



## REVENUE

### PROPERTY TAX CAP



Property taxes have grown by an average of just **1.8% per year**

Taxpayers

**saved \$58.8B** since 2012



The typical taxpayer has **saved \$7,900**



The Executive Budget

authorizes



**MOBILE SPORTS BETTING**



creates



**ADULT-USE CANNABIS PROGRAM**

which is expected to create jobs, spur economic activity, and generate significant tax revenue

### BACK TO WORK COVID-19 RECOVERY TAX CREDIT

The budget will support businesses **rehiring workers** displaced by the COVID-19 pandemic



## Budget Highlights

### **Enact High Income PIT Pre-Payment with Payback.**

The Budget establishes that taxpayers with incomes over \$5 million will have the option to pre-pay two years of excess liability based on five new tax brackets. A new deduction will return the pre-payment to affected taxpayers between 2024 and 2025.

### **Pandemic Recovery and Restart Program.**

Establishes three new tax credits and expands another totaling \$130 million to help smaller businesses in the accommodation, arts and entertainment, restaurant and musical and theatrical production industries to recover from the pandemic and bring back jobs to New York.

### **Authorize Mobile Sports Wagering.**

The Budget authorizes mobile sports wagering throughout the State. Currently, sports wagering is limited to in-person betting at the four upstate casinos.

### **Enact the Cannabis Regulation and Taxation Act.**

The Budget establishes a regulatory structure for the adult-use of marijuana and imposes three taxes.

The FY 2022 Executive Budget responds to the public health and economic crisis created by the COVID-19 pandemic that is causing an estimated \$19.7 billion drop over FY 2021 and FY 2022 in revenue from projections made in February 2020 just before the pandemic struck and decimated State finances. Specifically, in the absence of requested Federal aid to offset these losses, the Budget raises income tax rates on the state's highest earners with a pre-payment plan and adds new revenue sources including online sports wagering and adult-use cannabis.

## Overview

The fiscal discipline of the past ten years positioned the State to deliver tax cuts for both individuals and businesses. Enacted personal income tax cuts are saving taxpayers \$39 billion through FY 2021 and every New Yorker now pays a lower tax rate than they did before the Governor took office. Enacted business tax cuts are saving businesses \$12.2 billion through FY 2021.

Tax relief accomplishments include: enactment of a permanent property tax cap and the property tax freeze credit; creating the lowest middle class income tax rate in over 70 years; eliminating the MTA payroll tax for more than 700,000 small businesses and the self-employed; enacting tax cuts for small businesses and manufacturers; delivering reforms to unemployment insurance and workers compensation insurance; creating tax-free zones; and reducing corporate taxes as part of the most important overhaul of corporate taxes in seven decades.

While the State has been lowering taxes, permanently capping property tax growth at 2 percent, and local governments have been finding new ways to work together and share services, Federal tax code changes have created new challenges for New York taxpayers, most notably, by capping Federal deductions of state and local taxes at \$10,000.

Prior to the pandemic, New York State was experiencing the longest period of economic growth in modern history and in February 2020 was projecting a revenue increase for FY 2021 of 6.7 percent. This was built on a strong economic foundation of fiscal discipline fostered by the Governor. For a decade, Governor Cuomo held average annual spending growth to 2 percent, making possible lower income tax rates for every New Yorker. The economy in the Governor's tenure added 1.3 million private sector jobs, reaching a record high 8.4 million in February 2020. The global pandemic upheaved the New York State economy, and its subsequent impact on State revenues has been devastating.

In April, when 1.8 million New Yorkers lost their jobs as the virus spread, the State projected a \$63 billion, four-year revenue loss. Economic analysis estimated that the worst performing quarters would be the third and fourth quarters of 2020.

But New Yorkers responded, came together and bent the curve of the virus's spread. The State took a data-driven approach to re-opening and maintained the lowest rates of infection in the nation. These efforts helped speed the economic recovery and a rebound began in the third quarter of 2020. While this improvement is beneficial, it is not sufficient to offset the dramatic revenue loss.

