute the exempt amount for each
17 assessing unit in each county in the manner provided herein, and to
18 certify the same to the assessor of each assessing unit and to the coun-
19 ty director of real property tax services of each county. Such certif-
20 ication shall be made at least twenty days before the last date
21 prescribed by law for the filing of the tentative assessment roll.
22 Provided, however, that where school taxes are levied on a prior year
23 assessment roll, or on a final assessment roll that was filed more than
24 one year after the tentative roll was filed, such certification shall be
25 made no later than fifteen days after the publication of the data needed
26 to compute the base figure for the enhanced STAR exemption pursuant to
27 clause (A) of subparagraph (vi) of paragraph (b) of this subdivision,
28 and provided further, that upon receipt of such certification, the

1 assessor shall thereupon be authorized and directed to correct the
2 assessment roll to reflect the exempt amount so certified, or, if anothe-
3 er person has custody or control of the assessment roll, to direct that
4 person to make the appropriate corrections.

5 § 8. Paragraph 6 of subsection (eee) of section 606 of the tax law is
6 amended by adding a new subparagraph (A) to read as follows:

7 (A) A married couple may not receive a credit pursuant to this
8 subsection on more than one residence during any given taxable year,
9 unless living apart due to legal separation. Nor may a married couple
10 receive a credit pursuant to this subsection on one residence while
11 receiving an exemption pursuant to section four hundred twenty-five of
12 the real property tax law on another residence, unless living apart due
13 to legal separation.

14 § 9. This act shall take effect immediately; provided, however, that
15 section 3-d of the general municipal law, as added by section two of
16 this act, shall expire and be deemed repealed on the same date and in
17 the same manner as section 1 of part A of chapter 97 of the laws of
18 2011, expires and is deemed repealed, and provided that section 2023-b
19 of the education law, as added by section three of this act, shall
20 expire and be deemed repealed on the same date and in the same manner as
21 section 2 of part A of chapter 97 of the laws of 2011, expires and is
22 deemed repealed, and provided further that the amendments to paragraph 6
23 of subsection (eee) of section 606 of the tax law made by section eight
24 of this act shall take effect immediately and shall apply to taxable
25 years beginning on or after January 1, 2016.

REPEAL NOTE: Section 606(bbb) of the Tax Law, section 3-d of the
General Municipal Law and section 2023-b of the Education Law collec-
tively constituted the enabling legislation for the tax freeze credit

program. By the terms of those statutes, the tax freeze credit was only applicable to taxable years 2014, 2015 and 2016. Therefore, these provisions no longer serve a purpose, except for the reporting provisions, which facilitate the administration of the tax levy limit program and are being preserved in a reenacted section 3-d of the General Municipal Law and section 2023-b of the Education Law.

1

PART F

2 Section 1. Subdivision 1 of section 544 of the real property tax law,
3 as amended by chapter 18 of the laws of 2008, is amended and a new
4 subdivision 3 is added to read as follows:

5 1. The comptroller shall pay taxes levied on lands of the state in
6 each county pursuant to the foregoing sections of this title, out of
7 moneys appropriated by the legislature therefor, to the county treasurer
8 for appropriate distribution upon submission of a statement of such
9 taxes by him or her in such form and executed in such manner by the
10 county treasurer as may be required by the comptroller. Provided, howev-
11 er, that in the case of lands which are taxable pursuant to subdivision
12 (j) of section five hundred thirty-two of this title, the comptroller
13 shall pay such taxes. Such payment shall be requested, processed and
14 paid separately from all other taxes that are payable to the county
15 treasurer pursuant to this section. Provided further, that on and after
16 April first, two thousand eighteen, once taxes have been paid on a taxa-
17 ble parcel of state land pursuant to this subdivision, the amount of
18 taxes due and payable on that parcel thereafter shall be calculated by
19 the comptroller in accordance with the provisions of subdivision three
20 of this section.

1 3. Notwithstanding any provision of law to the contrary, on and after
2 April first, two thousand eighteen, once taxes have been paid on a taxa-
3 ble parcel of state land pursuant to subdivision one of this section,
4 the comptroller shall thereafter calculate the taxes due and payable on
5 that parcel as follows:

6 (a) In the case of a local government, the taxes so payable shall
7 equal the taxes that were payable on that parcel in the prior fiscal
8 year of the local government multiplied by the allowable levy growth
9 factor. As used in this paragraph, the terms "local government," "prior
10 fiscal year" and "allowable levy growth factor" shall have the same
11 meanings as set forth in section three-c of the general municipal law,
12 provided that if such section is no longer in effect on the date such
13 taxes are paid, such terms shall be deemed to have the meanings set
14 forth in such section as it read on the last date on which it was in
15 effect.

16 (b) In the case of a school district, the taxes so payable shall equal
17 the taxes that were payable on that parcel in the prior school year of
18 the school district multiplied by the allowable levy growth factor. As
19 used in this paragraph, the terms "school district," "prior school year"
20 and "allowable levy growth factor" shall have the same meanings as set
21 forth in section two thousand twenty-three-a of the education law,
22 provided that if such section is no longer in effect on the date such
23 taxes are paid, such terms shall be deemed to have the meanings set
24 forth in such section as it read on the last date on which it was in
25 effect.

26 (c) On or before July first of each year, the comptroller shall calcu-
27 late the amounts of taxes that are due and payable on taxable state land
28 pursuant to this subdivision, and shall notify the commissioner of the

1 amounts so calculated. The commissioner shall thereupon transmit that
2 information to the affected local governments and school districts. The
3 taxes due on such lands shall be paid by the comptroller in the manner
4 provided by subdivision one of this section.

5 (d) The following provisions shall apply to state lands that are
6 subject to the provisions of this subdivision:

7 (i) Such lands shall not be included on the lists of taxable state
8 lands that must be supplied by the commissioner pursuant to section five
9 hundred forty of this title.

10 (ii) The assessments of such lands shall not be reported to the
11 commissioner pursuant to section five hundred forty-two of this title.

12 (iii) The assessments of such lands shall not be subject to the
13 approval of the commissioner pursuant to such section, and shall not be
14 taken into account in the calculation of the taxes due on such lands.

15 (iv) Such lands shall be entered on the exempt portion of the assess-
16 ment roll, notwithstanding the fact that they are taxable pursuant to
17 this title. Provided, that no such entry shall be made in the case of an
18 assessment adjustment made by the commissioner pursuant to paragraph (c)
19 of subdivision three of section five hundred forty-two of this title or
20 section 15-2115 of the environmental conservation law, or in the case of
21 state aid payable pursuant to section five hundred forty-five of this
22 title due to a reduction in the assessment of taxable state land.

23 (v) Such lands shall be disregarded when calculating state equaliza-
24 tion rates and tax rates.

25 (vi) When a school district receives payments of taxes on state lands
26 pursuant to this subdivision, any actual valuation computed for such
27 school district pursuant to paragraph c of subdivision one of section
28 thirty-six hundred two of the education law shall include the actual

1 valuation equivalent of those payments. The commissioner shall determine
2 such actual valuation equivalent by dividing the payment made, as
3 reported to such commissioner by the comptroller, by the school tax rate
4 that was applied to real property on that year's assessment roll or, if
5 applicable, the special apportionment rate determined pursuant to
6 section twelve hundred twenty-seven of this chapter and dividing such
7 result by the final state equalization rate for that roll. The actual
8 valuation equivalent shall be reported to the state comptroller and the
9 commissioner of education, and shall be used by the commissioner of
10 education in the determination of any state average that uses real prop-
11 erty taxes levied against and/or actual valuation based upon the corre-
12 sponding assessment roll. Each school district receiving payments of
13 taxes on state lands pursuant to this subdivision shall annually report
14 those payments to the commissioner of education, with a copy to the
15 commissioner, as a condition to receiving any aid pursuant to section
16 thirty-six hundred two of the education law.

17 (e) The provisions of this subdivision shall not apply to the payment
18 of state aid pursuant to section five hundred forty-five of this title
19 in relation to property that has become exempt from taxation due to its
20 acquisition by the state or an agency of the state.

21 § 2. This act shall take effect immediately.

22 PART G

23 Section 1. Section 4 of chapter 475 of the laws of 2013, amending the
24 real property tax law relating to assessment ceilings for local public
25 utility mass real property, is amended to read as follows:

1 § 4. This act shall take effect on the first of January of the second
2 calendar year commencing after this act shall have become a law and
3 shall apply to assessment rolls with taxable status dates on or after
4 such date; provided, however, that this act shall expire and be deemed
5 repealed [four] eight years after such effective date; and provided,
6 further, that no assessment of local public utility mass real property
7 appearing on the municipal assessment roll with a taxable status date
8 occurring in the first calendar year after this act shall have become a
9 law shall be less than ninety percent or more than one hundred ten
10 percent of the assessment of the same property on the date this act
11 shall have become a law.

12 § 2. Subdivision 3 of section 499-kkkk of the real property tax law,
13 as added by chapter 475 of the laws of 2013, is amended to read as
14 follows:

15 3. (a) For assessment rolls with taxable status dates in each of the
16 three calendar years including and following the year in which this
17 section shall take effect, the commissioner shall establish no assess-
18 ment ceiling that is less than ninety percent or more than one hundred
19 ten percent of the assessment of such local public utility mass real
20 property appearing on the municipal assessment roll with a taxable
21 status date occurring in the second preceding calendar year from when
22 this section shall take effect, except that the commissioner may estab-
23 lish assessment ceilings below the ninety percent level or above the one
24 hundred ten percent level to take into account any change in level of
25 assessment and/or to take into account any additions or retirements to
26 public utility mass real property or litigation affecting the value or
27 taxable status of the local public utility mass real property initiated
28 prior to the effective date of this section.

1 (b) For assessment rolls with taxable status dates in the years two
2 thousand eighteen, two thousand nineteen and two thousand twenty, the
3 commissioner shall establish no assessment ceiling that is below the
4 lower limit or above the upper limit specified in this paragraph, except
5 that the commissioner may establish assessment ceilings below such lower
6 limit or above such upper limit to take into account any change in level
7 of assessment and/or to take into account any additions or retirements
8 to public utility mass real property or litigation affecting the value
9 or taxable status of the local public utility mass real property initi-
10 ated prior to the effective date of this section.

11 (i) For assessment rolls with taxable status dates in two thousand
12 eighteen, the assessment ceiling shall not be less than seventy-five
13 percent or more than one hundred twenty-five percent of the assessment
14 of such local public utility mass real property appearing on the municipi-
15 pal assessment roll with a taxable status date occurring in the year two
16 thousand fourteen.

17 (ii) For assessment rolls with taxable status dates in two thousand
18 nineteen, the assessment ceiling shall not be less than fifty percent or
19 more than one hundred fifty percent of the assessment of such local
20 public utility mass real property appearing on the municipal assessment
21 roll with a taxable status date occurring in the year two thousand four-
22 teen.

23 (iii) For assessment rolls with taxable status dates in two thousand
24 twenty, the assessment ceiling shall not be less than twenty-five
25 percent or more than one hundred seventy-five percent of the assessment
26 of such local public utility mass real property appearing on the municipi-
27 pal assessment roll with a taxable status date occurring in the year two
28 thousand fourteen.

1 § 3. This act shall take effect immediately, provided, however, that
2 the amendments to subdivision three of section 499-kkkk of the real
3 property tax law made by section two of this act shall not affect the
4 repeal of such section and shall be deemed to be repealed therewith.

5 PART H

6 Section 1. Subsection (c) of section 683 of the tax law is amended by
7 adding a new paragraph 12 to read as follows:

8 (12) Except as otherwise provided in paragraph three of this
9 subsection, or as otherwise provided in this section where a longer
10 period of time may apply, if a taxpayer files an amended return, an
11 assessment of tax (if not deemed to have been made upon the filing of
12 the amended return), including recovery of a previously paid refund,
13 attributable to a change or correction on the amended return from a
14 prior return may be made at any time within three years after such
15 amended return is filed.

16 § 2. Subsection (c) of section 1083 of the tax law is amended by
17 adding a new paragraph 12 to read as follows:

18 (12) Except as otherwise provided in paragraph three of this
19 subsection, or as otherwise provided in this section where a longer
20 period of time may apply, if a taxpayer files an amended return, an
21 assessment of tax (if not deemed to have been made upon the filing of
22 the amended return), including recovery of a previously paid refund,
23 attributable to a change or correction on the amended return from a
24 prior return may be made at any time within three years after such
25 amended return is filed.

1 § 3. Subdivision (c) of section 11-1783 of the administrative code of
2 the city of New York is amended by adding a new paragraph 9 to read as
3 follows:

4 (9) Except as otherwise provided in paragraph three of this subdivi-
5 sion, or as otherwise provided in this section where a longer period of
6 time may apply, if a taxpayer files an amended return, an assessment of
7 tax (if not deemed to have been made upon the filing of the amended
8 return), including recovery of a previously paid refund, attributable to
9 a change or correction on the amended return from a prior return may be
10 made at any time within three years after such amended return is filed.

11 § 4. This act shall take effect immediately and shall apply to amended
12 returns filed on or after the effective date of this act.

13 PART I

14 Section 1. Paragraph 1 of subdivision (d) of section 658 of the tax
15 law, as amended by chapter 166 of the laws of 1991, is amended to read
16 as follows:

17 (1) The commissioner of taxation and finance may prescribe regulations
18 and instructions requiring returns of information to be made and filed
19 on or before February twenty-eighth of each year as to the payment or
20 crediting in any calendar year of amounts of six hundred dollars or more
21 to any taxpayer under this article. Such returns may be required of any
22 person, including lessees or mortgagors of real or personal property,
23 fiduciaries, employers, and all officers and employees of this state, or
24 of any municipal corporation or political subdivision of this state,
25 having the control, receipt, custody, disposal or payment of interest,
26 rents, salaries, wages, premiums, annuities, compensations, remunera-

1 tions, emoluments or other fixed or determinable gains, profits or
2 income, except interest coupons payable to bearer. Information required
3 to be furnished pursuant to paragraph four of subsection (a) of section
4 six hundred seventy-four on a quarterly combined withholding and wage
5 reporting return covering [the last] each calendar quarter of each year
6 and relating to tax withheld on wages paid by an employer to an employee
7 for [the full] each calendar [year] quarter, shall constitute the return
8 of information required to be made under this section with respect to
9 such wages.

10 § 2. Subparagraph (A) of paragraph 4 of subsection (a) of section 674
11 of the tax law, as amended by section 1 of subpart E of part VI of chap-
12 ter 57 of the laws of 2009, is amended to read as follows:

13 (A) All employers described in paragraph one of subsection (a) of
14 section six hundred seventy-one of this part, including those whose
15 wages paid are not sufficient to require the withholding of tax from the
16 wages of any of their employees, all employers required to provide the
17 wage reporting information for the employees described in subdivision
18 one of section one hundred seventy-one-a of this chapter, and all
19 employers liable for unemployment insurance contributions or for
20 payments in lieu of such contributions pursuant to article eighteen of
21 the labor law, shall file a quarterly combined withholding, wage report-
22 ing and unemployment insurance return detailing the preceding calendar
23 quarter's withholding tax transactions, such quarter's wage reporting
24 information, such quarter's withholding reconciliation information, such
25 quarter's unemployment insurance contributions, and such other related
26 information as the commissioner of taxation and finance or the commis-
27 sioner of labor, as applicable, may prescribe. [In addition, the return
28 covering the last calendar quarter of each year shall also include with-

1 holding reconciliation information for such calendar year.] Such returns
2 shall be filed no later than the last day of the month following the
3 last day of each calendar quarter.

4 § 3. Paragraph 3 of subsection (v) of section 685 of the tax law, as
5 amended by chapter 477 of the laws of 1998, is amended to read as
6 follows:

7 (3) Failure to provide complete and correct employee withholding
8 reconciliation information. In the case of a failure by an employer to
9 provide complete and correct [annual] quarterly withholding information
10 relating to individual employees on a quarterly combined withholding,
11 wage reporting and unemployment insurance return covering [the last]
12 each calendar quarter of a year, such employer shall, unless it is shown
13 that such failure is due to reasonable cause and not due to willful
14 neglect, pay a penalty equal to the product of fifty dollars multiplied
15 by the number of employees for whom such information is incomplete or
16 incorrect; provided, however, that if the number of such employees
17 cannot be determined from the quarterly combined withholding, wage
18 reporting and unemployment insurance return, the commissioner may
19 utilize any information in the commissioner's possession in making such
20 determination. The total amount of the penalty imposed pursuant to this
21 paragraph on an employer for any such failure for [the last] each calen-
22 dar quarter of a year shall not exceed ten thousand dollars.

23 § 4. This act shall take effect immediately and shall apply to calen-
24 dar quarters beginning on or after January 1, 2019.

1 Section 1. Paragraph (i) of subdivision (d) of section 1105 of the tax
2 law, as amended by chapter 405 of the laws of 1971 and subparagraph 3 as
3 amended by section 1 of part DD of chapter 407 of the laws of 1999, is
4 amended to read as follows:

5 (i) The receipts from every sale, other than sales for resale, of
6 beer, wine or other alcoholic beverages or any other drink of any
7 nature, or from every sale, other than sales for resale, of food and
8 drink of any nature or of food alone, when sold in or by restaurants,
9 taverns or other establishments in this state, or by caterers, including
10 in the amount of such receipts any cover, minimum, entertainment or
11 other charge made to patrons or customers (except those receipts taxed
12 pursuant to subdivision (f) of this section):

13 (1) in all instances where the sale is for consumption on the premises
14 where sold;

15 (2) in those instances where the vendor or any person whose services
16 are arranged for by the vendor, after the delivery of the food or drink
17 by or on behalf of the vendor for consumption off the premises of the
18 vendor, serves or assists in serving, cooks, heats or provides other
19 services with respect to the food or drink; and

20 (3) in those instances where the sale is made through a vending
21 machine that is activated by use of coin, currency, credit card or debit
22 card (except the sale of drinks in a heated state made through such a
23 vending machine) or is for consumption off the premises of the vendor,
24 except where food (other than sandwiches) or drink or both are (A) sold
25 in an unheated state and, (B) are of a type commonly sold for consump-
26 tion off the premises and in the same form and condition, quantities and
27 packaging, in establishments which are food stores other than those
28 principally engaged in selling foods prepared and ready to be eaten.

1 § 2. This act shall take effect June 1, 2018 and shall apply to sales
2 made on and after such date.

3 PART K

4 Section 1. The tax law is amended by adding a new section 171-z to
5 read as follows:

6 § 171-z. Information sharing with the comptroller regarding unclaimed
7 funds. 1. Notwithstanding any other law, the commissioner is authorized
8 to release to the comptroller information regarding fixed and final
9 unwarranted debts of taxpayers for purposes of collecting unclaimed
10 funds from the comptroller to satisfy fixed and final unwarranted debts
11 owed by taxpayers. For purposes of this section, the term "unwarranted
12 debt" shall mean past-due tax liabilities, including unpaid tax, inter-
13 est and penalty, that the commissioner is required by law to collect and
14 that have become fixed and final such that the taxpayer no longer has
15 any right to administrative or judicial review and a warrant has not
16 been filed; and the term "taxpayer" shall mean any individual, corpo-
17 ration, partnership, limited liability partnership or company, partner,
18 member, manager, sole proprietorship, estate, trust, fiduciary or enti-
19 ty, who or which has been identified as owing taxes to the state. This
20 section shall not be deemed to abrogate or limit in any way the powers
21 and authority of the comptroller to set off debts owed the state from
22 unclaimed funds, under the constitution of the state or any other law.

23 2. The comptroller shall keep all information he or she obtains from
24 the commissioner confidential, and any employee, agent or representative
25 of the comptroller is prohibited from disclosing any taxpayer informa-
26 tion received under this section to anyone other than the commissioner

1 or staff of the department or staff of the department of audit and
2 control for the purposes described in this section.

3 § 2. This act shall take effect immediately.

4 PART L

5 Section 1. Subdivision 2 of section 136 of the social services law, as
6 amended by section 24 of part B of chapter 436 of the laws of 1997, is
7 amended to read as follows:

8 2. All communications and information relating to a person receiving
9 public assistance or care obtained by any social services official,
10 service officer, or employee in the course of his or her work shall be
11 considered confidential and, except as otherwise provided in this
12 section, shall be disclosed only to the commissioner, or his or her
13 authorized representative, the commissioner of labor, or his or her
14 authorized representative, the commissioner of health, or his or her
15 authorized representative, the commissioner of taxation and finance, or
16 his or her authorized representative (other than the disclosure of
17 information that has been prohibited by federal law), the welfare
18 inspector general, or his or her authorized representative, the county
19 board of supervisors, city council, town board or other board or body
20 authorized and required to appropriate funds for public assistance and
21 care in and for such county, city or town or its authorized represen-
22 tative or, by authority of the county, city or town social services
23 official, to a person or agency considered entitled to such information.
24 Nothing herein shall preclude a social services official from report-
25 ing to an appropriate agency or official, including law enforcement
26 agencies or officials, known or suspected instances of physical or

1 mental injury, sexual abuse or exploitation, sexual contact with a minor
2 or negligent treatment or maltreatment of a child of which the official
3 becomes aware in the administration of public assistance and care nor
4 shall it preclude communication with the federal immigration and natur-
5 alization service regarding the immigration status of any individual.

6 § 2. This act shall take effect immediately.

7 PART M

8 Section 1. The tax law is amended by adding a new section 44 to read
9 as follows:

10 § 44. Investment management services. (a) For purposes of this
11 section, the term "investment management services" to a partnership, S
12 corporation or entity includes (1) rendering investment advice regarding
13 the purchase or sale of securities as defined in paragraph two of
14 subsection (c) of section four hundred seventy-five of the internal
15 revenue code without regard to the last sentence thereof, real estate
16 held for rental or investment, interests in partnerships, commodities as
17 defined in paragraph two of subsection (e) of section four hundred
18 seventy-five of the internal revenue code, or options or derivative
19 contracts with respect to any of the foregoing; (2) managing, acquiring,
20 or disposing of any such asset; (3) arranging financing with respect to
21 the acquisition of any such asset; and (4) related activities in support
22 of any service described in paragraphs one, two, or three of this subdi-
23 vision.

24 (b) Special rule for partnerships and S corporations. Notwithstanding
25 any state or federal law to the contrary:

1 (1) where a partner performs investment management services for the
2 partnership, the partner will not be treated as a partner for purposes
3 of this chapter with respect to the amount of the partner's distributive
4 share of income, gain, loss and deduction, including any guaranteed
5 payments, that is in excess of the amount such distributive share would
6 have been if the partner had performed no investment management services
7 for the partnership. Instead, such excess amount shall be treated for
8 purposes of article nine-A of this chapter as a business receipt for
9 services and for purposes of article twenty-two of this chapter as
10 income attributable to a trade, business, profession or occupation.
11 Provided, however, the amount of the distributive share that would have
12 been determined if the partner performed no investment management
13 services shall not be less than zero.

14 (2) where a shareholder performs investment management services for
15 the S corporation, the shareholder will not be treated as a shareholder
16 for purposes of this chapter with respect to the amount of the share-
17 holder's pro rata share of income, gain, loss and deduction that is in
18 excess of the amount such pro rata share would have been if the share-
19 holder had performed no investment management services. Instead, such
20 excess amount shall be treated for purposes of article twenty-two of
21 this chapter as income attributable to a trade, business, profession or
22 occupation. Provided, however, the amount of the pro rata share that
23 would have been determined if the shareholder performed no services
24 shall not be less than zero.

25 (3) A partner or shareholder will not be deemed to be providing
26 investment management services under this section if at least eighty
27 percent of the average fair market value of the assets of the partner-

1 ship or S corporation during the taxable year consist of real estate
2 held for rental or investment.

3 (c) In addition to any other taxes or surcharges imposed pursuant to
4 article nine-A or twenty-two of this chapter, any corporation, partner
5 or shareholder providing investment management services shall be subject
6 to an additional tax, referred to as the "carried interest fairness
7 fee". Such carried interest fairness fee shall be equal to seventeen
8 percent of the excess amount determined pursuant to subdivision (b) of
9 this section; provided, however, (i) in the case of a corporation or
10 shareholder of an S corporation providing such investment management
11 services, such fee shall be equal to seventeen percent of the excess
12 amount apportioned to the state by applying the corporation's or S
13 corporation's apportionment factor determined under section two hundred
14 ten-A of this chapter; (ii) in the case of a nonresident partner provid-
15 ing such investment management services, such fee shall be equal to
16 seventeen percent of the excess amount derived from New York sources as
17 determined under section six hundred thirty-two of this chapter. Such
18 carried interest fairness fee shall be administered in accordance with
19 article nine-A or twenty-two of this chapter, as applicable, until such
20 time as the commissioner of taxation and finance has notified the legis-
21 lative bill drafting commission that federal legislation has been
22 enacted that treats the provision of investment management services for
23 federal tax purposes substantially the same as provided in this section.

24 § 2. Paragraph (a) of subdivision 6 of section 208 of the tax law, as
25 amended by section 5 of part T of chapter 59 of the laws of 2015, is
26 amended to read as follows:

27 (a) (i) The term "investment income" means income, including capital
28 gains in excess of capital losses, from investment capital, to the

1 extent included in computing entire net income, less, (A) in the
2 discretion of the commissioner, any interest deductions allowable in
3 computing entire net income which are directly or indirectly attribut-
4 able to investment capital or investment income, and (B) any net capital
5 gain included in federal taxable income that must be recharacterized as
6 a business receipt pursuant to section forty-four of this chapter;
7 provided, however, that in no case shall investment income exceed entire
8 net income. (ii) If the amount of interest deductions subtracted under
9 subparagraph (i) of this paragraph exceeds investment income, the excess
10 of such amount over investment income must be added back to entire net
11 income. (iii) If the taxpayer's investment income determined without
12 regard to the interest deductions subtracted under subparagraph (i) of
13 this paragraph comprises more than eight percent of the taxpayer's
14 entire net income, investment income determined without regard to such
15 interest deductions cannot exceed eight percent of the taxpayer's entire
16 net income.

17 § 3. Subsection (b) of section 617 of the tax law, as amended by chap-
18 ter 606 of the laws of 1984, is amended to read as follows:

19 (b) Character of items. [Each] Except as provided in section forty-
20 four of this chapter, each item of partnership and S corporation income,
21 gain, loss, or deduction shall have the same character for a partner or
22 shareholder under this article as for federal income tax purposes. Where
23 an item is not characterized for federal income tax purposes, it shall
24 have the same character for a partner or shareholder as if realized
25 directly from the source from which realized by the partnership or S
26 corporation or incurred in the same manner as incurred by the partner-
27 ship or S corporation.

1 § 4. Subsection (d) of section 631 of the tax law, as amended by chap-
2 ter 28 of the laws of 1987, is amended to read as follows:

3 (d) Purchase and sale for own account.-- A nonresident, other than a
4 dealer holding property primarily for sale to customers in the ordinary
5 course of his or her trade or business or a partner or shareholder
6 performing investment management services as described in section
7 forty-four of this chapter, shall not be deemed to carry on a business,
8 trade, profession or occupation in this state solely by reason of the
9 purchase and sale of property or the purchase, sale or writing of stock
10 option contracts, or both, for his own account.

11 § 5. The opening paragraph of subsection (b) of section 632 of the tax
12 law, as amended by chapter 28 of the laws of 1987, is amended to read as
13 follows:

14 [In] Except as otherwise provided in section forty-four of this chap-
15 ter, in determining the sources of a nonresident partner's income, no
16 effect shall be given to a provision in the partnership agreement
17 which--

18 § 6. For taxable years beginning on or after January 1, 2018 and
19 before January 1, 2019, (i) no addition to tax under subsection (c) of
20 section 685 or subsection (c) of section 1085 of the tax law shall be
21 imposed with respect to any underpayment attributable to the amendments
22 made by this act of any estimated taxes that are required to be paid
23 prior to the effective date of this act, provided that the taxpayer
24 timely made those payments; and (ii) the required installment of esti-
25 mated tax described in clause (ii) of subparagraph (B) of paragraph 3 of
26 subsection (c) of section 685 of the tax law, and the exception to addi-
27 tion for underpayment of estimated tax described in paragraph 1 or 2 of
28 subsection (d) of section 1085 of the tax law, in relation to the

1 preceding year's return, shall be calculated as if the amendments made
2 by this act had been in effect for that entire preceding year.

3 § 7. This act shall take effect upon the enactment into law by the
4 states of Connecticut, New Jersey, Massachusetts and Pennsylvania of
5 legislation having substantially the same effect as this act and the
6 enactments by such states have taken effect in each state and shall
7 apply for taxable years beginning on or after such date; provided,
8 however, if the states of Connecticut, New Jersey, Massachusetts and
9 Pennsylvania have already enacted such legislation, this act shall take
10 effect immediately and shall apply for taxable years beginning on or
11 after January 1, 2018; provided further that the commissioner of taxa-
12 tion and finance shall notify the legislative bill drafting commission
13 upon the enactment of such legislation by the states of Connecticut, New
14 Jersey, Massachusetts and Pennsylvania in order that such commission may
15 maintain an accurate and timely effective data base of the official text
16 of the laws of the state of New York in furtherance of effectuating the
17 provisions of section 44 of the legislative law and section 70-b of the
18 public officers law.

19 PART N

20 Section 1. Section 2016 of the tax law, as amended by chapter 401 of
21 the laws of 1987, is amended to read as follows:

22 § 2016. Judicial review. A decision of the tax appeals tribunal, which
23 is not subject to any further administrative review, shall finally and
24 irrevocably decide all the issues which were raised in proceedings
25 before the division of tax appeals upon which such decision is based
26 unless, within four months after notice of such decision is served by

1 the tax appeals tribunal upon every party to the proceeding before such
2 tribunal by certified mail or personal service, the petitioner who
3 commenced the proceeding [petitions] or the commissioner, or both, peti-
4 tion for judicial review in the manner provided by article seventy-eight
5 of the civil practice law and rules, except as otherwise provided in
6 this [section] chapter. Such service by certified mail shall be
7 complete upon deposit of such notice, enclosed in a post-paid properly
8 addressed wrapper, in a post office or official depository under the
9 exclusive care and custody of the United States postal service. [The]
10 Where the petitioner who commenced the proceeding before the division of
11 tax appeals files a petition for judicial review, the petition shall
12 designate the tax appeals tribunal and the commissioner [of taxation and
13 finance] as respondents in the proceeding for judicial review. Where
14 the commissioner files a petition for judicial review, the petition
15 shall designate the tax appeals tribunal and the petitioner who
16 commenced the proceeding before the division of tax appeals as respond-
17 ents in the proceeding for judicial review. The tax appeals tribunal
18 shall not participate in proceedings for judicial review of its deci-
19 sions and such proceedings for judicial review shall be commenced in the
20 appellate division of the supreme court, third department. In all other
21 respects the provisions and standards of article seventy-eight of the
22 civil practice law and rules shall apply. The record to be reviewed in
23 such proceedings for judicial review shall include the determination of
24 the administrative law judge, the decision of the tax appeals tribunal,
25 the stenographic transcript of the hearing before the administrative law
26 judge, the transcript of any oral proceedings before the tax appeals
27 tribunal and any exhibit or document submitted into evidence at any

1 proceeding in the division of tax appeals upon which such decision is
2 based.

3 § 2. This act shall take effect immediately and shall apply to deci-
4 sions and orders issued by the tax appeals tribunal on or after such
5 date.

6 PART O

7 Section 1. Subparagraph (B) of paragraph 1 of subsection (b) of
8 section 605 of the tax law, as amended by chapter 28 of the laws of
9 1987, is amended to read as follows:

10 (B) who [is not domiciled in this state but] maintains a permanent
11 place of abode in this state and spends in the aggregate more than one
12 hundred eighty-three days of the taxable year in this state, whether or
13 not domiciled in this state for any portion of the taxable year, unless
14 such individual is in active service in the armed forces of the United
15 States.

16 § 2. Paragraph 2 of subsection (a) of section 1305 of the tax law, as
17 amended by chapter 225 of the laws of 1977, is amended to read as
18 follows:

19 (2) who [is not domiciled in such city but] maintains a permanent
20 place of abode in such city and spends in the aggregate more than one
21 hundred eighty-three days of the taxable year in such city, whether or
22 not domiciled in this city for any portion of the taxable year, unless
23 such individual is in active service in the armed forces of the United
24 States.

1 § 3. Subparagraph (B) of paragraph 1 of subdivision (b) of section
2 11-1705 of the administrative code of the city of New York, as amended
3 by chapter 333 of the laws of 1987, is amended to read as follows:

4 (B) who [is not domiciled in this city but] maintains a permanent
5 place of abode in this city and spends in the aggregate more than one
6 hundred eighty-three days of the taxable year in this city, whether or
7 not domiciled in this city for any portion of the taxable year, unless
8 such individual is in active service in the armed forces of the United
9 States.

10 § 4. This act shall take effect immediately and shall apply to all
11 taxable years for which the statute of limitations for seeking a refund
12 or assessing additional tax is still open.

13 PART P

14 Section 1. Paragraph (1) of subsection (c-1) of section 606 of the tax
15 law, as amended by section 1 of part L1 of chapter 109 of the laws of
16 2006, is amended to read as follows:

17 (1) A resident taxpayer shall be allowed a credit as provided herein
18 equal to the greater of one hundred dollars times the number of qualify-
19 ing children of the taxpayer or the applicable percentage of the child
20 tax credit allowed the taxpayer under section twenty-four of the inter-
21 nal revenue code for the same taxable year for each qualifying child.
22 Provided, however, in the case of a taxpayer whose federal adjusted
23 gross income exceeds the applicable threshold amount set forth by
24 section 24(b)(2) of the Internal Revenue Code, the credit shall only be
25 equal to the applicable percentage of the child tax credit allowed the
26 taxpayer under section 24 of the Internal Revenue Code for each qualify-

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

8 § 2. This act shall take effect immediately and shall apply to taxable
9 years commencing on or after January 1, 2018.

10 PART Q

11 Section 1. Paragraphs (a) and (b) of subdivision 29 of section 210-B
12 of the tax law, as amended by section 1 of part I of chapter 60 of the
13 laws of 2016, are amended to read as follows:

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

26 (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 [eighteen] twenty; 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 amended by section 2 of part I of chapter 60 of the laws of
16 2016, 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 [nineteen] twenty-one, 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 [eighteen] twenty; 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 amended by section 3 of part I of chapter 60 of the laws of
17 2016, 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 [nineteen] twenty-one, 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
25 the qualified veteran completes one year of employment by the taxpayer.
26 If 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 [eighteen] twenty; 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 R

19 Section 1. Subdivision (c) of section 25-a of the labor law, as
20 amended by section 1 of part AA of chapter 56 of the laws of 2015, is
21 amended to read as follows:

22 (c) A qualified employer shall be entitled to a tax credit equal to
23 (1) [five] seven hundred fifty dollars per month for up to six months
24 for each qualified employee the employer employs in a full-time job or
25 [two] three hundred [fifty] seventy-five dollars per month for up to six
26 months for each qualified employee the employer employs in a part-time

1 job of at least twenty hours per week or ten hours per week when the
2 qualified employee is enrolled in high school full-time, (2) [one thou-
3 sand] fifteen hundred dollars for each qualified employee who is
4 employed for at least an additional six consecutive months by the quali-
5 fied employer in a full-time job or [five] seven hundred fifty dollars
6 for each qualified employee who is employed for at least an additional
7 six consecutive months by the qualified employer in a part-time job of
8 at least twenty hours per week or ten hours per week when the qualified
9 employee is enrolled in high school full-time, and (3) an additional
10 [one thousand] fifteen hundred dollars for each qualified employee who
11 is employed for at least an additional year after the [first year of the
12 employee's employment] completion of the time periods and satisfaction
13 of the conditions set forth in paragraphs one and two of this subdivi-
14 sion by the qualified employer in a full-time job or [five] seven
15 hundred fifty dollars for each qualified employee who is employed for at
16 least an additional year after the [first year of the employee's employ-
17 ment] completion of the time periods and satisfaction of the conditions
18 set forth in paragraphs one and two of this subdivision by the qualified
19 employer in a part-time job of at least twenty hours per week or ten
20 hours per week when the qualified employee is enrolled in high school
21 full time. The tax credits shall be claimed by the qualified employer as
22 specified in subdivision thirty-six of section two hundred ten-B and
23 subsection (tt) of section six hundred six of the tax law.

24 § 2. Subdivisions (d), (e) and (f) of section 25-a of the labor law,
25 subdivisions (d) and (e) as amended by section 1 of subpart A of part N
26 of chapter 59 of the laws of 2017 and subdivision (f) as amended by
27 section 1 of part AA of chapter 56 of the laws of 2015, are amended to
28 read as follows:

1 (d) To participate in the program established under this section, an
2 employer must submit an application (in a form prescribed by the commis-
3 sioner) to the commissioner after January first, two thousand twelve but
4 no later than November thirtieth, two thousand twelve for program one,
5 after January first, two thousand fourteen but no later than November
6 thirtieth, two thousand fourteen for program two, after January first,
7 two thousand fifteen but no later than November thirtieth, two thousand
8 fifteen for program three, after January first, two thousand sixteen but
9 no later than November thirtieth, two thousand sixteen for program four,
10 after January first, two thousand seventeen but no later than November
11 thirtieth, two thousand seventeen for program five, after January first,
12 two thousand eighteen but no later than November thirtieth, two thousand
13 eighteen for program six, after January first, two thousand nineteen but
14 no later than November thirtieth, two thousand nineteen for program
15 seven, after January first, two thousand twenty but no later than Novem-
16 ber thirtieth, two thousand twenty for program eight, after January
17 first, two thousand twenty-one but no later than November thirtieth, two
18 thousand twenty-one for program nine, and after January first, two thou-
19 sand twenty-two but no later than November thirtieth, two thousand twen-
20 ty-two for program ten. The qualified employees must start their employ-
21 ment on or after January first, two thousand twelve but no later than
22 December thirty-first, two thousand twelve for program one, on or after
23 January first, two thousand fourteen but no later than December thirty-
24 first, two thousand fourteen for program two, on or after January first,
25 two thousand fifteen but no later than December thirty-first, two thou-
26 sand fifteen for program three, on or after January first, two thousand
27 sixteen but no later than December thirty-first, two thousand sixteen
28 for program four, on or after January first, two thousand seventeen but

1 no later than December thirty-first, two thousand seventeen for program
2 five, on or after January first, two thousand eighteen but no later than
3 December thirty-first, two thousand eighteen for program six, on or
4 after January first, two thousand nineteen but no later than December
5 thirty-first, two thousand nineteen for program seven, on or after Janu-
6 ary first, two thousand twenty but no later than December thirty-first,
7 two thousand twenty for program eight, on or after January first, two
8 thousand twenty-one but no later than December thirty-first, two thou-
9 sand twenty-one for program nine, and on or after January first, two
10 thousand twenty-two but no later than December thirty-first, two thou-
11 sand twenty-two for program ten. [The commissioner shall establish
12 guidelines and criteria that specify requirements for employers to
13 participate in the program including criteria for certifying qualified
14 employees, ensuring that the process established will minimize any undue
15 delay in issuing the certificate of eligibility. Any regulations that
16 the commissioner determines are necessary may be adopted on an emergency
17 basis notwithstanding anything to the contrary in section two hundred
18 two of the state administrative procedure act. Such requirements may
19 include the types of industries that the employers are engaged in. The
20 commissioner may give preference to employers that are engaged in demand
21 occupations or industries, or in regional growth sectors, including but
22 not limited to those identified by the regional economic development
23 councils, such as clean energy, healthcare, advanced manufacturing and
24 conservation. In addition, the commissioner shall give preference to
25 employers who offer advancement and employee benefit packages to the
26 qualified individuals.] As part of such application, an employer must:

27 (1) agree to allow the department of taxation and finance to share its
28 tax information with the commissioner. However, any information shared

1 as a result of this agreement shall not be available for disclosure or
2 inspection under the state freedom of information law, and

3 (2) allow the commissioner and its agents and the department of taxa-
4 tion and finance and its agents access to any and all books and records
5 of employees the commissioner may require to monitor compliance.

6 (e) If, after reviewing the application submitted by an employer, the
7 commissioner determines that such employer is eligible to participate in
8 the program established under this section, the commissioner shall issue
9 the employer a preliminary certificate of eligibility that establishes
10 the employer as a qualified employer. The preliminary certificate of
11 eligibility shall specify the maximum amount of tax credit that the
12 employer [will] may be allowed to claim and the program year under which
13 it [can] may be claimed. The maximum amount of tax credit the employer
14 is allowed to claim shall be computed as prescribed in subdivision (c)
15 of this section.

16 (f) The commissioner shall annually publish a report. Such report must
17 contain the names and addresses of any employer issued a preliminary
18 certificate of eligibility under this section, [and] the [maximum]
19 amount of New York youth works tax credit allowed to the qualified
20 employer as specified on [such] an annual final certificate of [eligi-
21 bility] tax credit and any other information as determined by the
22 commissioner.

23 § 3. Section 25-a of the labor law is amended by adding three new
24 subdivisions (e-1), (e-2) and (e-3) to read as follows:

25 (e-1)(1) To receive an annual final certificate of tax credit, the
26 qualified employer must annually submit, on or before January thirty-
27 first of the calendar year subsequent to the payment of wages paid to an
28 eligible employee, a report to the commissioner, in a form prescribed by

1 the commissioner. The report must demonstrate that the employer has
2 satisfied all eligibility requirements and provided all the information
3 necessary for the commissioner to compute an actual amount of credit
4 allowed.

5 (2) After reviewing the report and finding it sufficient, the commis-
6 sioner shall issue an annual final certificate of tax credit. Such
7 certificate shall include, in addition to any other information the
8 commissioner determines is necessary, the following information:

9 (i) The name and employer identification number of the qualified
10 employer;

11 (ii) The program year for the corresponding credit award;

12 (iii) The actual amount of credit to which the qualified employer is
13 entitled for that calendar year or the fiscal year in which the annual
14 final certificate is issued, which actual amount cannot exceed the
15 amount of credit listed on the preliminary certificate but may be less
16 than such amount; and

17 (iv) A unique certificate number identifying the annual final certif-
18 icate of tax credit.