Projections in the FY 2022 Executive Budget Financial Plan are for a \$37 billion, four-year revenue loss due entirely to the pandemic. In FY 2021, revenue is down \$10.2 billion, in FY 2022 \$9.5 billion, FY 2023 \$8.4 billion and \$9.1 billion in FY 2022.

This Federal failure to act and support states that have been on the frontline in combatting the pandemic builds on previous attacks from Washington on New York State. This includes the implementation of a cap on the deductibility of State and local taxes -- known as SALT -- at \$10,000, costing New York taxpayers as much as \$15 billion a year. The SALT cap undermines the progressivity of the State's tax system, the investments and services the State provides for its residents, and the competitiveness of New York's economy long-term.

It also threatens efforts the State has taken to better compete for jobs, including lowering income tax rates for every New Yorker and implementing a permanent 2% cap on annual property tax growth. As a result of these efforts, and just prior to the pandemic, New York State had 37 consecutive quarters of job growth, adding nearly 1.3 million private sector jobs and marking the longest period of employment growth in at least 80 years. The State reached nearly 8.4 million private sector jobs -- an all-time high -- in February just before the pandemic struck

The Federal tax increase through the cap on SALT deductions targeted at New Yorkers is compounded by the Federal government's failure, to date and despite promises, to deliver promised funding to states that offset revenue losses caused by the pandemic.

## Responding to COVID-19

The FY 2022 Executive Budget takes numerous steps to mitigate this Federal failure to act so that critical services remain funded and in operation to continue to support New Yorkers in a time when they need it most. Actions are proposed that will help replace the loss of State's resources while working to maintain the State's long-term ability to compete for jobs and grow our economy.

These include:

- **Enact Temporary PIT High Income Surcharge.** The current top PIT rate is 8.82 percent for married taxpayers with taxable income above \$2,155,350. The Budget establishes surcharge rates on taxable income above \$5 million, effective Tax Years 2021 through 2023. Taxpayers may voluntarily prepay Tax Year 2022 and Tax Year 2023 surcharge liability through their Tax Year 2021 estimated payments. If they take this option, they receive a repayment via tax deductions in Tax Years 2024 and 2025. The proposal is an innovative way to address the State's short-term fiscal challenges while minimizing the

impact on taxpayers over the long-term and to help maintain New York's ability to compete.

- **Delay Middle Class Tax Cut by One Year.** The devastating revenue losses caused entirely by the pandemic, and Federal inaction thus far to offset those losses, leaves the State with no choice but to pause the continued phase-ins of the Middle-Class Tax Cut, which began in 2018 and is scheduled to fully phase in by 2025. Rather than the planned tax cut scheduled for Tax Year 2021, Tax Year 2020 rates will remain in effect for an additional year, with the Tax Year 2021 cut occurring in Tax Year 2022, the Tax Year 2023 cut occurring in Tax Year 2024, and so on until the cut is fully phased in by 2026, rather than the original full phase in set for 2025.
- **Enact the Pandemic Recovery and Restart Program.** Establish three new tax credits and increases another totaling \$130 million to help small businesses in the accommodation, arts and entertainment, restaurant and musical and theatrical production industries to recover from the pandemic and bring back jobs to New York.
  - **Small Business Return-To-Work Tax Credit** – provides up to \$50 million in tax credits to support small businesses in the hiring of additional workers through 2021.
  - **Restaurant Return-To-Work Tax Credit** – provides up to \$50 million in tax credits to support restaurants hard hit by the pandemic through 2021.
  - **New York City Musical and Theatrical Production Tax Credit** – provides up to \$25 million in tax credits for the jump start of the industry and the support of tourism activity in the City.
  - **Extend and Enhance the Musical and Theatrical Production Credit for Four Years.** In order to support musical and theatrical productions that occur in the State but outside of New York City, the Budget extends this credit for four years through 2025 and doubles it to \$8 million.
- **Enact Employer Child Care Credits.** The Budget enhances the Excelsior Jobs Program and Employer Provided Child Care Credit, providing meaningful incentives to employers to help them provide much needed child care to their employees. The Excelsior Jobs Program is enhanced to allow for an expanded five percent Investment Tax Credit component and a credit for six percent of ongoing net child care expenditures provided by the credit recipient. The Employer Provided Child Care Credit is also enhanced by doubling the current credit percentages to 50 percent of qualified child care expenditures and 20 percent of qualified child care resource and referral expenditures while increasing the per taxpayer cap from \$150,000 to \$500,000.