19 (e-2) In determining the amount of credit for purposes of the annual
20 final certificate of tax credit, the portion of the credit described in
21 paragraph one of subdivision (c) of this section shall be allowed for
22 the calendar year in which the wages are paid to the qualified employee,
23 the portion of the credit described in paragraph two of subdivision (c)
24 of this section shall be allowed for the calendar year in which the
25 additional six consecutive month period ends, and the portion of the
26 credit described in paragraph three of subdivision (c) of this section
27 shall be allowed for the calendar year in which the additional year of
28 consecutive employment ends after the completion of the time periods and

1 satisfaction of the conditions set forth in paragraphs one and two of
2 subdivision (c) of this section. If the qualified employer's taxable
3 year is a calendar year, the employer shall be entitled to claim the
4 credit as calculated on the annual final certificate of tax credit on
5 the calendar year return for which the annual final certificate of tax
6 credit was issued. If the qualified employer's taxable year is a fiscal
7 year, the employer shall be entitled to claim the credit as calculated
8 on the annual final certificate of tax credit on the return for the
9 fiscal year that encompasses the date on which the annual final certif-
10 icate of tax credit is issued.

11 (e-3) The commissioner shall establish guidelines and criteria that
12 specify requirements for employers to participate in the program includ-
13 ing criteria for certifying qualified employees, and issuing the prelim-
14 inary certificate of eligibility and annual final certificate of tax
15 credit. Any regulations that the commissioner determines are necessary
16 may be adopted on an emergency basis notwithstanding anything to the
17 contrary in section two hundred two of the state administrative proce-
18 dure act. Such requirements may include the types of industries that the
19 employers are engaged in. The commissioner may give preference to
20 employers that are engaged in demand occupations or industries, or in
21 regional growth sectors, including but not limited to those identified
22 by the regional economic development councils, such as clean energy,
23 healthcare, advanced manufacturing and conservation. In addition, the
24 commissioner shall give preference to employers who offer advancement
25 and employee benefit packages to the qualified individuals.

26 § 4. Paragraph (a) of subdivision 36 of section 210-B of the tax law,
27 as amended by section 2 of part AA of chapter 56 of the laws of 2015, is
28 amended to read as follows:

1 (a) A taxpayer that has been certified by the commissioner of labor as
2 a qualified employer pursuant to section twenty-five-a of the labor law
3 shall be allowed a credit against the tax imposed by this article equal
4 to (i) [five] seven hundred fifty dollars per month for up to six months
5 for each qualified employee the employer employs in a full-time job or
6 [two] three hundred [fifty] seventy-five dollars per month for up to six
7 months for each qualified employee the employer employs in a part-time
8 job of at least twenty hours per week or ten hours per week when the
9 qualified employee is enrolled in high school full-time, (ii) [one thou-
10 sand] fifteen hundred dollars for each qualified employee who is
11 employed for at least an additional six consecutive months by the quali-
12 fied employer in a full-time job or [five] seven hundred fifty dollars
13 for each qualified employee who is employed for at least an additional
14 six consecutive months by the qualified employer in a part-time job of
15 at least twenty hours per week or ten hours per week when the qualified
16 employee is enrolled in high school full-time, and (iii) an additional
17 [one thousand] fifteen hundred dollars for each qualified employee who
18 is employed for at least an additional year after the [first year of the
19 employee's employment] completion of the time periods and satisfaction
20 of the conditions set forth in subparagraphs (i) and (ii) of this para-
21 graph by the qualified employer in a full-time job or [five] seven
22 hundred fifty dollars for each qualified employee who is employed for at
23 least an additional year after the [first year of the employee's employ-
24 ment] completion of the time periods and satisfaction of the conditions
25 set forth in subparagraphs (i) and (ii) of this paragraph by the quali-
26 fied employer in a part-time job of at least twenty hours per week or
27 ten hours per week when the qualified employee is enrolled in high
28 school full-time. For purposes of this subdivision, the term "qualified

1 employee" shall have the same meaning as set forth in subdivision (b) of
2 section twenty-five-a of the labor law. The portion of the credit
3 described in subparagraph (i) of this paragraph shall be allowed for the
4 taxable year in which the wages are paid to the qualified employee, the
5 portion of the credit described in subparagraph (ii) of this paragraph
6 shall be allowed in the taxable year in which the additional six month
7 period ends, and the portion of the credit described in subparagraph
8 (iii) of this paragraph shall be allowed in the taxable year in which
9 the additional year after the first year of employment ends.

10 § 5. Paragraph (a) of subdivision 36 of section 210-B of the tax law,
11 as amended by section 4 of this act, is amended to read as follows:

12 (a) A taxpayer that has been certified by the commissioner of labor as
13 a qualified employer pursuant to section twenty-five-a of the labor law
14 and received an annual final certificate of tax credit from such commis-
15 sioner shall be allowed a credit against the tax imposed by this article
16 equal to [(i) seven hundred fifty dollars per month for up to six months
17 for each qualified employee the employer employs in a full-time job or
18 three hundred seventy-five dollars per month for up to six months for
19 each qualified employee the employer employs in a part-time job of at
20 least twenty hours per week or ten hours per week when the qualified
21 employee is enrolled in high school full-time, (ii) fifteen hundred
22 dollars for each qualified employee who is employed for at least an
23 additional six consecutive months by the qualified employer in a full-
24 time job or seven hundred fifty dollars for each qualified employee who
25 is employed for at least an additional six consecutive months by the
26 qualified employer in a part-time job of at least twenty hours per week
27 or ten hours per week when the qualified employee is enrolled in high
28 school full-time, and (iii) an additional fifteen hundred dollars for

1 each qualified employee who is employed for at least an additional year
2 after the completion of the time periods and satisfaction of the condi-
3 tions set forth in subparagraphs (i) and (ii) of this paragraph by the
4 qualified employer in a full-time job or seven hundred fifty dollars for
5 each qualified employee who is employed for at least an additional year
6 after the completion of the time periods and satisfaction of the condi-
7 tions set forth in subparagraphs (i) and (ii) of this paragraph by the
8 qualified employer in a part-time job of at least twenty hours per week
9 or ten hours per week when the qualified employee is enrolled in high
10 school full-time. For purposes of this subdivision, the term "qualified
11 employee" shall have the same meaning as set forth in subdivision (b) of
12 section twenty-five-a of the labor law. The portion of the credit
13 described in subparagraph (i) of this paragraph shall be allowed for the
14 taxable year in which the wages are paid to the qualified employee, the
15 portion of the credit described in subparagraph (ii) of this paragraph
16 shall be allowed in the taxable year in which the additional six month
17 period ends, and the portion of the credit described in subparagraph
18 (iii) of this paragraph shall be allowed in the taxable year in which
19 the additional year after the first year of employment ends] the amount
20 listed on the annual final certificate of tax credit issued by the
21 commissioner of labor pursuant to section twenty-five-a of the labor
22 law. If the qualified employer's taxable year is a calendar year, the
23 employer shall be entitled to claim the credit as calculated on the
24 annual final certificate of tax credit on the calendar year return for
25 which the annual final certificate of tax credit was issued. If the
26 qualified employer's taxable year is a fiscal year, the employer shall
27 be entitled to claim the credit as calculated on the annual final
28 certificate of tax credit on the return for the fiscal year that encom-

1 passes the date on which the annual final certificate of tax credit is
2 issued. For the purposes of this subdivision, the term "qualified
3 employee" shall have the same meaning as set forth in subdivision (b) of
4 section twenty-five-a of the labor law.

5 § 6. Paragraph (c) of subdivision 36 of section 210-B of the tax law,
6 as added by section 17 of part A of chapter 59 of the laws of 2014, is
7 amended to read as follows:

8 (c) The taxpayer [may] shall be required to attach to its tax return
9 its annual final certificate of [eligibility] tax credit issued by the
10 commissioner of labor pursuant to section twenty-five-a of the labor
11 law. In no event shall the taxpayer be allowed a credit greater than the
12 amount of the credit listed on the annual final certificate of [eligi-
13 bility] tax credit. Notwithstanding any provision of this chapter to
14 the contrary, the commissioner and the commissioner's designees may
15 release the names and addresses of any taxpayer claiming this credit and
16 the amount of the credit earned by the taxpayer. Provided, however, if
17 a taxpayer claims this credit because it is a member of a limited
18 liability company or a partner in a partnership, only the amount of
19 credit earned by the entity and not the amount of credit claimed by the
20 taxpayer may be released.

21 § 7. Paragraph 1 of subsection (tt) of section 606 of the tax law, as
22 amended by section 3 of part AA of chapter 56 of the laws of 2015, is
23 amended to read as follows:

24 (1) A taxpayer that has been certified by the commissioner of labor as
25 a qualified employer pursuant to section twenty-five-a of the labor law
26 shall be allowed a credit against the tax imposed by this article equal
27 to (A) [five] seven hundred fifty dollars per month for up to six months
28 for each qualified employee the employer employs in a full-time job or

1 [two] three hundred [fifty] seventy-five dollars per month for up to six
2 months for each qualified employee the employer employs in a part-time
3 job of at least twenty hours per week or ten hours per week when the
4 qualified employee is enrolled in high school full-time, and (B) [one
5 thousand] fifteen hundred dollars for each qualified employee who is
6 employed for at least an additional six consecutive months by the quali-
7 fied employer in a full-time job or [five] seven hundred fifty dollars
8 for each qualified employee who is employed for at least an additional
9 six consecutive months by the qualified employer in a part-time job of
10 at least twenty hours per week or ten hours per week when the qualified
11 employee is enrolled in high school full-time, and (C) an additional
12 [one thousand] fifteen hundred dollars for each qualified employee who
13 is employed for at least an additional year after the [first year of the
14 employee's employment] completion of the time periods and satisfaction
15 of the conditions set forth in subparagraphs A and B of this subsection
16 by the qualified employer in a full-time job or [five] seven hundred
17 fifty dollars for each qualified employee who is employed for at least
18 an additional year after the [first year of the employee's employment]
19 completion of the time periods and satisfaction of the conditions set
20 forth in subparagraphs A and B of this subsection by the qualified
21 employer in a part-time job of at least twenty hours per week or ten
22 hours per week when the qualified employee is enrolled in high school
23 full-time. A taxpayer that is a partner in a partnership, member of a
24 limited liability company or shareholder in an S corporation that has
25 been certified by the commissioner of labor as a qualified employer
26 pursuant to section twenty-five-a of the labor law shall be allowed its
27 pro rata share of the credit earned by the partnership, limited liabil-
28 ity company or S corporation. For purposes of this subsection, the term

1 "qualified employee" shall have the same meaning as set forth in subdi-
2 vision (b) of section twenty-five-a of the labor law. The portion of the
3 credit described in subparagraph (A) of this paragraph shall be allowed
4 for the taxable year in which the wages are paid to the qualified
5 employee, the portion of the credit described in subparagraph (B) of
6 this paragraph shall be allowed in the taxable year in which the addi-
7 tional six month period ends, and the portion of the credit described in
8 subparagraph (C) of this paragraph shall be allowed in the taxable year
9 in which the additional year after the first year of employment ends.

10 § 8. Paragraph 1 of subsection (tt) of section 606 of the tax law, as
11 amended by section 7 of this act, is amended to read as follows:

12 (1) A taxpayer that has been certified by the commissioner of labor as
13 a qualified employer pursuant to section twenty-five-a of the labor law
14 and received an annual final certificate of tax credit from such commis-
15 sioner shall be allowed a credit against the tax imposed by this article
16 equal to [(A) seven hundred fifty dollars per month for up to six months
17 for each qualified employee the employer employs in a full-time job or
18 three hundred seventy-five dollars per month for up to six months for
19 each qualified employee the employer employs in a part-time job of at
20 least twenty hours per week or ten hours per week when the qualified
21 employee is enrolled in high school full-time, and (B) fifteen hundred
22 dollars for each qualified employee who is employed for at least an
23 additional six consecutive months by the qualified employer in a full-
24 time job or seven hundred fifty dollars for each qualified employee who
25 is employed for at least an additional six consecutive months by the
26 qualified employer in a part-time job of at least twenty hours per week
27 or ten hours per week when the qualified employee is enrolled in high
28 school full-time, and (C) an additional fifteen hundred dollars for each

1 qualified employee who is employed for at least an additional year after
2 the completion of the time periods and satisfaction of the conditions
3 set forth in subparagraphs A and B of this subsection by the qualified
4 employer in a full-time job or seven hundred fifty dollars for each
5 qualified employee who is employed for at least an additional year after
6 the completion of the time periods and satisfaction of the conditions
7 set forth in subparagraphs A and B of this subsection by the qualified
8 employer in a part-time job of at least twenty hours per week or ten
9 hours per week when the qualified employee is enrolled in high school
10 full-time] the amount listed on the annual final certificate of tax
11 credit issued by the commissioner of labor pursuant to section twenty-
12 five-a of the labor law. A taxpayer that is a partner in a partnership,
13 member of a limited liability company or shareholder in an S corporation
14 that has [been certified by] received its annual final certificate of
15 tax credit from the commissioner of labor as a qualified employer pursu-
16 ant to section twenty-five-a of the labor law shall be allowed its pro
17 rata share of the credit earned by the partnership, limited liability
18 company or S corporation. [For purposes of this subsection, the term
19 "qualified employee" shall have the same meaning as set forth in subdi-
20 vision (b) of section twenty-five-a of the labor law. The portion of the
21 credit described in subparagraph (A) of this paragraph shall be allowed
22 for the taxable year in which the wages are paid to the qualified
23 employee, the portion of the credit described in subparagraph (B) of
24 this paragraph shall be allowed in the taxable year in which the addi-
25 tional six month period ends, and the portion of the credit described in
26 subparagraph (C) of this paragraph shall be allowed in the taxable year
27 in which the additional year after the first year of employment ends.]
28 If the qualified employer's taxable year is a calendar year, the employ-

1 er shall be entitled to claim the credit as calculated on the annual
2 final certificate of tax credit on the calendar year return for which
3 the annual final certificate of tax credit was issued. If the qualified
4 employer's taxable year is a fiscal year, the employer shall be entitled
5 to claim the credit as calculated on the annual final certificate of tax
6 credit on the return for the fiscal year that encompasses the date on
7 which the annual final certificate of tax credit is issued. For the
8 purposes of this subsection, the term "qualified employee" shall have
9 the same meaning as set forth in subdivision (b) of section
10 twenty-five-a of the labor law.

11 § 9. Paragraph 3 of subsection (tt) of section 606 of the tax law, as
12 added by section 3 of part D of chapter 56 of the laws of 2011, is
13 amended to read as follows:

14 (3) The taxpayer [may] shall be required to attach to its tax return
15 its annual final certificate of [eligibility] tax credit issued by the
16 commissioner of labor pursuant to section twenty-five-a of the labor
17 law. In no event shall the taxpayer be allowed a credit greater than the
18 amount of the credit listed on the annual final certificate of [eligi-
19 bility] tax credit. Notwithstanding any provision of this chapter to the
20 contrary, the commissioner and the commissioner's designees may release
21 the names and addresses of any taxpayer claiming this credit and the
22 amount of the credit earned by the taxpayer. Provided, however, if a
23 taxpayer claims this credit because it is a member of a limited liabil-
24 ity company, a partner in a partnership, or a shareholder in a subchap-
25 ter S corporation, only the amount of credit earned by the entity and
26 not the amount of credit claimed by the taxpayer may be released.

27 § 10. This act shall take effect immediately, provided however that
28 (i) section one of this act shall apply to tax years beginning on or

1 after January 1, 2018; (ii) sections four and seven of this act shall
2 apply to tax years beginning on or after January 1, 2018 and before
3 January 1, 2019; and (iii) sections two, three, five, six, eight, and
4 nine of this act shall take effect January 1, 2019 and shall apply to
5 tax years beginning on or after January 1, 2019.

6

PART S

7 Section 1. Section 33 of the tax law, as added by section 1 of part Y
8 of chapter 57 of the laws of 2010, is amended to read as follows:

9 § 33. Temporary deferral of certain tax credits. 1. (a) For taxable
10 years beginning on or after January first, two thousand [ten] eighteen
11 and before January first, two thousand [thirteen] twenty-one, the excess
12 over two million dollars of the total amount of the tax credits speci-
13 fied in subdivision three of this section that in each of those taxable
14 years would otherwise be used to reduce the taxpayer's tax liability to
15 the amount otherwise specified in this chapter or be refunded or credit-
16 ed as an overpayment will be deferred to and used or refunded in taxable
17 years beginning on or after January first, two thousand [thirteen] twen-
18 ty-one in accordance with the provisions of section thirty-four of this
19 article. Interest shall not be paid on the amounts of credit deferred.

20 (b) To determine the amount of each tax credit allowed for the taxable
21 year to be used, refunded or credited as an overpayment the taxpayer
22 shall multiply the amount of each credit subject to deferral that would
23 have been used, refunded or credited as an overpayment in the absence of
24 this section by a fraction, the numerator of which is two million
25 dollars, and the denominator of which is the total amount of the taxpay-
26 er's credits subject to deferral pursuant to subdivision three of this

1 section that would have been used, refunded or credited as an overpay-
2 ment for the taxable year in the absence of this section. The product is
3 the amount of such credit that is not subject to deferral and thus
4 allowed to be used, refunded or credited as an overpayment for the taxa-
5 ble year.

6 2. Taxpayers shall calculate and make any estimated tax payments
7 required to be made by taking into account the deferral of credits
8 required by this section. Taxpayers shall calculate any mandatory first
9 installment payments made on or after the effective date of this section
10 as if the deferral of credits required by this section had been in
11 effect for the taxable year upon which that installment is based. In
12 addition, for taxable years beginning on or after January first, two
13 thousand [ten] eighteen and before January first, two thousand [eleven]
14 nineteen, (a) no addition to tax under subsection (c) of section six
15 hundred eighty-five of this chapter or subsection (c) of section one
16 thousand eighty-five of this chapter shall be imposed with respect to
17 any underpayment attributable to the deferral required by this section
18 of any estimated taxes that are required to be paid prior to the enact-
19 ment of this section, provided that the taxpayer timely made those
20 payments; and (b) the required installment of estimated tax described in
21 clause (ii) of subparagraph (B) of paragraph three of subsection (c) of
22 section six hundred eighty-five of this chapter, and the exception to
23 addition for underpayment of estimated tax described in paragraph one or
24 two of subsection (d) of section one thousand eighty-five of this chap-
25 ter, in relation to the preceding year's return, shall be calculated as
26 if the deferral required by this section had been in effect for that
27 entire preceding year.

1 3. (a) This section shall apply to the credits allowed under the
2 following provisions in article nine-a of this chapter and any applica-
3 ble counterpart provisions in articles nine, twenty-two, [thirty-two]
4 and thirty-three of this chapter:

5 Section [210(12)] 210-B(1) investment tax credit

6 Section [210(12-B)] 210-B(3) empire zone investment tax credit

7 Section [210(12-C)] 210-B(4) empire zone employment incentive credit

8 Section [210(12-D)] 210-B(2) employment incentive credit

9 Section [210(12-E)] 210-B(7) QETC employment credit

10 Section [210(12-F)] 210-B(8) QETC capital tax credit

11 [Section 210(12-G) QETC facilities, operations, and training credit]

12 Section [210(17)] 210-B(9) special additional mortgage recording tax
13 credit

14 [Section 210(19) empire zone wage tax credit

15 Section 210(20) empire zone capital tax credit]

16 Section [210(21-a)] 210-B(10) credit for servicing certain mortgages

17 Section [210(23)] 210-B(12) credit for employment of persons with
18 disabilities

19 Section [210(24)] 210-B(30) alternative fuels and electric vehicle
20 recharging property credit

21 Section [210(25)] 210-B(13) credit for purchase of an automated
22 external defibrillator

23 Section [210(27)] 210-B(5) QEZE credit for real property taxes

24 Section [210(28)] 210-B(6) QEZE tax reduction credit

25 Section [210(30)] 210-B(15) low income housing credit

26 Section [210(31)] 210-B(16) green building credit

27 Section [210(33)] 210-B(17) brownfield redevelopment tax credit

1 Section [210(34)] 210-B(18) remediated brownfield credit for real
2 property taxes for qualified sites

3 Section [210(35)] 210-B(19) environmental remediation insurance credit
4 Section [210(37)] 210-B(21) security training tax credit
5 [Section 210(37) credit for fuel cell electric generating equipment
6 expenditures]

7 Section [210(38)] 210-B(22) conservation easement tax credit
8 [Section 210(38) empire state commercial production credit]

9 Section [210(38)] 210-B(24) biofuel production credit
10 Section [210(39)] 210-B(25) clean heating fuel credit
11 Section [210(40)] 210-B(26) credit for rehabilitation of historic
12 properties

13 Section [210(40)] 210-B(38) credit for companies who provide transpor-
14 tation to individuals with disabilities

15 Section 210-B(11) agricultural property tax credit
16 Section 210-B(35) economic transformation and facility redevelopment
17 credit

18 Section 210-B(39) alcoholic beverage production credit
19 Section 210-B(40) minimum wage reimbursement credit
20 Section 210-B(41) the tax-free NY area tax elimination credit
21 Section 210-B(43) real property tax credit for manufacturers
22 Section 210-B(44) the tax-free NY area excise tax on telecommunication
23 services credit

24 Section 210-B(47) musical and theatrical production credit
25 Section 210-B(48) workers with disabilities tax credit
26 Section 210-B(51) farm workforce retention credit

27 (b) This section shall also apply to the credits allowed by the
28 following sections:

1 [Section 186-a(9) power for jobs credit]
2 Section 606(g-1) solar energy system equipment credit
3 Section 606(pp) historic homeownership rehabilitation credit
4 Section 1511(k) credit for certain investments in certified capital
5 companies

6 § 2. Subdivisions 1 and 2 of section 34 of the tax law, as added by
7 section 2 of part Y of chapter 57 of the laws of 2010, are amended to
8 read as follows:

9 1. The amounts of nonrefundable credits that are deferred pursuant to
10 section thirty-three of this article in taxable years beginning on or
11 after January first, two thousand [ten] eighteen and before January
12 first, two thousand [thirteen] twenty-one shall be accumulated and
13 constitute the taxpayer's temporary deferral nonrefundable payout cred-
14 it. The taxpayer may first claim this credit in the taxable year begin-
15 ning on or after January first, two thousand [thirteen] twenty-one and
16 before January first, two thousand [fourteen] twenty-two. The taxpayer
17 shall be allowed to claim this credit until the accumulated amounts are
18 exhausted. The credit shall be allowed against the taxpayer's tax as
19 provided in the provisions referenced in paragraph (a) of subdivision
20 three of this section.

21 2. The amounts of refundable credits that are deferred pursuant to
22 section thirty-three of this article in taxable years beginning on or
23 after January first, two thousand [ten] eighteen and before January
24 first, two thousand [thirteen] twenty-one shall be accumulated and
25 constitute the taxpayer's temporary deferral refundable payout credit.
26 In the taxable year beginning on or after January first, two thousand
27 [thirteen] twenty-one and before January first, two thousand [fourteen]
28 twenty-two, the taxpayer shall be allowed to claim a credit equal to

1 fifty percent of the amount accumulated. In the taxable year beginning
2 on or after January first, two thousand [fourteen] twenty-two and before
3 January first, two thousand [fifteen] twenty-three, the taxpayer shall
4 be allowed to claim a credit equal to seventy-five percent of the
5 balance of the amount accumulated. In the taxable year beginning on or
6 after January first, two thousand [fifteen] twenty-three and before
7 January first, two thousand [sixteen] twenty-four, the taxpayer shall be
8 allowed to claim a credit equal to the remaining balance of the amount
9 accumulated. The credit shall be allowed against the taxpayer's tax as
10 provided in the provisions referenced in paragraph (b) of subdivision
11 three of this section.

12 § 3. This act shall take effect immediately.

13 PART T

14 Section 1. Subdivision (a) of section 1412 of the tax law, as added by
15 chapter 61 of the laws of 1989, is amended to read as follows:

16 (a) A grantor or grantee claiming to have erroneously paid the tax
17 imposed by this article or some other person designated by such grantor
18 or grantee may file an application for refund within [two] three years
19 from the date of payment. Such application shall be filed with the
20 commissioner [of taxation and finance] on a form which he shall
21 prescribe.

22 § 2. Subdivision (b) of section 1402-a of the tax law, as added by
23 chapter 61 of the laws of 1989, is amended to read as follows:

24 (b) Notwithstanding the provisions of subdivision (a) of section four-
25 teen hundred four of this article, the additional tax imposed by this
26 section shall be paid by the grantee. If the grantee [is exempt from

1 such tax, the grantor shall have the duty to pay the tax] has failed to
2 pay the tax imposed by this article at the time required by section
3 fourteen hundred ten of this article or if the grantee is exempt from
4 such tax, the grantor shall have the duty to pay the tax. Where the
5 grantor has the duty to pay the tax because the grantee has failed to
6 pay, such tax shall be the joint and several liability of the grantor
7 and the grantee.

8 § 3. This act shall take effect immediately; provided, however, that
9 section two of this act shall apply to conveyances occurring on or after
10 the fifteenth day after this act shall have become a law.

11 PART U

12 Section 1. Subdivision 6 of section 470 of the tax law, as added by
13 chapter 61 of the laws of 1989, is amended to read as follows:

14 6. "Wholesale price." The [established] invoice price for which a
15 manufacturer or other person sells tobacco products to a distributor,
16 including the federal excise taxes paid by the manufacturer or other
17 person, before the allowance of any discount, trade allowance, rebate or
18 other reduction.

19 [In the absence of such an established price, a manufacturer's invoice
20 price of any tobacco product shall be presumptive evidence of the whole-
21 sale price of such tobacco product, and in its absence the price at
22 which such tobacco products were purchased shall be presumed to be the
23 wholesale price, unless evidence of a lower wholesale price shall be
24 established or any industry standard of markups relating to the purchase
25 price in relation to the wholesale price shall be established.]

1 § 2. This act shall take effect on September 1, 2018 and shall apply
2 to all tobacco products possessed in this state for sale on or after
3 such date.

4 PART V

5 Section 1. Subparagraph (A) of paragraph 1 of subdivision (b) of
6 section 1105 of the tax law, as amended by section 9 of part S of chap-
7 ter 85 of the laws of 2002, is amended to read as follows:

8 (A) gas, electricity, refrigeration and steam, and gas, electric,
9 refrigeration and steam service of whatever nature, including the trans-
10 portation, transmission or distribution of gas or electricity, even if
11 sold separately;

12 § 2. Section 1105-C of the tax law is REPEALED.

13 § 3. Subparagraph (xi) of paragraph 4 of subdivision (a) of section
14 1210 of the tax law, as amended by section 2 of part WW of chapter 60 of
15 the laws of 2016, is amended to read as follows:

16 (xi) [shall provide that section eleven hundred five-C of this chapter
17 does not apply to such taxes, and] shall tax receipts from every sale,
18 other than sales for resale, of gas service or electric service of what-
19 ever nature, including the transportation, transmission or distribution
20 of gas or electricity, even if sold separately, at the rate set forth in
21 clause one of subparagraph (i) of the opening paragraph of this section;

22 § 4. Paragraph 8 of subdivision (b) of section 11-2001 of the adminis-
23 trative code of the city of New York, as amended by chapter 200 of the
24 laws of 2009, is amended to read as follows:

25 (8) [makes inapplicable section eleven hundred five-C of the tax law,
26 and] imposes tax on receipts from every sale, other than sales for

1 resale, of gas service or electric service of whatever nature, including
2 the transportation, transmission or distribution of gas or electricity,
3 even if sold separately, at the rate set forth in subdivision (a) of
4 this section.

5 § 5. This act shall take effect immediately; provided however that
6 this act shall apply to sales made and services rendered on and after
7 June 1, 2018 whether or not such sales and services are rendered under a
8 prior contract.

9 PART W

10 Section 1. Subdivision (f) of section 1115 of the tax law, as amended
11 by chapter 205 of the laws of 1968, is amended to read as follows:

12 (f) (1) Services rendered by a veterinarian licensed and registered as
13 required by the education law which constitute the practice of veteri-
14 nary medicine as defined in said law, including hospitalization for
15 which no separate boarding charge is made, shall not be subject to tax
16 under paragraph (3) of subdivision (c) of section eleven hundred five,
17 but the exemption allowed by this subdivision shall not apply to other
18 services provided by a veterinarian to pets and other animals, includ-
19 ing, but not limited to, boarding, grooming and clipping. Articles of
20 tangible personal property designed for use in some manner relating to
21 domestic animals or poultry, when sold by such a veterinarian, shall not
22 be subject to tax under subdivision (a) of section eleven hundred five
23 or under section eleven hundred ten. However, the sale of any such arti-
24 cles of tangible personal property to a veterinarian shall not be deemed
25 a sale for resale within the meaning of [pargraph] paragraph (4) of

1 subdivision (b) of section eleven hundred one and shall not be exempt
2 from retail sales tax.

3 (2) Drugs or medicine sold to or used by a veterinarian for use in
4 rendering services that are exempt pursuant to paragraph one of this
5 subdivision to livestock or poultry used in the production for sale of
6 tangible personal property by farming, or sold to a person qualifying
7 for the exemption provided for in paragraph six of subdivision (a) of
8 this section for use by such person on such livestock or poultry.

9 § 2. Subdivision (a) of section 1119 of the tax law, as amended by
10 chapter 686 of the laws of 1986 and as further amended by section 15 of
11 part GG of chapter 63 of the laws of 2000, is amended to read as
12 follows:

13 (a) Subject to the conditions and limitations provided for herein, a
14 refund or credit shall be allowed for a tax paid pursuant to subdivision
15 (a) of section eleven hundred five or section eleven hundred ten (1) on
16 the sale or use of tangible personal property if the purchaser or user,
17 in the performance of a contract, later incorporates that tangible
18 personal property into real property located outside this state, (2) on
19 the sale or use of tangible personal property purchased in bulk, or any
20 portion thereof, which is stored and not used by the purchaser or user
21 within this state if that property is subsequently reshipped by such
22 purchaser or user to a point outside this state for use outside this
23 state, (3) on the sale to or use by a contractor or subcontractor of
24 tangible personal property if that property is used by him solely in the
25 performance of a pre-existing lump sum or unit price construction
26 contract, (4) on the sale or use within this state of tangible personal
27 property, not purchased for resale, if the use of such property in this
28 state is restricted to fabricating such property (including incorporat-

1 ing it into or assembling it with other tangible personal property),
2 processing, printing or imprinting such property and such property is
3 then shipped to a point outside this state for use outside this state,
4 [(5) on the sale to or use by a veterinarian of drugs or medicine if
5 such drugs or medicine are used by such veterinarian in rendering
6 services, which are exempt pursuant to subdivision (f) of section eleven
7 hundred fifteen of this chapter, to livestock or poultry used in the
8 production for sale of tangible personal property by farming or if such
9 drugs or medicine are sold to a person qualifying for the exemption
10 provided for in paragraph (6) of subdivision (a) of section eleven
11 hundred fifteen of this chapter for use by such person on such livestock
12 or poultry,] or (6) on the sale of tangible personal property purchased
13 for use in constructing, expanding or rehabilitating industrial or
14 commercial real property (other than property used or to be used exclu-
15 sively by one or more registered vendors primarily engaged in the retail
16 sale of tangible personal property) located in an area designated as an
17 empire zone pursuant to article eighteen-B of the general municipal law,
18 but only to the extent that such property becomes an integral component
19 part of the real property. (For the purpose of clause (3) of the preced-
20 ing sentence, the term "pre-existing lump sum or unit price construction
21 contract" shall mean a contract for the construction of improvements to
22 real property under which the amount payable to the contractor or
23 subcontractor is fixed without regard to the costs incurred by him in
24 the performance thereof, and which (i) was irrevocably entered into
25 prior to the date of the enactment of this article or the enactment of a
26 law increasing the rate of tax imposed under this article, or (ii)
27 resulted from the acceptance by a governmental agency of a bid accompa-
28 nied by a bond or other performance guaranty which was irrevocably

1 submitted prior to such date.) Where the tax on the sale or use of such
2 tangible personal property has been paid to the vendor, to qualify for
3 such refund or credit, such tangible personal property must be incorpo-
4 rated into real property as required in clause (1) above, reshipped as
5 required in clause (2) above, used in the manner described in clauses
6 (3), (4) [, (5)] and (6) above within three years after the date such tax
7 was payable to the tax commission by the vendor pursuant to section
8 eleven hundred thirty-seven. Where the tax on the sale or use of such
9 tangible personal property was paid by the applicant for the credit or
10 refund directly to the tax commission, to qualify for such refund or
11 credit, such tangible personal property must be incorporated into real
12 property as required in clause (1) above, reshipped as required in
13 clause (2) above, used in the manner described in clauses (3), (4) [,
14 (5)] and (6) above within three years after the date such tax was paya-
15 ble to the tax commission by such applicant pursuant to this article. An
16 application for a refund or credit pursuant to this section must be
17 filed with such commission within the time provided by subdivision (a)
18 of section eleven hundred thirty-nine. Such application shall be in such
19 form as the tax commission may prescribe. Where an application for cred-
20 it has been filed, the applicant may immediately take such credit on the
21 return which is due coincident with or immediately subsequent to the
22 time that he files his application for credit. However, the taking of
23 the credit on the return shall be deemed to be part of the application
24 for credit and shall be subject to the provisions in respect to applica-
25 tions for credit in section eleven hundred thirty-nine as provided in
26 subdivision (e) of such section. With respect to a sale or use described
27 in clause (3) above where a pre-existing lump sum or unit price
28 construction contract was irrevocably entered into prior to the date of

1 the enactment of this article or the bid accompanied by the performance
2 guaranty was irrevocably submitted to the governmental agency prior to
3 such date, the purchaser or user shall be entitled to a refund or credit
4 only of the amount by which the tax on such sale or use imposed under
5 this article plus any tax imposed under the authority of article twen-
6 ty-nine exceeds the amount computed by applying against such sale or use
7 the local rate of tax, if any, in effect at the time such contract was
8 entered into or such bid was submitted.

9 In the case of the enactment of a law increasing the rate of tax
10 imposed by this article, the purchaser or user shall be entitled only to
11 a refund or credit of the amount by which the increased tax on such sale
12 or use imposed under this article plus any tax imposed under the author-
13 ity of article twenty-nine exceeds the amount computed by applying
14 against such sale or use the state and local rates of tax in effect at
15 the time such contract was entered into or such bid was submitted.

16 § 3. This act shall take effect June 1, 2018, and shall apply to sales
17 made and uses occurring on and after such date.

18 PART X

19 Section 1. Subdivision 1 of section 1131 of the tax law, as amended by
20 chapter 576 of the laws of 1994, is amended to read as follows:

21 (1) "Persons required to collect tax" or "person required to collect
22 any tax imposed by this article" shall include: every vendor of tangible
23 personal property or services; every recipient of amusement charges; and
24 every operator of a hotel. Said terms shall also include any officer,
25 director or employee of a corporation or of a dissolved corporation, any
26 employee of a partnership, any employee or manager of a limited liabil-

1 ity company, or any employee of an individual proprietorship who as such
2 officer, director, employee or manager is under a duty to act for such
3 corporation, partnership, limited liability company or individual
4 proprietorship in complying with any requirement of this article, or has
5 so acted; and any member of a partnership or limited liability company.
6 Provided, however, that any person who is a vendor solely by reason of
7 clause (D) or (E) of subparagraph (i) of paragraph (8) of subdivision
8 (b) of section eleven hundred one of this article shall not be a "person
9 required to collect any tax imposed by this article" until twenty days
10 after the date by which such person is required to file a certificate of
11 registration pursuant to section eleven hundred thirty-four of this
12 part.

13 § 2. Subdivision (a) of section 1133 of the tax law, as amended by
14 chapter 621 of the laws of 1967, is amended to read as follows:

15 (a) (1) Except as otherwise provided in paragraph two of this subdivi-
16 sion and in section eleven hundred thirty-seven of this part, every
17 person required to collect any tax imposed by this article shall be
18 personally liable for the tax imposed, collected or required to be
19 collected under this article. Any such person shall have the same right
20 in respect to collecting the tax from his customer or in respect to
21 nonpayment of the tax by the customer as if the tax were a part of the
22 purchase price of the property or service, amusement charge or rent, as
23 the case may be, and payable at the same time; provided, however, that
24 the tax commission shall be joined as a party in any action or proceed-
25 ing brought to collect the tax.

26 (2) Notwithstanding any other provision of this article: (i) The
27 commissioner shall grant the relief described in subparagraph (iii) of
28 this paragraph to a limited partner of a limited partnership (but not a

1 partner of a limited liability partnership) or a member of a limited
2 liability company if such limited partner or member demonstrates to the
3 satisfaction of the commissioner that such limited partner's or member's
4 ownership interest and the percentage of the distributive share of the
5 profits and losses of such limited partnership or limited liability
6 company are each less than fifty percent, and such limited partner or
7 member was not under a duty to act for such limited partnership or
8 limited liability company in complying with any requirement of this
9 article. Provided, however, the commissioner may deny an application for
10 relief to any such limited partner or member who the commissioner finds
11 has acted on behalf of such limited partnership or limited liability
12 company in complying with any requirement of this article or has been
13 convicted of a crime provided in this chapter or who has a past-due
14 liability, as such term is defined in section one hundred seventy-one-v
15 of this chapter.

16 (ii) Such limited partner or member must submit an application for
17 relief, on a form prescribed by the commissioner, and the information
18 provided in such application must be true and complete in all material
19 respects. Providing materially false or fraudulent information on such
20 application shall disqualify such limited partner or member for the
21 relief described in subparagraph (iii) of this paragraph, shall void any
22 agreement with the commissioner with respect to such relief, and shall
23 result in such limited partner or member bearing strict liability for
24 the total amount of tax, interest and penalty owed by their respective
25 limited partnership or limited liability company pursuant to this subdi-
26 vision.

27 (iii) A limited partner of a limited partnership or member of a limit-
28 ed liability company, who meets the requirements set forth in this para-

1 graph and whose application for relief is approved by the commissioner,
2 shall be liable for the percentage of the original sales and use tax
3 liability of their respective limited partnership or limited liability
4 company that reflects such limited partner's or member's ownership
5 interest of distributive share of the profits and losses of such limited
6 partnership or limited liability company, whichever is higher. Such
7 original liability shall include any interest accrued thereon up to and
8 including the date of payment by such limited partner or member at the
9 underpayment rate set by the commissioner pursuant to section eleven
10 hundred forty-two of this part, and shall be reduced by the sum of any
11 payments made by (A) the limited partnership or limited liability compa-
12 ny; (B) any person required to collect tax not eligible for relief; and
13 (C) any person required to collect tax who was eligible for relief but
14 had not been approved for relief by the commissioner at the time such
15 payment was made. Provided, however, such limited partner or member
16 shall not be liable for any penalty owed by such limited partnership or
17 limited liability company or any other partner or member of such limited
18 partnership or limited liability company. Any payment made by a limited
19 partner or member pursuant to the provisions of this paragraph shall not
20 be credited against the liability of other limited partners or members
21 of their respective limited partnership or limited liability company who
22 are eligible for the same relief; provided, however that the sum of the
23 amounts owed by all of the persons required to collect tax of a limited
24 partnership or limited liability company shall not exceed the total
25 liability of such limited partnership or limited liability company.

26 § 3. This act shall take effect immediately.

1 Section 1. Paragraph 1 of subdivision (a) of section 1115 of the tax
2 law, as amended by section 1 of part II of chapter 59 of the laws of
3 2014, is amended to read as follows:

4 (1) (A) Food, food products, beverages, dietary foods and health
5 supplements, sold for human consumption but not including (i) candy and
6 confectionery, (ii) fruit drinks which contain less than seventy percent
7 of natural fruit juice, (iii) soft drinks, sodas and beverages such as
8 are ordinarily dispensed at soda fountains or in connection therewith
9 (other than coffee, tea and cocoa) and (iv) beer, wine or other alcohol-
10 ic beverages, all of which shall be subject to the retail sales and
11 compensating use taxes, whether or not the item is sold in liquid form.
12 Nothing in this subparagraph shall be construed as exempting food or
13 drink from the tax imposed under subdivision (d) of section eleven
14 hundred five of this article.

15 [The] (B) Until May thirty first, two thousand twenty, the food and
16 drink excluded from the exemption provided by [this paragraph under
17 subparagraphs] clauses (i), (ii) and (iii) of subparagraph (A) of this
18 paragraph, and bottled water, shall be exempt under this [paragraph]
19 subparagraph when sold for one dollar and fifty cents or less through
20 any vending machine [activated by the use of] that accepts coin[,] or
21 currency[, credit card or debit card] only or when sold for two dollars
22 or less through any vending machine that accepts any form of payment
23 other than coin or currency, whether or not it also accepts coin or
24 currency. [With the exception of the provision in this paragraph provid-
25 ing for an exemption for certain food or drink sold for one dollar and
26 fifty cents or less through vending machines, nothing herein shall be
27 construed as exempting food or drink from the tax imposed under subdivi-
28 sion (d) of section eleven hundred five of this article.]

1 § 2. This act shall take effect June 1, 2018, and shall apply to sales
2 made and uses occurring on and after such date.

3 PART Z

4 Section 1. Section 2 of subpart R of part A of chapter 61 of the laws
5 of 2017, amending the tax law relating to extending the expiration of
6 the authorization to the county of Genesee to impose an additional one
7 percent of sales and compensating use taxes, is amended to read as
8 follows:

9 § 2. Notwithstanding any other provision of law to the contrary, the
10 one percent increase in sales and compensating use taxes authorized for
11 the county of Genesee until November 30, [2019] 2020 pursuant to clause
12 (20) of subparagraph (i) of the opening paragraph of section 1210 of the
13 tax law, as amended by section one of this act, shall be divided in the
14 same manner and proportion as the existing three percent sales and
15 compensating use taxes in such county are divided.