## Tax Cuts and Credits

- **Extend Low-Income Housing Credits for Five Years.** To help expand affordable housing in New York, this program provides credits to develop qualifying low-income housing projects. The Budget authorizes the Division of Housing and Community Renewal to allocate an additional \$400 million over five years.
- **Extend the Film Tax Credit for One Year.** The Budget extends the film tax credit for an additional year through 2026 with an annual allocation of \$420 million. Additionally, this extension includes several Upstate counties to the additional ten percent wage and labor credit for post-production projects, bringing this portion of the credit in line with credits for production projects.
- **Extend Brownfield Tangible Property Redevelopment Credit for Two Years.** The Budget extends by two years the period for which the tangible property credit component of the Brownfield redevelopment tax credit is allowed for projects whose original period did or will expire between March 15, 2020 and December 31, 2021.
- **Extend the Farm Workforce Retention Credit for Three Years.** The Farm Workforce Retention Credit provides a benefit of between \$250 and \$600 per employee (depending on the tax year) between tax years 2017 and 2021. The Budget extends this credit through Tax Year 2024 at the \$600 per employee level.
- **Extend the Alternative Fuels Exemption for Five Years.** In order to incentivize the continued use of renewable fuels and as part of a comprehensive strategy to reduce the State's dependence on foreign oil, the Budget extends the existing full exemptions of E-85, CNG, and hydrogen, and the partial exemption of B-20 from motor fuel, petroleum business, and State and local sales taxes for five additional years.
- **Extend Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act for Three Years.** The Dodd-Frank Wall Street Reform and Consumer Protection Act required certain financial institutions to create subsidiaries and then transfer property or services to those subsidiaries. In order to continue to address the unintended consequence of the Federal Act as it pertains to "separate legal entities," the Budget extends a tax exemption first provided in 2015 that excludes these required transfers from taxable sales. The date by which transfers must be made or a binding contract entered into is extended from June 30, 2021 to June 30, 2024 and the expiration date of the exemption is extended from June 30, 2024 to June 30, 2027.
- **Extend the Economic Transformation and Facility Redevelopment Program Tax Credit for Five Years.** This program supports the economies of communities affected by the closure of certain correctional and juvenile justice facilities since 2011. The Budget extends the tax credits and facility eligibility for an additional five years through 2026.
- **Extend the Hire-A-Vet Credit for Two Years.** To support veterans in their return to the workforce, the Budget extends this credit for an additional two years, adding the 2021 and 2022 hiring periods. The program provides a tax credit to employers equal to 10 percent

of wages paid to a qualified veteran (up to \$5,000) and 15 percent of wages paid to a disabled veteran (up to \$15,000).