16 § 2. Section 2 of subpart Z of part A of chapter 61 of the laws of
17 2017, amending the tax law relating to the imposition of sales and
18 compensating use taxes by the county of Monroe, is amended to read as
19 follows:

20 § 2. Notwithstanding the provisions of subdivisions (b) and (c) of
21 section 1262 and section 1262-g of the tax law, net collections, as such
22 term is defined in section 1262 of the tax law, derived from the imposi-
23 tion of sales and compensating use taxes by the county of Monroe at the
24 additional rate of one percent as authorized pursuant to clause (25) of
25 subparagraph (i) of the opening paragraph of section 1210 of the tax
26 law, as amended by section one of this act, which are in addition to the

1 current net collections derived from the imposition of such taxes at the
2 three percent rate authorized by the opening paragraph of section 1210
3 of the tax law, shall be distributed and allocated as follows: for the
4 period of December 1, 2017 through November 30, [2019] 2020 in cash,
5 five percent to the school districts in the area of the county outside
6 the city of Rochester, three percent to the towns located within the
7 county, one and one-quarter percent to the villages located within the
8 county, and ninety and three-quarters percent to the city of Rochester
9 and county of Monroe. The amount of the ninety and three-quarters
10 percent to be distributed and allocated to the city of Rochester and
11 county of Monroe shall be distributed and allocated to each so that the
12 combined total distribution and allocation to each from the sales tax
13 revenues pursuant to sections 1262 and 1262-g of the tax law and this
14 section shall result in the same total amount being distributed and
15 allocated to the city of Rochester and county of Monroe. The amount so
16 distributed and allocated to the county shall be used for county
17 purposes. The foregoing cash payments to the school districts shall be
18 allocated on the basis of the enrolled public school pupils, thereof, as
19 such term is used in subdivision (b) of section 1262 of the tax law,
20 residing in the county of Monroe. The cash payments to the towns located
21 within the county of Monroe shall be allocated on the basis of the ratio
22 which the population of each town, exclusive of the population of any
23 village or portion thereof located within a town, bears to the total
24 population of the towns, exclusive of the population of the villages
25 located within such towns. The cash payments to the villages located
26 within the county shall be allocated on the basis of the ratio which the
27 population of each village bears to the total population of the villages
28 located within the county. The term population as used in this section

1 shall have the same meaning as used in subdivision (b) of section 1262
2 of the tax law.

3 § 3. Section 3 of subpart EE of part A of chapter 61 of the laws of
4 2017, amending the tax law relating to extending the authorization of
5 the county of Onondaga to impose an additional rate of sales and compen-
6 sating use taxes, is amended to read as follows:

7 § 3. Notwithstanding any contrary provision of law, net collections
8 from the additional one percent rate of sales and compensating use taxes
9 which may be imposed by the county of Onondaga during the period
10 commencing December 1, 2018 and ending November 30, [2019] 2020, pursu-
11 ant to the authority of section 1210 of the tax law, shall not be
12 subject to any revenue distribution agreement entered into under subdivi-
13 sion (c) of section 1262 of the tax law, but shall be allocated and
14 distributed or paid, at least quarterly, as follows: (i) 1.58% to the
15 county of Onondaga for any county purpose; (ii) 97.79% to the city of
16 Syracuse; and (iii) .63% to the school districts in accordance with
17 subdivision (a) of section 1262 of the tax law.

18 § 4. Section 2 of subpart GG of part A of chapter 61 of the laws of
19 2017, amending the tax law relating to extending the authority of the
20 county of Orange to impose an additional rate of sales and compensating
21 use taxes, is amended to read as follows:

22 § 2. Notwithstanding subdivision (c) of section 1262 of the tax law,
23 net collections from any additional rate of sales and compensating use
24 taxes which may be imposed by the county of Orange during the period
25 commencing December 1, 2017, and ending November 30, [2019] 2020, pursu-
26 ant to the authority of section 1210 of the tax law, shall be paid to
27 the county of Orange and shall be used by such county solely for county
28 purposes and shall not be subject to any revenue distribution agreement

1 entered into pursuant to the authority of subdivision (c) of section
2 1262 of the tax law.

3 § 5. This act shall take effect immediately and shall be deemed to
4 have been in full force and effect on June 29, 2017.

5 PART AA

6 Section 1. Section 1101 of the tax law is amended by adding a new
7 subdivision (e) to read as follows:

8 (e) When used in this article for the purposes of the taxes imposed
9 under subdivision (a) of section eleven hundred five and by section
10 eleven hundred ten of this article, the following terms shall mean:

11 (1) Marketplace provider. A person who, pursuant to an agreement with
12 a marketplace seller, facilitates sales of tangible personal property by
13 such marketplace seller or sellers. A person "facilitates a sale of
14 tangible personal property" for purposes of this paragraph when the
15 person meets both of the following conditions: (i) such person provides
16 the forum in which, or by means of which, the sale takes place or the
17 offer of sale is accepted, including a shop, store, booth, catalog, an
18 internet website, or similar forum; and (ii) such person or an affiliate
19 of such person collects the receipts paid by a customer to a marketplace
20 seller for a sale of tangible personal property, or contracts with a
21 third party to collect such receipts. For purposes of this paragraph,
22 two persons are affiliated if one person has an ownership interest of
23 more than five percent, whether direct or indirect, in the other, or
24 where an ownership interest of more than five percent, whether direct or
25 indirect, is held in each of such persons by another person or by a
26 group of other persons that are affiliated persons with respect to each

1 other. Notwithstanding anything in this paragraph, a person who facili-
2 tates sales exclusively by means of the internet is not a marketplace
3 provider for a sales tax quarter when such person can show that it has
4 facilitated less than one hundred million dollars of sales annually for
5 every calendar year after two thousand sixteen.

6 (2) Marketplace seller. Any person, whether or not such person is
7 required to obtain a certificate of authority under section eleven
8 hundred thirty-four of this article, who has an agreement with a market-
9 place provider under which the marketplace provider will facilitate
10 sales of tangible personal property by such person within the meaning of
11 paragraph one of this subdivision.

12 § 2. Subdivision 1 of section 1131 of the tax law, as amended by chap-
13 ter 576 of the laws of 1994, is amended to read as follows:

14 (1) "Persons required to collect tax" or "person required to collect
15 any tax imposed by this article" shall include: every vendor of tangible
16 personal property or services; every recipient of amusement charges;
17 [and] every operator of a hotel, and every marketplace provider with
18 respect to sales of tangible personal property it facilitates as
19 described in paragraph one of subdivision (e) of section eleven hundred
20 one of this article. Said terms shall also include any officer, director
21 or employee of a corporation or of a dissolved corporation, any employee
22 of a partnership, any employee or manager of a limited liability compa-
23 ny, or any employee of an individual proprietorship who as such officer,
24 director, employee or manager is under a duty to act for such corpo-
25 ration, partnership, limited liability company or individual proprietor-
26 ship in complying with any requirement of this article; and any member
27 of a partnership or limited liability company. Provided, however, that
28 any person who is a vendor solely by reason of clause (D) or (E) of

1 subparagraph (i) of paragraph (8) of subdivision (b) of section eleven
2 hundred one shall not be a "person required to collect any tax imposed
3 by this article" until twenty days after the date by which such person
4 is required to file a certificate of registration pursuant to section
5 eleven hundred thirty-four of this part.

6 § 3. Section 1132 of the tax law is amended by adding a new subdivi-
7 sion (1) to read as follows:

8 (1)(1) A marketplace provider with respect to a sale of tangible
9 personal property it facilitates: (i) shall have all the obligations and
10 rights of a vendor under this article and article twenty-nine of this
11 chapter and under any regulations adopted pursuant thereto, including,
12 but not limited to, the duty to obtain a certificate of authority, to
13 collect tax, file returns, remit tax, and the right to accept a certif-
14 icate or other documentation from a customer substantiating an exemption
15 or exclusion from tax, the right to receive the refund authorized by
16 subdivision (e) of this section and the credit allowed by subdivision
17 (f) of section eleven hundred thirty-seven of this part subject to the
18 provisions of such subdivisions; and (ii) shall keep such records and
19 information and cooperate with the commissioner to ensure the proper
20 collection and remittance of tax imposed, collected or required to be
21 collected under this article and article twenty-nine of this chapter.

22 (2) A marketplace seller who is a vendor is relieved from the duty to
23 collect tax in regard to a particular sale of tangible personal property
24 subject to tax under subdivision (a) of section eleven hundred five of
25 this article and shall not include the receipts from such sale in its
26 taxable receipts for purposes of section eleven hundred thirty-six of
27 this part if, in regard to such sale: (i) the marketplace seller can
28 show that such sale was facilitated by a marketplace provider from whom

1 such seller has received in good faith a properly completed certificate
2 of collection in a form prescribed by the commissioner, certifying that
3 the marketplace provider is registered to collect sales tax and will
4 collect sales tax on all taxable sales of tangible personal property by
5 the marketplace seller facilitated by such marketplace provider, and
6 with such other information as the commissioner may prescribe; and (ii)
7 any failure of the marketplace provider to collect the proper amount of
8 tax in regard to such sale was not the result of such marketplace seller
9 providing the marketplace provider with incorrect information. This
10 provision shall be administered in a manner consistent with subparagraph
11 (i) of paragraph one of subdivision (c) of this section as if a certif-
12 icate of collection were a resale or exemption certificate for purposes
13 of such subparagraph, including with regard to the completeness of such
14 certificate of collection and the timing of its acceptance by the
15 marketplace seller. Provided that, with regard to any sales of tangible
16 personal property by a marketplace seller that are facilitated by a
17 marketplace provider who is affiliated with such marketplace seller
18 within the meaning of paragraph one of subdivision (e) of section eleven
19 hundred one of this article, the marketplace seller shall be deemed
20 liable as a person under a duty to act for such marketplace provider for
21 purposes of subdivision one of section eleven hundred thirty-one of this
22 part.

23 (3) The commissioner may, in his or her discretion: (i) develop a
24 standard provision, or approve a provision developed by a marketplace
25 provider, in which the marketplace provider obligates itself to collect
26 the tax on behalf of all the marketplace sellers for whom such market-
27 place provider facilitates sales of tangible personal property, with
28 respect to all sales that it facilitates for such sellers where delivery

1 occurs in the state; and (ii) provide by regulation or otherwise that
2 the inclusion of such provision in the publicly-available agreement
3 between the marketplace provider and marketplace seller will have the
4 same effect as a marketplace seller's acceptance of a certificate of
5 collection from such marketplace provider under paragraph two of this
6 subdivision.

7 § 4. Section 1133 of the tax law is amended by adding a new subdivi-
8 sion (f) to read as follows:

9 (f) A marketplace provider is relieved of liability under this section
10 for failure to collect the correct amount of tax to the extent that the
11 marketplace provider can show that the error was due to incorrect infor-
12 mation given to the marketplace provider by the marketplace seller.
13 Provided, however, this subdivision shall not apply if the marketplace
14 seller and the marketplace provider are affiliated within the meaning of
15 paragraph one of subdivision (e) of section eleven hundred one of this
16 article.

17 § 5. Paragraph 4 of subdivision (a) of section 1136 of the tax law, as
18 amended by section 46 of part K of chapter 61 of the laws of 2011, is
19 amended to read as follows:

20 (4) The return of a vendor of tangible personal property or services
21 shall show such vendor's receipts from sales and the number of gallons
22 of any motor fuel or diesel motor fuel sold and also the aggregate value
23 of tangible personal property and services and number of gallons of such
24 fuels sold by the vendor, the use of which is subject to tax under this
25 article, and the amount of tax payable thereon pursuant to the
26 provisions of section eleven hundred thirty-seven of this part. The
27 return of a recipient of amusement charges shall show all such charges
28 and the amount of tax thereon, and the return of an operator required to

1 collect tax on rents shall show all rents received or charged and the
2 amount of tax thereon. The return of a marketplace seller shall exclude
3 the receipts from a sale of tangible personal property facilitated by a
4 marketplace provider if, in regard to such sale: (A) the marketplace
5 seller has timely received in good faith a properly completed certif-
6 icate of collection from the marketplace provider or the marketplace
7 provider has included a provision approved by the commissioner in the
8 publicly-available agreement between themselves and such marketplace
9 seller as described in subdivision (1) of section eleven hundred thir-
10 ty-two of this part, and (B) the information provided by the marketplace
11 seller to the marketplace provider about such tangible personal property
12 is accurate.

13 § 6. Section 1142 of the tax law is amended by adding two new subdivi-
14 sions 15 and 16 to read as follows:

15 15. To publish a list on the department's website of marketplace
16 providers whose certificates of authority has been revoked and, if
17 necessary to protect sales tax revenue, provide by regulation or other-
18 wise that a marketplace seller who is a vendor will be relieved of the
19 duty to collect tax for sales of tangible personal property facilitated
20 by a marketplace provider only if, in addition to the conditions
21 prescribed by paragraph two of subdivision (1) of section eleven hundred
22 thirty-two of this part being met, such marketplace provider is not on
23 such list at the commencement of the quarterly period covered thereby.

24 16. To enforce the penalties imposed on non-collecting sellers and
25 non-collecting marketplace providers provided by subdivision (i) of
26 section eleven hundred forty-five of this part by commencing a proceed-
27 ing under article seventy-two of the civil practice law and rules. This
28 means enforcing such penalties is in addition to any other lawful means

1 the commissioner may use to enforce such penalties. The venue for such
2 proceeding shall be Albany county.

3 § 7. The tax law is amended by adding a new section 1135-a to read as
4 follows:

5 § 1135-a. Reporting requirements. (a) (1) The following definitions
6 apply to the taxes imposed by this article and pursuant to the authority
7 of article twenty-nine of this chapter:

8 (A) Non-collecting seller means a person who makes sales of tangible
9 personal property, the use of which is taxed by this article, but who is
10 not required to obtain a certificate of authority under section eleven
11 hundred thirty-four of this part and who does not collect tax or money
12 purportedly as tax imposed by this article in regard to tangible
13 personal property delivered to a location in this state.

14 (B) Non-collecting marketplace provider means a marketplace provider,
15 as defined by section eleven hundred one of this article, who is not
16 required to obtain a certificate of authority under section eleven
17 hundred thirty-four of this part and who does not collect tax or money
18 purportedly as tax imposed by this article in regard to tangible
19 personal property delivered to a location in this state.

20 (C) New York purchaser means any person who purchases tangible
21 personal property for delivery to a location in this state.

22 (D) Last known address of a New York purchaser means, for purposes of
23 this subdivision, subdivision sixteen of section eleven hundred forty-
24 two, and subdivision (i) of section eleven hundred forty-five of this
25 part, the purchaser's billing address or, if unknown, the purchaser's
26 shipping address. If no billing or shipping address is known, this term
27 shall mean the purchaser's last known e-mail address.

28 (2) The following requirements apply to a non-collecting seller:

1 (A) A non-collecting seller's records shall be made available to the
2 commissioner upon request. These records shall include, but are not
3 limited to, each New York purchaser's name and last known address as
4 defined by subparagraph (D) of paragraph one of this subdivision, and
5 the total of the non-collecting seller's receipts from the purchases of
6 the New York purchaser.

7 (B) Except as provided in paragraphs four and five of this subdivi-
8 sion, a non-collecting seller shall file an annual information return
9 with the commissioner. Such return shall include the total of the non-
10 collecting seller's receipts from purchases of tangible personal proper-
11 ty that was delivered to a location in this state for the calendar year
12 covered by the return, together with such other information the commis-
13 sioner may prescribe. Such return shall be filed on or before January
14 thirty-first of each year and shall cover the prior calendar year, with
15 the first such return due on January thirty-first, two thousand twenty
16 for the calendar year two thousand nineteen.

17 (C) Except as provided in paragraphs four and five of this subdivi-
18 sion, a non-collecting seller shall provide an annual statement of
19 purchases to each New York purchaser for purchases of tangible personal
20 property delivered to a location in this state from such seller during
21 the calendar year covered by the statement. Such annual statement shall
22 include: (i) a statement that sales or use tax was not collected on the
23 purchaser's transactions in the prior calendar year and that the
24 purchaser may be required to remit such tax directly to the commission-
25 er; (ii) a list of transactions entered into during the prior calendar
26 year by such purchaser for delivery to a location into this state show-
27 ing, the date of each purchase, a general description of each item
28 purchased, and the amount paid for each item, including any shipping or

1 delivery charges; (iii) instructions for obtaining additional informa-
2 tion regarding whether and how to remit the sales or use tax to the
3 commissioner; and (iv) a statement that such sellers may be required to
4 annually report the aggregate dollar value of the purchaser's purchases
5 to the commissioner. Such statement shall be sent to each New York
6 purchaser on or before January thirty-first of each year, starting in
7 the year two thousand twenty, covering sales made in the prior calendar
8 year. Such statement shall be sent by mail in an envelope bearing the
9 statement "important tax information" to the New York purchaser's last
10 known address as defined by subparagraph (D) of paragraph one of this
11 subdivision, unless the purchaser's last known address is an e-mail
12 address, in which case the statement is to be sent by e-mail, the
13 subject line of which shall state "important tax information".

14 (D) Except as provided in paragraphs four and five of this subdivi-
15 sion, a non-collecting seller shall prominently display a notice on all
16 order forms, and upon each sales receipt or other memorandum of the
17 price, whether electronic or on paper, provided to a New York purchaser
18 making a purchase of tangible personal property to be delivered to a
19 location in this state, including any screen that summarizes the trans-
20 action prior to the completion of the sale. Such notice shall indicate
21 that neither New York state and local sales nor use tax is being
22 collected or remitted upon the transaction, and that the purchaser may
23 be required to remit such tax directly to the commissioner.

24 (3) A non-collecting seller shall keep records of the information
25 described in subparagraphs (A), (B) and (C) of paragraph two of this
26 subdivision, along with proof that it has provided purchasers with any
27 per-purchase notices or annual statements of purchases required. The
28 non-collecting seller shall keep such records for such periods and in

1 such manner as prescribed for records required to be maintained under
2 subdivisions (a) and (g) of section eleven hundred thirty-five of this
3 part, or as the commissioner may otherwise require by regulation. The
4 non-collecting seller shall make those records available for inspection
5 and examination at any time upon demand by the commissioner.

6 (4) The requirements in subparagraphs (B), (C) and (D) of paragraph
7 two of this subdivision do not apply to a non-collecting seller for any
8 calendar year in which the non-collecting seller's receipts from all New
9 York purchasers are less than five million dollars during the prior
10 calendar year.

11 (5) The requirements in subparagraphs (B), (C) and (D) of paragraph
12 two of this subdivision do not apply to a non-collecting seller in
13 regard to a particular sale of tangible personal property subject to tax
14 under subdivision (a) of section eleven hundred five of this article if,
15 the non-collecting seller can show that such sale was facilitated by:
16 (A) a marketplace provider from whom such non-collecting seller has
17 received in good faith a properly completed certificate of collection as
18 described in paragraph two of subdivision (1) of section eleven hundred
19 thirty-two of this part; or (B) a non-collecting marketplace provider
20 who fulfilled the requirements of subparagraphs (B), (C) and (D) of
21 paragraph two of this subdivision on its behalf.

22 (b) (1) A non-collecting marketplace provider shall perform the
23 requirements in paragraph two of subdivision (a) of this section on
24 behalf of a non-collecting seller for all sales it facilitates for such
25 non-collecting seller.

26 (2) Non-collecting marketplace providers shall also provide notice to
27 all non-collecting sellers for whom they facilitate sales of tangible

1 personal property that is delivered to a location in this state, such
2 notice shall include the following information:

3 (A) such sellers may be required to obtain a certificate of authority
4 under section eleven hundred thirty-four of this part and collect the
5 taxes imposed by this article and pursuant to the authority of article
6 twenty-nine of this chapter, or, where such sellers are not required to
7 obtain a certificate and collect tax, that such sellers are required to
8 comply with the requirements of this paragraph;

9 (B) the non-collecting marketplace provider will provide each seller's
10 name, address and aggregate amount of sales delivered to a location in
11 this state to the commissioner upon request; and

12 (C) the non-collecting marketplace provider is reporting the informa-
13 tion and sending the notices required by subparagraphs (B), (C) and (D)
14 of paragraph two of subdivision (a) of this section on behalf of the
15 non-collecting seller for such sale if it was facilitated by such non-
16 collecting marketplace provider.

17 (c) The commissioner may, in their discretion, modify, without adding
18 to, the information otherwise required to be included in the information
19 return, annual statement of purchases, or per-purchase notice required
20 by this subdivision if other states impose similar requirements, in
21 order to facilitate the compliance of non-collecting sellers.

22 § 8. Subdivision (i) of section 1145 of the tax law, as added by
23 section 2 of subpart G of part V-1 of chapter 57 of the laws of 2009, is
24 amended to read as follows:

25 (i) (1) Every person required to file an information return by section
26 eleven hundred thirty-five-a or subdivision (i) of section eleven
27 hundred thirty-six of this part, or an annual statement or notice
28 required by section eleven hundred thirty-five-a of this part who [(A)]

1 fails to provide any of the information required [by paragraph one or
2 two of subdivision (i) of section eleven hundred thirty-six of this part
3 for a vendor, operator, or recipient] to be provided in such information
4 return or notice, or who fails to perform the requirements of paragraph
5 two of subdivision (b) of section eleven hundred thirty-five-a of this
6 part, or who fails to include any such information that is true and
7 correct [(whether or not such a report is filed) for a vendor, operator,
8 or recipient, or (B) fails to provide the information required by para-
9 graph four of subdivision (i) of section eleven hundred thirty-six of
10 this part to a vendor, operator, or recipient specified in paragraph
11 four of subdivision (i) of section eleven hundred thirty-six of this
12 part], will, in addition to any other penalty provided in this article
13 or otherwise imposed by law, be subject to a penalty of five hundred
14 dollars for ten or fewer failures, and up to fifty dollars for each
15 additional failure.

16 (2) Every person failing to file an information return required by
17 section eleven hundred thirty-five-a or subdivision (i) of section elev-
18 en hundred thirty-six of this part or an annual statement or notice by
19 section eleven hundred thirty-five-a of this part within the time
20 required [by subdivision (i) of section eleven hundred thirty-six of
21 this part], will, in addition to any other penalty provided for in this
22 article or otherwise imposed by law, be subject to a penalty in an
23 amount not to exceed two thousand dollars for each such failure,
24 provided that the minimum penalty under this paragraph is five hundred
25 dollars.

26 (3) In no event will the penalty imposed by paragraph one of this
27 subdivision, or the aggregate of the penalties imposed under paragraphs
28 one and two of this subdivision, exceed ten thousand dollars for any

1 annual filing period [as described by paragraph three of subdivision (i)
2 of section eleven hundred thirty-six of this part].

3 (4) If the commissioner determines that any of the failures that are
4 subject to penalty under this subdivision was entirely due to reasonable
5 cause and not due to willful neglect, the commissioner must remit the
6 penalty imposed under this subdivision. These penalties will be deter-
7 mined, assessed, collected, paid, disposed of and enforced in the same
8 manner as taxes imposed by this article and all the provisions of this
9 article relating thereto will be deemed also to refer to these penal-
10 ties.

11 § 9. Severability clause. If any clause, sentence, paragraph, subdivi-
12 sion, section, or part of this act shall be adjudged by any court of
13 competent jurisdiction to be invalid, such judgment shall not affect,
14 impair, or invalidate the remainder thereof, but shall be confined in
15 its operation to the clause, sentence, paragraph, subdivision, section,
16 or part thereof directly involved in the controversy in which such judg-
17 ment shall have been rendered. It is hereby declared to be the intent of
18 the legislature that this act would have been enacted even if such
19 invalid provision had not been included herein.

20 § 10. This act shall take effect immediately and shall apply to sales
21 made on or after September 1, 2018; provided, however, that the require-
22 ments in subparagraphs (B) and (C) of paragraph 2 of subdivision (a) of
23 section 1135-a as added by section two of this act shall apply to sales
24 made on or after January 1, 2019.

1 Section 1. Subdivision 2 of section 470 of the tax law, as amended by
2 section 15 of part D of chapter 134 of the laws of 2010, is amended to
3 read as follows:

4 2. "Tobacco products." Any cigar, including [a] little [cigar] cigars,
5 vapor products, or tobacco, other than cigarettes, intended for consump-
6 tion by smoking, chewing, inhaling vapors or as snuff.

7 § 2. Subdivision 12 of section 470 of the tax law, as added by chapter
8 61 of the laws of 1989, is amended to read as follows:

9 12. "Distributor." Any person who imports or causes to be imported
10 into this state any tobacco product (in excess of fifty cigars [or], one
11 pound of tobacco or one hundred milliliters of vapor product) for sale,
12 or who manufactures any tobacco product in this state, and any person
13 within or without the state who is authorized by the commissioner of
14 taxation and finance to make returns and pay the tax on tobacco products
15 sold, shipped or delivered by him to any person in the state.

16 § 3. Section 470 of the tax law is amended by adding a new subdivision
17 20 to read as follows:

18 20. "Vapor product." Any noncombustible liquid or gel, regardless of
19 the presence of nicotine therein, that is manufactured into a finished
20 product for use in an electronic cigarette, electronic cigar, electronic
21 cigarillo, electronic pipe, vaping pen, hookah pen or other similar
22 device. "Vapor product" shall not include any product approved by the
23 United States food and drug administration as a drug or medical device,
24 or approved for use pursuant to section three thirty-three hundred
25 sixty-two of the public health law.

26 § 4. Paragraph (a) of subdivision 1 of section 471-b of the tax law,
27 as amended by section 18 of part D of chapter 134 of the laws of 2010,
28 is amended to read as follows:

1 (a) Such tax on tobacco products other than snuff [and], little cigars
2 and vapor products shall be at the rate of seventy-five percent of the
3 wholesale price, and is intended to be imposed only once upon the sale
4 of any tobacco products other than snuff [and], little cigars and vapor
5 products.

6 § 5. Subdivision 1 of section 471-b of the tax law is amended by
7 adding a new paragraph (d) to read as follows:

8 (d) Such tax on vapor products shall be at a rate of ten cents per
9 fluid milliliter, or part thereof, of the vapor product. All invoices
10 for vapor products issued by distributors and wholesalers must state the
11 amount of vapor product in milliliters.

12 § 6. Subdivision (a) of section 471-c of the tax law, as amended by
13 section 2 of part I-1 of chapter 57 of the laws of 2009, paragraphs (i)
14 and (ii) as amended by section 20 and paragraph (iii) as added by
15 section 21 of part D of chapter 134 of the laws of 2010, is amended to
16 read as follows:

17 (a) There is hereby imposed and shall be paid a tax on all tobacco
18 products used in the state by any person, except that no such tax shall
19 be imposed (1) if the tax provided in section four hundred seventy-one-b
20 of this article is paid, or (2) on the use of tobacco products which are
21 exempt from the tax imposed by said section, or (3) on the use of two
22 hundred fifty cigars or less, [or] five pounds or less of tobacco other
23 than roll-your-own tobacco, [or] thirty-six ounces or less of roll-your-
24 own tobacco or five hundred milliliters or less of vapor product brought
25 into the state on, or in the possession of, any person.

26 (i) Such tax on tobacco products other than snuff [and], little cigars
27 and vapor products shall be at the rate of seventy-five percent of the
28 wholesale price.

1 (ii) Such tax on snuff shall be at the rate of two dollars per ounce
2 and a proportionate rate on any fractional parts of an ounce, provided
3 that cans or packages of snuff with a net weight of less than one ounce
4 shall be taxed at the equivalent rate of cans or packages weighing one
5 ounce. Such tax shall be computed based on the net weight as listed by
6 the manufacturer.

7 (iii) Such tax on little cigars shall be at the same rate imposed on
8 cigarettes under this article and is intended to be imposed only once
9 upon the sale of any little cigars.

10 (iv) Such tax on vapor products shall be at a rate of ten cents per
11 fluid milliliter of the vapor product. All invoices for vapor products
12 issued by distributors and wholesalers must state the amount of vapor
13 product in milliliters.

14 § 7. Subdivision 2 of section 474 of the tax law, as amended by chap-
15 ter 552 of the laws of 2008, is amended to read as follows:

16 2. Every person who shall possess or transport more than two hundred
17 fifty cigars, [or] more than five pounds of tobacco other than roll-
18 your-own tobacco, [or] more than thirty-six ounces of roll-your-own
19 tobacco or more than five hundred milliliters of vapor product upon the
20 public highways, roads or streets of the state, shall be required to
21 have in his actual possession invoices or delivery tickets for such
22 tobacco products. Such invoices or delivery tickets shall show the name
23 and address of the consignor or seller, the name and address of the
24 consignee or purchaser, the quantity and brands of the tobacco products
25 transported, and the name and address of the person who has or shall
26 assume the payment of the tax and the wholesale price or the tax paid or
27 payable. The absence of such invoices or delivery tickets shall be prima

1 facie evidence that such person is a dealer in tobacco products in this
2 state and subject to the requirements of this article.

3 § 8. Subdivision 3 of section 474 of the tax law, as added by chapter
4 61 of the laws of 1989, is amended to read as follows:

5 3. Every dealer or distributor or employee thereof, or other person
6 acting on behalf of a dealer or distributor, who shall possess or trans-
7 port more than fifty cigars [or], more than one pound of tobacco or more
8 than one hundred milliliters of vapor product upon the public highways,
9 roads or streets of the state, shall be required to have in his actual
10 possession invoices or delivery tickets for such tobacco products. Such
11 invoices or delivery tickets shall show the name and address of the
12 consignor or seller, the name and address of the consignee or purchaser,
13 the quantity and brands of the tobacco products transported, and the
14 name and address of the person who has or shall assume the payment of
15 the tax and the wholesale price or the tax paid or payable. The absence
16 of such invoices or delivery tickets shall be prima facie evidence that
17 the tax imposed by this article on tobacco products has not been paid
18 and is due and owing.

19 § 9. Subparagraph (i) of paragraph (b) of subdivision 1 of section 481
20 of the tax law, as amended by section 1 of part 0 of chapter 59 of the
21 laws of 2013, is amended to read as follows:

22 (i) In addition to any other penalty imposed by this article, the
23 commissioner may (A) impose a penalty of not more than six hundred
24 dollars for each two hundred cigarettes, or fraction thereof, in excess
25 of one thousand cigarettes in unstamped or unlawfully stamped packages
26 in the possession or under the control of any person or (B) impose a
27 penalty of not more than two hundred dollars for each ten unaffixed
28 false, altered or counterfeit cigarette tax stamps, imprints or

1 impressions, or fraction thereof, in the possession or under the control
2 of any person. In addition, the commissioner may impose a penalty of not
3 more than seventy-five dollars for each fifty cigars [or] one pound of
4 tobacco[,] or one hundred milliliters of vapor product, or fraction
5 thereof, in excess of two hundred fifty cigars [or], five pounds of
6 tobacco or five hundred milliliters of vapor product in the possession
7 or under the control of any person and a penalty of not more than one
8 hundred fifty dollars for each fifty cigars [or], one pound of tobacco or
9 one hundred milliliters of vapor product, or fraction thereof, in excess
10 of five hundred cigars [or], ten pounds of tobacco or one thousand
11 milliliters of vapor product in the possession or under the control of
12 any person, with respect to which the tobacco products tax has not been
13 paid or assumed by a distributor or tobacco products dealer; provided,
14 however, that any such penalty imposed shall not exceed seven thousand
15 five hundred dollars in the aggregate. The commissioner may impose a
16 penalty of not more than seventy-five dollars for each fifty cigars
17 [or], one pound of tobacco or one hundred milliliters of vapor product,
18 or fraction thereof, in excess of fifty cigars [or], one pound of tobac-
19 co or one hundred milliliters of vapor product in the possession or
20 under the control of any tobacco products dealer or distributor
21 appointed by the commissioner, and a penalty of not more than one
22 hundred fifty dollars for each fifty cigars [or], one pound of tobacco, or
23 one hundred milliliters of vapor product, or fraction thereof, in excess
24 of two hundred fifty cigars [or], five pounds of tobacco or five hundred
25 milliliters of vapor product in the possession or under the control of
26 any such dealer or distributor, with respect to which the tobacco
27 products tax has not been paid or assumed by a distributor or a tobacco

1 products dealer; provided, however, that any such penalty imposed shall
2 not exceed fifteen thousand dollars in the aggregate.

3 § 10. Items (I) and (II) of clause (B) and items (I) and (II) of
4 clause (C) of subparagraph (ii) of paragraph (b) of subdivision 1 of
5 section 481 of the tax law, as added by chapter 262 of the laws of 2000,
6 are amended to read as follows:

7 (I) not less than twenty-five dollars but not more than one hundred
8 dollars for each fifty cigars [or], one pound of tobacco or one hundred
9 milliliters of vapor product, or fraction thereof, in excess of two
10 hundred fifty cigars [or], five pounds of tobacco or five hundred milli-
11 liters of vapor product knowingly in the possession or knowingly under
12 the control of any person, with respect to which the tobacco products
13 tax has not been paid or assumed by a distributor or tobacco products
14 dealer; and (II) not less than fifty dollars but not more than two
15 hundred dollars for each fifty cigars [or], one pound of tobacco or one
16 hundred milliliters of vapor product, or fraction thereof, in excess of
17 five hundred cigars [or], ten pounds of tobacco or one thousand millili-
18 ters of vapor product knowingly in the possession or knowingly under the
19 control of any person, with respect to which the tobacco products tax
20 has not been paid or assumed by a distributor or tobacco products deal-
21 er; provided, however, that any such penalty imposed under this clause
22 shall not exceed ten thousand dollars in the aggregate.

23 (I) not less than twenty-five dollars but not more than one hundred
24 dollars for each fifty cigars [or], one pound of tobacco or one hundred
25 milliliters of vapor product, or fraction thereof, in excess of fifty
26 cigars [or], one pound of tobacco or one hundred milliliters of vapor
27 product knowingly in the possession or knowingly under the control of
28 any person, with respect to which the tobacco products tax has not been

1 paid or assumed by a distributor or tobacco products dealer; and (II)
2 not less than fifty dollars but not more than two hundred dollars for
3 each fifty cigars [or], pound of tobacco or one hundred milliliters of
4 vapor product, or fraction thereof, in excess of two hundred fifty
5 cigars [or], five pounds of tobacco or five hundred milliliters of vapor
6 product knowingly in the possession or knowingly under the control of
7 any person, with respect to which the tobacco products tax has not been
8 paid or assumed by a distributor or a tobacco products dealer; provided,
9 however, that any such penalty imposed under this clause shall not
10 exceed twenty thousand dollars in the aggregate.

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

14 (a) The possession within this state of more than four hundred ciga-
15 rettes in unstamped or unlawfully stamped packages [or], more than two
16 hundred fifty cigars, [or] more than five pounds of tobacco other than
17 roll-your-own tobacco, [or] more than thirty-six ounces of roll-your-own
18 tobacco by any person other than an agent or distributor, as the case
19 may be, or five hundred milliliters or more of vapor product at any one
20 time shall be presumptive evidence that such cigarettes or tobacco
21 products are subject to tax as provided by this article.

22 § 12. Subdivisions (a) and (h) of section 1814 of the tax law, as
23 amended by section 28 of subpart I of part V-1 of chapter 57 of the laws
24 of 2009, are amended to read as follows:

25 (a) Any person who willfully attempts in any manner to evade or defeat
26 the taxes imposed by article twenty of this chapter or payment thereof
27 on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars
28 or more, [or] (iii) four hundred forty pounds of tobacco or more, (iv)

1 forty-four thousand milliliters of vapor product or more or has previ-
2 ously been convicted two or more times of a violation of paragraph one
3 of this subdivision shall be guilty of a class E felony.

4 (h) (1) Any dealer, other than a distributor appointed by the commis-
5 sioner [of taxation and finance] under article twenty of this chapter,
6 who shall knowingly transport or have in his custody, possession or
7 under his control more than ten pounds of tobacco [or], more than five
8 hundred cigars or more than one thousand milliliters of vapor product
9 upon which the taxes imposed by article twenty of this chapter have not
10 been assumed or paid by a distributor appointed by the commissioner [of
11 taxation and finance] under article twenty of this chapter, or other
12 person treated as a distributor pursuant to section four hundred seven-
13 ty-one-d of this chapter, shall be guilty of a misdemeanor punishable by
14 a fine of not more than five thousand dollars or by a term of imprison-
15 ment not to exceed thirty days.

16 (2) Any person, other than a dealer or a distributor appointed by the
17 commissioner under article twenty of this chapter, who shall knowingly
18 transport or have in his custody, possession or under his control more
19 than fifteen pounds of tobacco [or], more than seven hundred fifty
20 cigars or more than fifteen hundred milliliters or more of vapor product
21 upon which the taxes imposed by article twenty of this chapter have not
22 been assumed or paid by a distributor appointed by the commissioner
23 under article twenty of this chapter, or other person treated as a
24 distributor pursuant to section four hundred seventy-one-d of this chap-
25 ter shall be guilty of a misdemeanor punishable by a fine of not more
26 than five thousand dollars or by a term of imprisonment not to exceed
27 thirty days.

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

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

22 § 13. Subdivisions (a) and (b) of section 1814-a of the tax law, as
23 added by chapter 61 of the laws of 1989, are amended to read as follows:

24 (a) Any person who, while not appointed as a distributor of tobacco
25 products pursuant to the provisions of article twenty of this chapter,
26 imports or causes to be imported into the state more than fifty cigars
27 [or], more than one pound of tobacco[,], or more than one hundred milli-
28 liters of vapor product for sale within the state, or produces, manufac-

1 tures or compounds tobacco products within the state shall be guilty of
2 a misdemeanor punishable by a fine of not more than five thousand
3 dollars or by a term of imprisonment not to exceed thirty days. If,
4 within any ninety day period, one thousand or more cigars [or five
5 hundred], twenty pounds or more of tobacco or two thousand milliliters
6 or more of vapor product are imported or caused to be imported into the
7 state for sale within the state or are produced, manufactured or
8 compounded within the state by any person while not appointed as a
9 distributor of tobacco products, such person shall be guilty of a misde-
10 meanor. Provided further, that any person who has twice been convicted
11 under this section shall be guilty of a class E felony for any subse-
12 quent violation of this section, regardless of the amount of tobacco
13 products involved in such violation.

14 (b) For purposes of this section, the possession or transportation
15 within this state by any person, other than a tobacco products distribu-
16 tor appointed by the commissioner of taxation and finance, at any one
17 time of seven hundred fifty or more cigars [or], fifteen pounds or more
18 of tobacco or fifteen hundred milliliters or more of vapor product shall
19 be presumptive evidence that such tobacco products are possessed or
20 transported for the purpose of sale and are subject to the tax imposed
21 by section four hundred seventy-one-b of this chapter. With respect to
22 such possession or transportation, any provisions of article twenty of
23 this chapter providing for a time period during which the tax imposed by
24 such article may be paid shall not apply.

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

27 (a) Whenever a police officer designated in section 1.20 of the crimi-
28 nal procedure law or a peace officer designated in subdivision four of

1 section 2.10 of such law, acting pursuant to his special duties, shall
2 discover any tobacco products in excess of five hundred cigars [or], ten
3 pounds of tobacco or one thousand milliliters of vapor product which are
4 being imported for sale in the state where the person importing or caus-
5 ing such tobacco products to be imported has not been appointed as a
6 distributor pursuant to section four hundred seventy-two of this chap-
7 ter, such police officer or peace officer is hereby authorized and
8 empowered forthwith to seize and take possession of such tobacco
9 products. Such tobacco products seized by a police officer or peace
10 officer shall be turned over to the commissioner. Such seized tobacco
11 products shall be forfeited to the state. All tobacco products forfeited
12 to the state shall be destroyed or used for law enforcement purposes,
13 except that tobacco products that violate, or are suspected of violat-
14 ing, federal trademark laws or import laws shall not be used for law
15 enforcement purposes. If the commissioner determines the tobacco
16 products may not be used for law enforcement purposes, the commissioner
17 must, within a reasonable time thereafter, upon publication in the state
18 registry of a notice to such effect before the day of destruction,
19 destroy such forfeited tobacco products. The commissioner may, prior to
20 any destruction of tobacco products, permit the true holder of the
21 trademark rights in the tobacco products to inspect such forfeited
22 products in order to assist in any investigation regarding such tobacco
23 products.

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

26 (b) Any peace officer designated in subdivision four of section 2.10
27 of the criminal procedure law, acting pursuant to his special duties, or
28 any police officer designated in section 1.20 of the criminal procedure

1 law may seize any vehicle or other means of transportation used to
2 import tobacco products in excess of five hundred cigars [or], ten
3 pounds of tobacco or one thousand milliliters of vapor product for sale
4 where the person importing or causing such tobacco products to be
5 imported has not been appointed a distributor pursuant to section four
6 hundred seventy-two of this chapter, other than a vehicle or other means
7 of transportation used by any person as a common carrier in transaction
8 of business as such common carrier, and such vehicle or other means of
9 transportation shall be subject to forfeiture as hereinafter in this
10 section provided.

11 § 16. This act shall take effect on the one hundred eightieth day
12 after it shall have become a law, and shall apply to vapor products that
13 first become subject to taxation under article 20 of the tax law on or
14 after such date.

15 PART CC

16 Section 1. The tax law is amended by adding a new article 20-C to read
17 as follows:

18 ARTICLE 20-C

19 OPIOID EPIDEMIC SURCHARGE

20 Section 492. Definitions.

21 493. Imposition of surcharge.

22 494. Returns to be secret.

23 § 492. Definitions. When used in this article, the following terms
24 shall have the following meanings:

25 1. "Opioid" shall mean an "opiate" as defined by subdivision twenty-
26 three of section thirty-three hundred two of the public health law, and

1 any natural, synthetic, or semisynthetic "narcotic drug" as defined by
2 subdivision twenty-two of such section, that has agonist, partial agon-
3 ist, or agonist/antagonist morphine-like activities or effects similar
4 to natural opium alkaloids and any derivative, congener, or combination
5 thereof, listed in schedules II-IV of section thirty-three hundred six
6 of the public health law.

7 2. "Unit" shall mean the dosage form of an opioid-containing drug
8 including, but not limited to, tablets, capsules, suppositories, topical
9 (transdermal), buccal or any other dosage form, such as weight or
10 volume.

11 3. "Unit strength" shall mean the amount of opioid in a unit, as meas-
12 ured by weight, volume, concentration or other metric.

13 4. "Morphine milligram equivalent conversion factor" shall mean that
14 reference standard of a particular opioid as it relates in potency to
15 morphine as determined by the commissioner of health.

16 5. "Morphine milligram equivalent" shall mean a unit multiplied by its
17 unit strength multiplied by the morphine milligram equivalent conversion
18 factor of the opioid contained in such unit.