## Reform and Simplification Actions

- **Reform and Simplify Various Business Tax Provisions.** The Budget repeals the Article 9 tax on foreign buses, which has limited impact and costs more to administer than it brings to the State in revenue. Additionally, the Budget requires all S corporations at the Federal level to be treated as such for state tax purposes. Currently, Federal S corporations with investment income above 50 percent of Federal gross income are treated as NYS S corporations. This change addresses tax avoidance in cases where shareholders change residence to avoid tax on dividends.
- **Modernize Tax Law to Include the Vacation Rental Industry.** In order to create a level playing field between traditional hospitality industry participants such as hotels, motels, and B&Bs and the growing vacation rental sector, the Budget subjects all vacation rentals to State and local sales taxes, as well as the daily NYC Convention Center hotel fee of \$1.50 per unit. Under these new provisions, any vacation rental marketplace provider that facilitates the occupancy of a vacation rental will be responsible for collecting and remitting the State and local sales taxes, in addition to the NYC hotel unit fee.
- **Simplify Certain Tax Filing and Reporting Requirements.** The Budget reduces the filing frequency for certain filers of the highway use tax from quarterly/monthly filing and the alcohol beverage tax from quarterly/monthly filing to annual filing. These annual filings will reduce the administrative burden on DTF and filers alike.
- **Make Technical Changes to Cigarette Licensing Provisions.** The Budget clarifies that cigarette licensees with a revoked license cannot store cigarette or tobacco products at their retail premises. This change will aid with enforcement of revoked licenses and unlicensed sales of untaxed products.
- **Make Technical Correction to Sales Tax Remote Vendor Registration.** The Budget makes a technical correction to the Tax Law to clarify and conform the sales volume threshold at which remote vendors are required to register with the State for the purposes of collecting sales tax.
- **Amend the Collection and Reporting of Taxicab Tax and Congestion Surcharge.** Technology Service Providers (TSPs) are licensed providers of in-vehicle technology used by taxicabs, HAIL vehicles, and dispatch vehicles for driver authentication, credit card processing, and trip data collection and transmission. Under existing law, TSPs collect the taxicab tax and the existing congestion surcharge in the New York City congestion zone south of 96<sup>th</sup> Street from passengers, then transfer it to agents and medallion and HAIL vehicle owners, who are responsible for remittance. Additionally, TSPs also collect and send the corresponding data records to the Taxi & Limousine Commission (TLC). However, since the TLC reporting requirements do not perfectly align with the Tax Law, there are data matching and reconciliation issues. To streamline and improve upon the existing tax collections and enforcement mechanisms, the Budget transfers the collection,

reporting, and remittance responsibilities of the taxicab tax and congestion surcharge from individual agents and medallion and HAIL vehicle owners to TSPs.

- **Reform the State Racing Admissions Tax.** The Budget repeals the State racing admissions tax imposed by the Racing, Pari-Mutuel Wagering and Breeding law and replaces it with State sales tax. Both the admissions tax and State sales tax are four percent, making this change revenue neutral while simplifying tax administration and compliance. Any local racing admissions taxes remain unimpacted.
- **Make Permanent Local Sales Tax Rate Authorizations.** In an effort to shore up local government finances and to ensure revenue stability and certainty for local governments going forward, the Budget grants permanent local sales tax authority for all counties and cities at their existing rates or up to four percent. As such, local governments would no longer need to seek and receive the State's approval as long as they want to extend their existing rates or increase their rate to no more than four percent. All local governments will still be required to seek and receive temporary approval by a majority vote of the local government's governing body in order to impose additional sales tax above the current statutory three percent threshold.
- **Modernize and Merge Real Property Tax Forms and Processes.** The Budget consolidates duplicative real property transfer tax forms and implements an online system for e-filing and remittance of associated fees; however, the new streamlined process will be optional for local administrators who can elect to continue to utilize the existing paper form process. The Budget also clarifies that certain modernizations and simplifications taken to the Real Property Tax Form submissions will not alter local revenue streams.
- **Make Technical and Conforming Changes to Real Property Tax Law.** The Budget clarifies the language pertaining to population-based real property tax exemptions, eliminates unnecessary real property tax hearings, improves the ability of the State Board to reach a quorum, and makes various conforming language changes to the Real Property Tax Law.

## Enforcement and Compliance Initiatives

- **Enact a Pass-Through-Entity Tax.** The Budget includes a new voluntary Pass-Through-Entity Tax designed to mitigate the impact of the cap on state and local tax (SALT) deductions enacted in the 2017 Tax Cuts and Jobs Act. Pass-through entities can deduct this tax at the Federal level, thereby allowing partners of partnerships and shareholders of S corporations to receive the benefit of a full deduction for SALT paid before income is passed-through to them. A credit will be allowed against regular State income tax to offset the new Entity tax. This proposal aligns with similar efforts in Connecticut and enables individuals affected by the SALT cap to use IRS-allowed business deductibility to mitigate its impacts.
- **Increase Wage and Withholding Filing Penalty.** The Budget increases the maximum penalty for employers who fail to timely and accurately file wage and withholding reports.

Currently, such fines are \$50 per employee per report, capped at \$10,000. Raising the maximum penalty to \$50,000 further incentivizes reporting accuracy.

- **Update Tax Preparer Regulation and Enforcement.** To provide more protections for taxpayers, the Budget updates various tax preparer provisions, including: allowing for charges against tax preparation businesses with preparers that fail to register; eliminating the penalty cure period to induce more voluntary registration compliance; increasing failure to register penalties; establishing clear authority regarding the issuance, revocation, suspension, and cancellation of registration certificates; and requiring registration certificates to be prominently displayed.
- **Enhance Real Estate Transfer Tax Compliance.** To address tax avoidance, the Budget adds responsible persons language and prohibits sellers from passing the basic tax responsibility onto buyers. Additionally, the Budget makes technical fixes to the 2019 law that requires disclosure of LLC members as a condition of filing RETT in order to clarify the requirements to record a deed when an LLC is owned by a publicly traded corporation or REIT without interfering with the law's underlying purpose of transparency in ownership.
- **Increase the Interest Free Period for Certain Sales Tax Refunds.** The Budget doubles the interest-free period from 90 to 180 days for sales tax refunds of \$100,000 or more to provide the Tax Department more time to accurately process high value refund requests without incurring and paying out interest.

## Other Actions

- **Enact the Cannabis Regulation and Taxation Act.** The Budget regulates and controls the production, distribution, transportation, and sale of cannabis, cannabis related products, and medical cannabis within NYS, for the purposes of fostering and promoting temperance in their consumption, to properly protect the public health, safety, and welfare, and to promote social equality. Three taxes are imposed on the adult-use of cannabis:
  - A wholesale THC-based tax at various rates according to the potency level or THC content of different product categories in an effort to more accurately capture both the true market value and the potential public health risks associated with the final cannabis product. Cannabis flower/pre-roll/shake products are taxed at a rate of 0.7 cent per milligram of THC content. Cannabis concentrates/oil products are taxed at a rate of 1 cent per milligram of THC content, while cannabis infused/edible products are taxed at a rate of 4 cents per milligram of THC content.
  - The sale of adult-use cannabis products by a retail dispensary to a consumer is subject to a surcharge at a rate of 10.25 percent of the final retail sale price; and
  - The applicable State and local sales tax rates are imposed on the same retail sale by a retail dispensary to a consumer. The prevailing local sales tax rate is based on the county and/or city in which the retail dispensary is located.

Of the THC-based tax, retail surcharge, and any license fees, the first \$10 million in FY 2023, \$20 million in FY 2024, \$30 million in FY 2025, \$40 million in FY 2026, and \$50



million annually thereafter are directed for social equity purposes, with the remainder directed to the newly established New York State Cannabis Revenue Fund.

Additionally, included within the Cannabis Regulation and Taxation Act, the Budget continues the success of the expanding medical cannabis program by extending the current excise tax provisions, as well as the current revenue distributions for an additional seven years and directing the currently undistributed 45 percent of tax revenue to the newly established New York State Cannabis Revenue Fund.

- **Allow DTF the Right to Appeal DTA Tribunal Decisions.** The Tax Appeals Tribunal is an independent body with the ability to cancel assessments, invalidate regulations and reverse prior decisions of the state tax commission. While a taxpayer may appeal an adverse decision of the Tribunal to a court, the Tax Commissioner may not. This presents a significant flaw in the statute: it denies the Tax Department the right to seek judicial review of an adverse decision that it believes is contrary to the interests of the people of this State.
- **Extend Implementation Deadline for the Secure Choice Program.** The COVID-19 pandemic has delayed implementation of the New York State Secure Choice Savings Program. The Budget extends the statutory deadline for implementing the program to December 31, 2021.
- **Promote the Development of Renewable Energy Projects.** The Budget creates a standardized approach to local property tax assessments for solar and wind renewable energy projects. A standard methodology for assessment of wind and solar projects would be established to facilitate meeting New York's aggressive carbon reduction goals while still leaving municipalities the flexibility to negotiate PILOT agreements.