19 6. "Establishment" shall mean any person, firm, corporation or associ-
20 ation required to be registered with the education department pursuant
21 to section sixty-eight hundred eight or section sixty-eight hundred
22 eight-b of the education law, as well as any person, firm, corporation
23 or association that would be required to be registered with the educa-
24 tion department pursuant to such section sixty-eight hundred eight-b but
25 for the exception in subdivision two of such section.

26 7. "Invoice" shall mean the invoice, sales slip, memorandum of sale,
27 or other document evidencing a sale of an opioid.

1 § 493. Imposition of surcharge. 1. There is hereby imposed a surcharge
2 on the sale of any opioid of two cents per morphine milligram equivalent
3 sold. Such surcharge shall be imposed on the first sale of such opioid
4 in the state, except that such surcharge shall not apply when such sale
5 is to any program operated pursuant to article thirty-two of the mental
6 hygiene law. This surcharge shall be charged against, and be paid by,
7 the establishment making the first sale of such opioid in the state, and
8 shall not be added as a separate charge or line item on any invoice
9 given to the customer or otherwise passed down to the customer. However,
10 an establishment liable for the surcharge imposed by this article shall
11 clearly note on the invoice for the first sale of an opioid in the state
12 its liability for the surcharge, along with its name, address, and
13 taxpayer identification number. All sales of an opioid in this state
14 shall be presumed to be the first sale of such, and shall also be
15 presumed to be subject to the surcharge imposed by this article, unless
16 the contrary is established by the seller.

17 2. Every establishment liable for the surcharge imposed by this arti-
18 cle shall file with the commissioner a return, on forms prescribed by
19 the commissioner, indicating the total morphine milligram equivalent of
20 opioids it sold in the state, the total morphine milligram equivalent of
21 such opioids that are subject to the surcharge imposed by this article,
22 the amount of surcharge due thereon, and such further information as the
23 commissioner may require. Such returns shall be due on or before the
24 twentieth day of each month, and shall cover all opioid sales in the
25 state made in the month prior, except that the first return required to
26 be filed pursuant to this section shall be due on or before January
27 twentieth, two thousand nineteen and shall cover all opioid sales occur-
28 ring in the period between the effective date of this article and Decem-

1 ber thirty-first, two thousand eighteen. Every establishment required
2 to file a return under this section shall, at the time of filing such
3 return, pay to the commissioner the total amount of surcharge due for
4 the period covered by such return. If a return is not filed when due,
5 the surcharge shall be due on the day on which the return is required to
6 be filed. The commissioner may require that the returns and payments
7 required by this article be filed or paid electronically.

8 3. Establishments making sales of opioids in this state shall maintain
9 all invoices pertaining to such sales for six years after the return
10 reporting such sales is filed with the commissioner, unless the commis-
11 sioner provides for a different retention period by rule or regulation.
12 The establishment shall produce such records upon demand by the commis-
13 sioner.

14 4. Whenever the commissioner shall determine that any moneys received
15 under the provisions of this article were paid in error, he or she may
16 cause the same to be refunded, with interest, except that no interest
17 shall be allowed or paid if the amount thereof would be less than one
18 dollar. Such interest shall be at the overpayment rate set by the
19 commissioner pursuant to subdivision twenty-sixth of section one hundred
20 seventy-one of this chapter, or if no rate is set, at the rate of six
21 percent per annum, from the date when the surcharge, penalty or interest
22 to be refunded was paid to a date preceding the date of the refund check
23 by not more than thirty days. Provided, however, that for the purposes
24 of this subdivision, any surcharge paid before the last day prescribed
25 for its payment shall be deemed to have been paid on such last day. Such
26 moneys received under the provisions of this article that the commis-
27 sioner shall determine were paid in error, may be refunded out of funds
28 in the custody of the comptroller to the credit of such surcharges

1 provided an application therefor is filed with the commissioner within
2 two years from the time the erroneous payment was made.

3 5. The provisions of article twenty-seven of this chapter shall apply
4 to the surcharge imposed by this article in the same manner and with the
5 same force and effect as if the language of such article had been incor-
6 porated in full into this section and had expressly referred to the
7 surcharge imposed by this article, except to the extent that any
8 provision of such article is either inconsistent with a provision of
9 this article or is not relevant to this article.

10 6. (a) The surcharges, interest, and penalties imposed by this article
11 and collected or received by the commissioner shall be deposited daily
12 with such responsible banks, banking houses or trust companies, as may
13 be designated by the state comptroller, to the credit of the opioid
14 prevention, treatment and recovery account established pursuant to
15 section ninety-seven-aaaaa of the state finance law. An account may be
16 established in one or more of such depositories. Such deposits will be
17 kept separate and apart from all other money in the possession of the
18 state comptroller. The state comptroller shall require adequate security
19 from all such depositories. Of the total revenue collected or received
20 under this article, the state comptroller shall retain such amount as
21 the commissioner may determine to be necessary for refunds under this
22 article. The commissioner is authorized and directed to deduct from the
23 amounts it receives under this article, before deposit into the trust
24 accounts designated by the state comptroller, a reasonable amount neces-
25 sary to effectuate refunds of appropriations of the department to reim-
26 burse the department for the costs incurred to administer, collect and
27 distribute the surcharge imposed by this article.

1 (b) On or before the twelfth and twenty-sixth day of each succeeding
2 month, after reserving such amount for such refunds and deducting such
3 amounts for such costs, as provided for in paragraph (a) of this subdi-
4 vision, the commissioner shall certify to the state comptroller the
5 amount of all revenues so received during the prior month because of the
6 surcharges, interest and penalties so imposed. The amount of revenues so
7 certified shall be paid over by the fifteenth and the final business day
8 of each succeeding month from such account into the opioid prevention,
9 treatment and recovery account established pursuant to section ninety-
10 seven-aaaaa of the state finance law.

11 7. The commissioners of education and health shall cooperate with the
12 commissioner in administering this surcharge, including sharing with the
13 commissioner pertinent information about establishments upon the request
14 of the commissioner.

15 § 494. Returns to be secret. 1. Except in accordance with proper judi-
16 cial order or as in this section or otherwise provided by law, it shall
17 be unlawful for the commissioner, any officer or employee of the depart-
18 ment, or any officer or person who, pursuant to this section, is permit-
19 ted to inspect any return or report or to whom a copy, an abstract or a
20 portion of any return or report is furnished, or to whom any information
21 contained in any return or report is furnished, or any person engaged or
22 retained by such department on an independent contract basis or any
23 person who in any manner may acquire knowledge of the contents of a
24 return or report filed pursuant to this article to divulge or make known
25 in any manner the contents or any other information relating to the
26 business of an establishment contained in any return or report required
27 under this article. The officers charged with the custody of such
28 returns or reports shall not be required to produce any of them or

1 evidence of anything contained in them in any action or proceeding in
2 any court, except on behalf of the state, the state department of
3 health, the state department of education or the commissioner in an
4 action or proceeding under the provisions of this chapter or on behalf
5 of the state or the commissioner in any other action or proceeding
6 involving the collection of a tax due under this chapter to which the
7 state or the commissioner is a party or a claimant or on behalf of any
8 party to any action or proceeding under the provisions of this article,
9 when the returns or the reports or the facts shown thereby are directly
10 involved in such action or proceeding, in any of which events the court
11 may require the production of, and may admit in evidence so much of said
12 returns or reports or of the facts shown thereby as are pertinent to the
13 action or proceeding and no more. Nothing herein shall be construed to
14 prohibit the commissioner, in his or her discretion, from allowing the
15 inspection or delivery of a certified copy of any return or report filed
16 under this article, or from providing any information contained in any
17 such return or report, by or to a duly authorized officer or employee of
18 the state department of health or the state department of education; nor
19 to prohibit the inspection or delivery of a certified copy of any return
20 or report filed under this article, or the provision of any information
21 contained therein, by or to the attorney general or other legal repre-
22 sentatives of the state when an action shall have been recommended or
23 commenced pursuant to this chapter in which such returns or reports or
24 the facts shown thereby are directly involved; nor to prohibit the
25 commissioner from providing or certifying to the division of budget or
26 the comptroller the total number of returns or reports filed under this
27 article in any reporting period and the total collections received ther-
28 efrom; nor to prohibit the inspection of the returns or reports required

1 under this article by the comptroller or duly designated officer or
2 employee of the state department of audit and control, for purposes of
3 the audit of a refund of any surcharge paid by an establishment or other
4 person under this article; nor to prohibit the delivery to an establish-
5 ment, or a duly authorized representative of such establishment, a
6 certified copy of any return or report filed by such establishment
7 pursuant to this article, nor to prohibit the publication of statistics
8 so classified as to prevent the identification of particular returns or
9 reports and the items thereof.

10 2. (a) Any officer or employee of the state who willfully violates the
11 provisions of subdivision one of this section shall be dismissed from
12 office and be incapable of holding any public office in this state for a
13 period of five years thereafter.

14 (b) A violation of this article shall be considered a violation of
15 secrecy provisions under article thirty-seven of this chapter.

16 § 2. Section 1825 of the tax law, as amended by section 20 of part AAA
17 of chapter 59 of the laws of 2017, is amended to read as follows:

18 § 1825. Violation of secrecy provisions of the tax law.--Any person
19 who violates the provisions of [subdivision (b) of section twenty-one,]
20 subdivision one of section two hundred two, subdivision eight of section
21 two hundred eleven, subdivision (a) of section three hundred fourteen,
22 subdivision one or two of section four hundred thirty-seven, section
23 four hundred eighty-seven, section four hundred ninety-four, subdivision
24 one or two of section five hundred fourteen, subsection (e) of section
25 six hundred ninety-seven, subsection (a) of section nine hundred nine-
26 ty-four, subdivision (a) of section eleven hundred forty-six, section
27 twelve hundred eighty-seven, section twelve hundred ninety-six, subdivi-
28 sion (a) of section fourteen hundred eighteen, subdivision (a) of

1 section fifteen hundred eighteen, subdivision (a) of section fifteen
2 hundred fifty-five of this chapter, and subdivision (e) of section
3 11-1797 of the administrative code of the city of New York shall be
4 guilty of a misdemeanor.

5 § 3. The state finance law is amended by adding a new section 97-aaaaa
6 to read as follows:

7 § 97-aaaaa. Opioid prevention, treatment and recovery account. 1.
8 There is hereby established in the joint custody of the state comp-
9 troller and the commissioner of taxation and finance an account of the
10 miscellaneous special revenue account to be known as the "opioid
11 prevention, treatment and recovery account".

12 2. Moneys in the opioid prevention, treatment and recovery account
13 shall be kept separate and shall not be commingled with any other moneys
14 in the custody of the state comptroller and the commissioner of taxation
15 and finance.

16 3. The opioid prevention, treatment and recovery account shall consist
17 of moneys appropriated for the purpose of such account, moneys trans-
18 ferred to such account pursuant to law, contributions consisting of
19 promises or grants of any money or property of any kind or value, or any
20 other thing of value, including grants or other financial assistance
21 from any agency of government and moneys required by the provisions of
22 this section or any other law to be paid into or credited to this
23 account. The account shall also consist of moneys received from any
24 litigation or enforcement actions initiated against opioid pharmaceu-
25 tical manufacturers, distributors and wholesalers.

26 4. Moneys of the opioid prevention, treatment and recovery account,
27 when allocated, shall be available, subject to the approval of the
28 director of the budget, to support programs operated by the New York

1 state office of alcoholism and substance abuse services or agencies
2 certified, authorized, approved or otherwise funded by the New York
3 state office of alcoholism and substance abuse services to provide
4 opioid treatment, recovery and prevention and education services; and to
5 provide support for the prescription monitoring program registry if
6 established.

7 5. At the request of the budget director, the state comptroller shall
8 transfer moneys to support the costs of opioid treatment, recovery,
9 prevention, education services, and other related programs, from the
10 opioid prevention, treatment and recovery account to any other fund of
11 the state.

12 6. Notwithstanding the provisions of any general or special law, no
13 moneys shall be available from the opioid prevention, treatment and
14 recovery account until a certificate of allocation and a schedule of
15 amounts to be available therefor shall have been issued by the director
16 of the budget, upon the recommendation of the commissioner of the office
17 of alcoholism and substance abuse services, and a copy of such certif-
18 icate filed with the comptroller, the chairman of the senate finance
19 committee and the chairman of the assembly ways and means committee.
20 Such certificate may be amended from time to time by the director of the
21 budget, upon the recommendation of the commissioner of the office of
22 alcoholism and substance abuse services, and a copy of such amendment
23 shall be filed with the comptroller, the chairman of the senate finance
24 committee and the chairman of the assembly ways and means committee.

25 7. The moneys, when allocated, shall be paid out of the opioid
26 prevention, treatment and recovery account, pursuant to subdivision four
27 of this section, and subject to the approval of the director of the
28 budget, on the audit and warrant of the comptroller on vouchers certi-

1 fied or approved by (a) the commissioner of the office of alcoholism and
2 substance abuse services or his or her designee; or (b) the commissioner
3 of the department of health or his or her designee.

4 § 4. This act shall take effect July 1, 2018.

5 PART DD

6 Section 1. The tax law is amended by adding a new section 1521 to read
7 as follows:

8 § 1521. Healthcare insurance windfall profit fee. (a) In addition to
9 all taxes, surcharges, and fees imposed under this chapter, the insur-
10 ance law, the financial services law, and the public health law, there
11 is hereby imposed for each taxable year beginning after December thir-
12 ty-first, two thousand seventeen, a fourteen percent surcharge on the
13 net underwriting gain from the sale of health insurance written on risks
14 located or resident within this state of every corporation (1) author-
15 ized to transact an insurance business in this state, or (2) that is a
16 health maintenance organization required to obtain a certificate of
17 authority under article forty-four of the public health law.

18 (b) For purposes of this section, the term "health insurance" shall
19 mean comprehensive hospital and medical expense insurance including,
20 without limitation, comprehensive coverage issued by a health mainte-
21 nance organization, disability income insurance, accident insurance,
22 medicare supplement insurance, specified disease insurance, dental
23 insurance, vision insurance, stop-loss insurance, fixed indemnity insur-
24 ance, and hospital indemnity insurance.

25 (c)(1) For each taxable year, the "net underwriting gain from the sale
26 of health insurance written on risks located or resident within this

1 state" shall equal a corporation's gross receipts from the sale of
2 health insurance written on risks located or resident within New York
3 less the corporation's claims and administrative expenses related to the
4 gross receipts. The computation of "gross receipts from the sale of
5 health insurance written on risks located or resident within New York"
6 and "claims and administrative expenses related to gross receipts" shall
7 be made pursuant to the rules set forth in regulations to be promulgated
8 by the superintendent of financial services.

9 (2) For each taxable year, the "net underwriting gain from the opera-
10 tion of a managed care organization business regulated by the department
11 of health" shall equal a corporation's gross receipts from the operation
12 of a managed care organization business regulated by the department of
13 health less the corporation's claims and administrative expenses related
14 to such gross receipts. The computation of "gross receipts from the
15 operation of a managed care organization business regulated by the
16 department of health" and "claims and administrative expenses related to
17 gross receipts" shall be made pursuant to the rules set forth in regu-
18 lations to be promulgated by the superintendent of financial services.

19 (d) Notwithstanding any law to the contrary, the surcharge imposed by
20 this section shall not be deductible by a corporation in determining its
21 liability for any other tax, surcharge, or fee imposed under any law.

22 (e) Notwithstanding any law to the contrary, the surcharge imposed by
23 this section shall not be considered by any corporation, and shall not
24 be deemed to be an expense, cost, or liability, for purposes of estab-
25 lishing or setting the rate to be charged for any health insurance poli-
26 cy.

1 (f) The surcharge imposed by this section shall be calculated by each
2 corporation on an annual basis without regard to the items of gain or
3 loss from any other period.

4 (g) (1) The superintendent of financial services shall have the power,
5 duty and responsibility to examine returns of a corporation filed with
6 him or her pursuant to this section and, together with any other infor-
7 mation within his or her possession or that may come into his or her
8 possession, to ascertain the correct amount of surcharge imposed under
9 this section of any corporation. For the purpose of ascertaining the
10 correctness of any such surcharge imposed under this section or for the
11 purpose of making an estimate of the surcharge liability under this
12 section of any corporation, the superintendent of financial services
13 shall have the power to examine or cause to have examined by any agent
14 or representative designated by him or her for that purpose, any books,
15 papers, records or memoranda bearing upon the matters required to be
16 included in the return.

17 (2) If the superintendent of financial services ascertains that the
18 amount of surcharge imposed under this section as shown on the return of
19 any corporation is less than the amount of surcharge disclosed by his or
20 her examination, he or she shall propose, in writing, to the commission-
21 er the issuance of a notice of deficiency for the amount due. If a
22 corporation fails to file a return with the superintendent of financial
23 services within the time required for the filing of such return (with
24 regard to any extension of time for the filing thereof), the superinten-
25 dent of financial services shall make an estimate of the amount of
26 surcharge due for the period in respect to which such corporation failed
27 to file the return. The estimate shall be made from any available infor-
28 mation which is in the possession or may come into the possession of the

1 superintendent of financial services and he or she shall propose, in
2 writing, to the commissioner the issuance of a notice of deficiency for
3 the amount of such estimated surcharge. Any proposal pursuant to this
4 paragraph shall set forth the basis thereof and the details of its
5 computation.

6 (3) The commissioner shall, on receipt of a proposal from the super-
7 intendent of financial services pursuant to paragraph two of this subdi-
8 vision, take appropriate action under this chapter for the assessment
9 and collection of the amount of surcharge, together with interest and
10 penalties, shown by such proposal to be due. The superintendent of
11 financial services shall be required to assist the commissioner in
12 defending the correctness of the amount assessed at any conference at
13 the bureau of conciliation and mediation services and at the division of
14 tax appeals.

15 (4) Subject to the consent of the superintendent of financial services
16 and notwithstanding any other provisions of law to the contrary, the
17 commissioner may delegate such other of his or her powers and duties
18 with respect to the administration and collection of the taxes imposed
19 under this section to the superintendent of financial services, as the
20 commissioner finds necessary in order to facilitate such administration
21 and collection.

22 (5) The superintendent of financial services shall have the authority
23 to issue such rules and regulations that are necessary to implement the
24 provisions of this section.

25 (h) (1) Every corporation subject to the surcharge in subdivision (a)
26 of this section, shall annually, on or before the fifteenth day of the
27 third month following the close of its taxable year, transmit to the
28 superintendent of financial services a return in a form prescribed by

1 the superintendent of financial services setting forth such information
2 as such superintendent may prescribe and every corporation which ceases
3 to be subject to the surcharge imposed by this section shall transmit to
4 the superintendent of financial services a return on the date of such
5 cessation or at such other time as such superintendent may require
6 covering each year or period for which no return was theretofore filed.
7 A copy of each return required under this subdivision shall also be
8 transmitted to the commissioner at or before the times specified for
9 filing such returns with the commissioner.

10 (2) Every corporation shall also transmit such other returns and such
11 facts and information as the superintendent of financial services may
12 require in the administration of this section.

13 (3) The superintendent of financial services may grant a reasonable
14 extension of time for filing returns whenever good cause exists. An
15 automatic extension of four months for the filing of its return shall be
16 allowed any corporation, if within the time prescribed by paragraph one
17 of this subdivision, such corporation files with the superintendent of
18 financial services an application for extension in such form as the
19 superintendent of financial services may prescribe and pays on or before
20 the date of such filing the amount properly estimated as its surcharge.

21 (4) Every return shall have annexed thereto a certification by the
22 president, vice president, treasurer, assistant treasurer, chief
23 accounting officer or any other officer of the corporation duly author-
24 ized so to act to the effect that the statements contained therein are
25 true. The fact that an individual's name is signed on a certification of
26 the return shall be prima facie evidence that such individual is author-
27 ized to sign and certify the return on behalf of the corporation.

1 (5) Each corporation subject to the surcharge in subdivision (a) of
2 this section shall file a separate return for each year such corporation
3 is subject to the surcharge.

4 (6) In case it shall appear to the superintendent of financial
5 services that any agreement, understanding or arrangement exists between
6 the corporation and any other entity, person or firm whereby the activ-
7 ity, business, income or capital of the corporation is improperly or
8 inaccurately reflected, the superintendent of financial services is
9 authorized and empowered in his or her discretion and in such manner as
10 he or she may determine, to adjust items of income, deductions and capi-
11 tal so as equitably to determine the surcharge. Where (A) any corpo-
12 ration conducts its activity or business under any agreement, arrange-
13 ment or understanding in such manner as either directly or indirectly to
14 benefit its members or stockholders, or any of them, or any person or
15 persons directly or indirectly interested in such activity or business,
16 by entering into any transaction at more or less than a fair price
17 which, but for such agreement, arrangement or understanding, might have
18 been paid or received therefor, or (B) any corporation, a substantial
19 portion of whose capital stock is owned either directly or indirectly by
20 another corporation, enters into any transaction with such other corpo-
21 ration on such terms as to create an improper gain or loss amount, the
22 superintendent of financial services may include in the corporation's
23 gain subject to the surcharge the fair amounts, which, but for such
24 agreement, arrangement or understanding, the corporation might have
25 derived from such transaction.

26 (i) (1) To the extent the surcharge imposed by this section shall not
27 have been previously paid, the surcharge, or the balance thereof, shall

1 be payable to the superintendent of financial services in full at the
2 time the corporation's return is required to be filed.

3 (2) If the corporation, within the time prescribed by subdivision (f)
4 of this section, shall have applied for an automatic extension of time
5 to file its annual return and shall have paid to the superintendent of
6 financial services on or before the date such application is filed an
7 amount properly estimated as provided by said subdivision, the only
8 amount payable in addition to the surcharge shall be interest at the
9 underpayment rate set by the commissioner pursuant to subsection (e) of
10 section one thousand ninety-six of this chapter or, if no rate is set,
11 at the rate of six percent per annum upon the amount by which the
12 surcharge, or portion thereof payable on or before the date the return
13 was required to be filed, exceeds the amount so paid. For the purposes
14 of the preceding sentence:

15 (A) an amount so paid shall be deemed properly estimated if it is
16 either (i) not less than ninety percent of the surcharge as finally
17 determined, or (ii) not less than the surcharge shown on the corpo-
18 ration's return for the preceding taxable year, if such preceding year
19 was a taxable year of twelve months; and

20 (B) the time when a return is required to be filed shall be determined
21 without regard to any extension of time for filing such return.

22 (3) The superintendent of financial services may grant a reasonable
23 extension of time for payment of any surcharge imposed by this section
24 under such conditions as he or she deems just and proper.

25 (j) All surcharges, interest and penalties collected or received by
26 the superintendent of financial services under this section shall be
27 deposited into the health care reform act (HCRA) resources fund pursuant
28 to section ninety-two-dd of the state finance law.

1 (k) The provisions of article twenty-seven of this chapter shall apply
2 to the provisions of this section in the same manner and with the same
3 force and effect as if the language of such article twenty-seven had
4 been incorporated in full into this article and had expressly referred
5 to the surcharge under this section, except to the extent that any such
6 provision is either inconsistent with a provision of this section or is
7 not relevant to this section. The superintendent of financial services
8 shall have the same power and authority that the commissioner has under
9 article twenty-seven of this chapter.

10 § 2. This act shall take effect immediately.

11 PART EE

12 Section 1. Subdivision 1 of Section 208 of the racing, pari-mutuel
13 wagering and breeding law, as amended by chapter 140 of the laws of
14 2008, is amended to read as follows:

15 1. In consideration of the franchise and in accordance with its fran-
16 chise agreement, the franchised corporation shall remit to the state,
17 each year, no later than April fifth, a franchise fee payment. The fran-
18 chise fee shall be calculated and equal to the lesser of paragraph (a)
19 or (b) of this subdivision as follows: (a) adjusted net income, includ-
20 ing all sources of audited generally accepted accounting principles net
21 income as of December thirty-first (i) plus the amount of depreciation
22 and amortization for such year as set forth on the statement of cash
23 flows (ii) less the amount received by the franchised corporation for
24 capital expenditures and (iii) less principal payments made for the
25 repayment of debt; or (b) operating cash which is defined as cash avail-
26 able on December thirty-first (i) which excludes all restricted cash

1 accounts, segregated accounts as per audited financial statements and
2 cash on hand needed to fund the on-track pari-mutuel operations through
3 the vault, (ii) less [forty-five] ninety days of operating expenses
4 pursuant to generally accepted accounting principles which shall be an
5 average calculated by dividing the current year's annual budget by the
6 number of days in such year and multiplying that number by [forty-five]
7 ninety.

8 § 2. Section 203 of the racing, pari-mutuel wagering and breeding law,
9 as amended by chapter 18 of the laws of 2008, is amended to read as
10 follows:

11 § 203. Right to hold race meetings and races. 1. Any corporation
12 formed under the provisions of this article, if so claimed in its
13 certificate of organization, and if it shall comply with all the
14 provisions of this article, and any other corporation entitled to the
15 benefits and privileges of this article as hereinafter provided, shall
16 have the power and the right to hold one or more running race meetings
17 in each year, and to hold, maintain and conduct running races at such
18 meetings. At such running race meetings the corporation, or the owners
19 of horses engaged in such races, or others who are not participants in
20 the race, may contribute purses, prizes, premiums or stakes to be
21 contested for, but no person or persons other than the owner or owners
22 of a horse or horses contesting in a race shall have any pecuniary
23 interest in a purse, prize, premium or stake contested for in such race,
24 or be entitled to or receive any portion thereof after such race is
25 finished, and the whole of such purse, prize, premium or stake shall be
26 allotted in accordance with the terms and conditions of such race. Races
27 conducted by a franchised corporation shall be permitted only between
28 sunrise and sunset.

1 2. Notwithstanding any other provision of law to the contrary, a fran-
2 chised corporation shall be permitted to conduct races after sunset at
3 the Belmont Park racetrack, only on the main track in its current
4 configuration, only if such races conclude before half past ten o' clock
5 post meridian, and only if such races occur on Thursdays, Fridays or
6 Saturdays. The franchised corporation shall coordinate with a harness
7 racing association or corporation authorized to operate in Westchester
8 county to ensure that the starting times of all such races are stag-
9 gered.

10 3. A track first licensed after January first, nineteen hundred nine-
11 ty, shall not conduct the simulcasting of thoroughbred races within
12 district one, in accordance with article ten of this chapter on days
13 that a franchised corporation is not conducting a race meeting. In no
14 event shall thoroughbred races conducted by a track first licensed after
15 January first, nineteen hundred ninety be conducted after eight o'clock
16 post meridian.

17 § 3. An advisory committee shall be established by the governor
18 comprised of individuals with demonstrated interest in the performance
19 of thoroughbred and standardbred race horses to review the present
20 structure, operations and funding of equine drug testing and research
21 conducted pursuant to article nine of the racing, pari-mutuel wagering
22 and breeding law. Recommendations shall be delivered to the temporary
23 president of the Senate, speaker of the Assembly and Governor by Decem-
24 ber 1, 2018 regarding the future of such research, testing and funding.
25 Members of the board shall not be considered policymakers.

26 § 4. This act shall take effect immediately; provided, however, that
27 the amendments to section 203 of the racing, pari-mutuel wagering and
28 breeding law made by section two of this act shall expire and be deemed

1 repealed 4 years after the first night of racing conducted after sunset
2 pursuant to this act; provided that the New York Racing Association
3 shall notify the legislative bill drafting commission of the date of
4 such night of racing in order that the commission may maintain an accu-
5 rate and timely effective data base of the official text of the laws of
6 the state of New York in furtherance of effectuating the provisions of
7 section 44 of the legislative law and section 70-b of the public offi-
8 cers law.

9 PART FF

10 Section 1. Subdivision 2 of section 254 of the racing, pari-mutuel
11 wagering and breeding law is amended by adding a new paragraph h to read
12 as follows:

13 h. An amount as shall be determined by the fund to support and promote
14 the ongoing care of retired horses, provided, however, that the fund
15 shall not be required to make any allocation for such purposes.

16 § 2. Subdivision 1 of section 332 of the racing, pari-mutuel wagering
17 and breeding law is amended by adding a new paragraph j to read as
18 follows:

19 j. An amount as shall be determined by the fund to support and promote
20 the ongoing care of retired horses, provided, however, that the fund
21 shall not be required to make any allocation for such purposes.

22 § 3. This act shall take effect immediately.

23 PART GG

1 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
2 racing, pari-mutuel wagering and breeding law, as amended by section 1
3 of part 00 of chapter 59 of the laws of 2017, is amended to read as
4 follows:

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

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

1 casting in the thoroughbred special betting district shall occur without
2 the approval of the regional thoroughbred track.

3 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
4 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
5 section 2 of part 00 of chapter 59 of the laws of 2017, is amended to
6 read as follows:

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

19 § 3. The opening paragraph of subdivision 1 of section 1014 of the
20 racing, pari-mutuel wagering and breeding law, as amended by section 3
21 of part 00 of chapter 59 of the laws of 2017, is amended to read as
22 follows:

23 The provisions of this section shall govern the simulcasting of races
24 conducted at thoroughbred tracks located in another state or country on
25 any day during which a franchised corporation is conducting a race meet-
26 ing in Saratoga county at Saratoga thoroughbred racetrack until June
27 thirtieth, two thousand [eighteen] nineteen and on any day regardless of
28 whether or not a franchised corporation is conducting a race meeting in

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

13 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
14 and breeding law, as amended by section 4 of part 00 of chapter 59 of
15 the laws of 2017, is amended to read as follows:

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

21 § 5. The opening paragraph of subdivision 1 of section 1016 of the
22 racing, pari-mutuel wagering and breeding law, as amended by section 5
23 of part 00 of chapter 59 of the laws of 2017, 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 not conducting a race
28 meeting in Saratoga county at Saratoga thoroughbred racetrack until June

1 thirtieth, two thousand [eighteen] nineteen. Every off-track betting
2 corporation branch office and every simulcasting facility licensed in
3 accordance with section one thousand seven that have entered into a
4 written agreement with such facility's representative horsemen's organ-
5 ization as approved by the commission, one thousand eight or one thou-
6 sand nine of this article shall be authorized to accept wagers and
7 display the live full-card simulcast signal of thoroughbred tracks
8 (which may include quarter horse or mixed meetings provided that all
9 such wagering on such races shall be construed to be thoroughbred races)
10 located in another state or foreign country, subject to the following
11 provisions; provided, however, no such written agreement shall be
12 required of a franchised corporation licensed in accordance with section
13 one thousand seven of this article:

14 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
15 wagering and breeding law, as amended by section 6 of part 00 of chapter
16 59 of the laws of 2017, is amended to read as follows:

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

1 programs subject to the following provisions; provided, however, no such
2 written agreement shall be required of a franchised corporation licensed
3 in accordance with section one thousand seven of this article.

4 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
5 racing, pari-mutuel wagering and breeding law and other laws relating to
6 simulcasting, as amended by section 7 of part 00 of chapter 59 of the
7 laws of 2017, is amended to read as follows:

8 § 32. This act shall take effect immediately and the pari-mutuel tax
9 reductions in section six of this act shall expire and be deemed
10 repealed on July 1, [2018] 2019; provided, however, that nothing
11 contained herein shall be deemed to affect the application, qualifica-
12 tion, expiration, or repeal of any provision of law amended by any
13 section of this act, and such provisions shall be applied or qualified
14 or shall expire or be deemed repealed in the same manner, to the same
15 extent and on the same date as the case may be as otherwise provided by
16 law; provided further, however, that sections twenty-three and twenty-
17 five of this act shall remain in full force and effect only until May 1,
18 1997 and at such time shall be deemed to be repealed.

19 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
20 racing, pari-mutuel wagering and breeding law and other laws relating to
21 simulcasting and the imposition of certain taxes, as amended by section
22 8 of part 00 of chapter 59 of the laws of 2017, is amended to read as
23 follows:

24 § 54. This act shall take effect immediately; provided, however,
25 sections three through twelve of this act shall take effect on January
26 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
27 ing law, as added by section thirty-eight of this act, shall expire and
28 be deemed repealed on July 1, [2018] 2019; and section eighteen of this

1 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
2 two of this act shall take effect as of the same date as chapter 772 of
3 the laws of 1989 took effect.

4 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
5 pari-mutuel wagering and breeding law, as amended by section 9 of part
6 00 of chapter 59 of the laws of 2017, is amended to read as follows:

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

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

1 period September tenth, nineteen hundred ninety-nine through March thir-
2 ty-first, two thousand one, such payment shall be six-tenths of one per
3 centum of regular, multiple and exotic pools and for the period April
4 first, two thousand one through December thirty-first, two thousand
5 [eighteen] nineteen, such payment shall be seven-tenths of one per
6 centum of such pools.

7 § 10. This act shall take effect immediately.

8 PART HH

9 Section 1. Subdivision 4 of section 97-nnnn of the state finance law
10 is REPEALED.

11 § 2. Subdivisions 5 and 6 of section 97-nnnn of the state finance law
12 are renumbered subdivisions 4 and 5.

13 § 3. This act shall take effect April 1, 2018.

14 PART II

15 Section 1. Subparagraphs (ii) and (iii) of paragraph 1 of subdivision
16 b of section 1612 of the tax law are REPEALED and a new subparagraph
17 (ii) is added to read as follows:

18 (ii) less a vendor's fee the amount of which is to be paid for serving
19 as a lottery agent to the track operator of a vendor track or the opera-
20 tor of any other video lottery gaming facility authorized pursuant to
21 section sixteen hundred seventeen-a of this article:

22 (A) when a vendor track is located within development zone one as
23 defined by section thirteen hundred ten of the racing, pari-mutuel
24 wagering and breeding law, at a rate of thirty-nine and one-half percent

1 of the total revenue wagered at the vendor track after payout for prizes
2 pursuant to this chapter;

3 (B) when a vendor track is located within development zone two as
4 defined by section thirteen hundred ten of the racing, pari-mutuel
5 wagering and breeding law, at a rate of forty-three and one-half percent
6 of the total revenue wagered at the vendor track after payout for prizes
7 pursuant to this chapter; provided, however, at a vendor track located
8 within fifteen miles of a destination resort gaming facility authorized
9 pursuant to article thirteen of the racing, pari-mutuel wagering and
10 breeding law or that is located more than fifteen miles but within fifty
11 miles of a Native American class III gaming facility as defined in 25
12 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of fifty-one
13 percent of the total revenue wagered at the vendor track after payout
14 for prizes pursuant to this chapter; and that at a vendor track located
15 within fifteen miles of a Native American class III gaming facility as
16 defined in 25 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of
17 fifty-six percent of the total revenue wagered at the vendor track after
18 payout for prizes pursuant to this chapter;

19 (C) when a video lottery facility is operated at Aqueduct racetrack,
20 at a rate of forty-seven percent of the total revenue wagered at the
21 video lottery gaming facility after payout for prizes pursuant to this
22 chapter; provided, however, upon the earlier of the designation of one
23 thousand video lottery devices as hosted pursuant to paragraph four of
24 subdivision a of section sixteen hundred seventeen-a of this article or
25 April first, two thousand nineteen, such rate shall be fifty percent of
26 the total revenue wagered at the video lottery gaming facility after
27 payout for prizes pursuant to this chapter;

1 (D) when a video lottery gaming facility is located in either Nassau
2 or Suffolk counties and is operated by a corporation established pursu-
3 ant to section five hundred two of the racing, pari-mutuel wagering and
4 breeding law, at a rate of forty-five percent of the total revenue
5 wagered at the video lottery gaming facility after payout for prizes
6 pursuant to this chapter;

7 (E) notwithstanding any provision of law to the contrary, when a
8 vendor track is located within region one or two of development zone
9 two, as such zone is defined in section thirteen hundred ten of the
10 racing, pari-mutuel wagering and breeding law, or is located within
11 region six of such development zone two and is located within Ontario
12 county, such vendor track shall be entitled to receive an additional
13 commission. The additional commission received by the vendor track shall
14 be the adjusted commission calculated pursuant to subclause (II) of this
15 clause; provided, however, the additional commission shall not exceed an
16 amount calculated pursuant to subclause (I) of this clause.

17 (I) The maximum additional commission payable for any fiscal year
18 shall be an amount equal to the base vendor fee less the adjusted
19 current vendor fee. The adjusted current vendor fee is calculated as the
20 vendor fee that the facility would have received during the current
21 fiscal year under the payment schedule established by this paragraph as
22 it existed on March thirty-first, two thousand seventeen. The base
23 vendor fee is calculated as the vendor fee that the facility received
24 during the twelve-month period immediately preceding the opening of a
25 gaming facility in the same region as the vendor track. For the purposes
26 of this calculation, a vendor fee shall exclude any distributions
27 required by paragraph two of this subdivision. For the purposes of this

1 clause, Seneca and Wayne counties shall be deemed to be located within
2 region six of development zone two.

3 (II) The adjusted commission is a percentage of the total revenue
4 wagered at the vendor track after payout for prizes pursuant to this
5 chapter. That percentage is calculated by subtracting the effective tax
6 rate on all gross gaming revenue paid by a gaming facility within the
7 same region as the vendor track from the education percentage. The
8 education percentage is ninety percent less the percentage of the vendor
9 track's vendor fee. For purposes of this clause, Seneca and Wayne coun-
10 ties shall be deemed to be located within region six of development zone
11 two.

12 (III) The additional commission paid pursuant to this subparagraph
13 shall commence with the state fiscal year ending on March thirty-first,
14 two thousand eighteen and shall be paid to a vendor track no later than
15 sixty days after the close of the fiscal year. The additional commission
16 authorized by this clause shall only be applied to revenue wagered at a
17 vendor track while a gaming facility in the same region as that vendor
18 track is open and operating pursuant to an operation certificate issued
19 pursuant to section thirteen hundred thirty-one of the racing, pari-mu-
20 tuel wagering and breeding law.

21 (F) Notwithstanding any provision of law to the contrary, any opera-
22 tors of a vendor track or the operators of any other video lottery
23 gaming facility eligible to receive a capital award as of December thir-
24 ty-first, two thousand seventeen shall deposit from their vendor fee
25 into a segregated account an amount equal to four percent of the first
26 sixty-two million five hundred thousand dollars of revenue wagered at
27 the vendor track after payout for prizes pursuant to this chapter to be
28 used exclusively for capital investments, except for Aqueduct, which

1 shall deposit into a segregated account an amount equal to one percent
2 of all revenue wagered at the video lottery gaming facility after payout
3 for prizes pursuant to this chapter until the earlier of the designation
4 of one thousand video lottery devices as hosted pursuant to paragraph
5 four of subdivision a of section sixteen hundred seventeen-a of this
6 article or April first, two thousand nineteen, when at such time four
7 percent of all revenue wagered at the video lottery gaming facility
8 after payout for prizes pursuant to this chapter shall be deposited into
9 a segregated account for capital investments. Vendor tracks and video
10 lottery gaming facilities shall be permitted to withdraw funds for
11 projects approved by the commission to improve the facilities of the
12 vendor track or video lottery gaming facility which enhance or maintain
13 the video lottery gaming facility including, but not limited to hotels,
14 other lodging facilities, entertainment facilities, retail facilities,
15 dining facilities, events arenas, parking garages and other improvements
16 and amenities customary to a gaming facility, provided, however, the
17 vendor tracks and video lottery gaming facilities shall be permitted to
18 withdraw funds for unreimbursed capital awards approved prior to the
19 effective date of this subparagraph. Any proceeds from the divestiture
20 of any assets acquired through these capital funds or any prior capital
21 award must be deposited into this segregated account, provided that if
22 the vendor track or video lottery gaming facility ceases use of such
23 asset for gaming purposes or transfers the asset to a related party,
24 such vendor track or video lottery gaming facility shall deposit an
25 amount equal to the fair market value of that asset into the account. In
26 the event a vendor track or video lottery gaming facility ceases gaming
27 operations, any balance in the account along with an amount equal to the
28 value of all remaining assets acquired through this fund or prior capi-

1 tal awards shall be returned to the state for deposit into the state
2 lottery fund for education aid, except for Aqueduct, which shall return
3 to the state for deposit into the state lottery fund for education aid
4 all amounts in excess of the amount needed to fund a project pursuant to
5 an agreement with the operator to construct an expansion of the facili-
6 ty, hotel, and convention and exhibition space requiring a minimum capi-
7 tal investment of three hundred million dollars and any subsequent
8 amendments to such agreement. The comptroller or his legally authorized
9 representative is authorized to audit any and all expenditures made out
10 of these segregated capital accounts. Notwithstanding the preceding, a
11 vendor track located in Ontario county may withdraw up to two million
12 dollars from this account for the purpose of constructing a turf course
13 at the vendor track.

14 (G) Notwithstanding any provision of law to the contrary, free play
15 allowance credits authorized by the division pursuant to subdivision f
16 of section sixteen hundred seventeen-a of this article shall not be
17 included in the calculation of the total amount wagered on video lottery
18 games, the total amount wagered after payout of prizes, the vendor fees
19 payable to the operators of video lottery gaming facilities, fees paya-
20 ble to the division's video lottery gaming equipment contractors, or
21 racing support payments.

22 (H) Notwithstanding any provision of law to the contrary, the operator
23 of a vendor track or the operator of any other video lottery gaming
24 facility shall fund a marketing and promotion program out of the
25 vendor's fee. Each operator shall submit an annual marketing plan for
26 the review and approval of the commission and any other required docu-
27 ments detailing promotional activities as prescribed by the commission.
28 The commission shall have the right to reject any advertisement or

1 promotion that does not properly represent the mission or interests of
2 the lottery or its programs.

3 (I) Notwithstanding clause (F) of this subparagraph, the commission
4 shall be able to authorize a vendor track located within Oneida county,
5 within fifteen miles of a Native American class III gaming facility, and
6 who has maintained at least ninety percent of full-time equivalent
7 employees as they employed in the year two thousand sixteen, to withdraw
8 funds from the segregated account established in clause (F) of this
9 subparagraph up to an amount equal to four percent of the total revenue
10 wagered at the vendor track after payout for prizes pursuant to this
11 chapter each year, for operations.

12 § 2. This act shall take effect immediately; provided, however, clause
13 (I) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612
14 of the tax law as added by section one of this act shall expire and be
15 deemed repealed June 29, 2019.

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

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