## School Tax Relief (STAR) Program Actions

- **Improve and Enhance STAR Program Administration.** The Budget implements several changes designed to improve administration of the STAR program for the Tax Department and local officials.
  - **Preserve Enhanced STAR Exemption Beneficiaries.** The FY 2017 Enacted Budget closed the Basic and Enhanced STAR Exemption Program to new applicants and homeowners that moved homes. However, homeowners who didn't move were still able to shift from a Basic exemption to an Enhanced exemption, if eligible. The Budget eliminates this backdoor into the Enhanced Exemption Program by preserving current Enhanced STAR Exemption beneficiaries in the Program, while also eliminating new entrants to the Program. When Basic exemption beneficiaries become eligible for an Enhanced STAR benefit, homeowners will be permitted to claim the larger Enhanced STAR credit.
  - **Improve Mobile Home STAR Exemption Administration.** Administration of STAR benefits to mobile homeowners is problematic, largely due to the fact that mobile homes are not itemized on assessment rolls. The Budget converts all existing STAR

exemptions for mobile homes into STAR credits to streamline the process and get STAR benefits to mobile homeowners faster.

- **Make Various STAR Program Reforms.** The Budget moves forward the date to voluntarily switch from a STAR exemption to a STAR credit from June 15 to May 1 in 2021, which has no impact on benefits to taxpayers while making the program easier to administer for assessors. The Budget also specifies that appeals of STAR exemption denials will be heard by the DTF's Bureau of Conciliation and Mediation Services and allows the Department to provide decedent reports to assessors.

## Gaming Initiatives

- **Authorize Mobile Sports Wagering and Establish a Casino Tax Rate Petition Process.** The Budget authorizes mobile sports wagering throughout the State. Currently, sports wagering is limited to in-person betting at the four upstate casinos. This change would bring back revenue generated by New Yorkers wagering in other states where mobile sports betting is already allowed, increasing revenues in New York State directed to education. Additionally, The Budget establishes a process allowing a casino to petition the Gaming Commission for slot tax rate reduction no lower than 25 percent based on certain criteria with a final determination made by the Director of the Budget.
- **Eliminate Quick Draw Restrictions.** The Budget eliminates the last two remaining restrictions on Quick Draw. The current 2,500-square-foot size restriction imposed on locations offering Quick Draw is eliminated, expanding the current number of eligible license agents to approximately 17,000. Additionally, the requirement to be 21 years of age at Quick Draw locations where alcohol is served is eliminated to conform with the age restrictions for all other lottery games. Eliminating these restrictions will strengthen the game's ability to generate additional sales.
- **Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year.** The Budget extends the current pari-mutuel tax rate structure and other racing-related provisions for one year.
- **Decouple the Gaming Commission and the Gaming Inspector General.** To eliminate any potential conflicts of interest between the Gaming Commission and the Gaming Inspector General, the Gaming Inspector General's resources and authority are extracted and segregated from Gaming Commission resources.
- **Remove Restriction on Lottery Draw Game Offerings.** The Budget removes the requirement that lottery draw games be offered no more than once daily. This change provides the Gaming Commission the flexibility to determine the number of offerings per day for draw games in a timelier manner. The Commission plans to increase the number of Take 5 drawings to twice-per-day in FY 2022.
- **Authorize a Request for Information for Gaming Facility Licenses.** The Budget authorizes the Gaming Commission to issue a request for information for the purpose of soliciting interest regarding the three unawarded gaming facility licenses authorized by the State Constitution.

- **Temporarily Suspend Certain Racing Support Payments.** The Budget would temporarily suspend payments, required by law, from Rivers Casino to Saratoga Casino and Raceway to keep their horsemen and breeders held harmless at 2013 levels adjusted for inflation. This suspension would be in effect while any COVID-19 related restrictions are in place for either facility but would resume accruing once each facility operates without any COVID-19 related restrictions for six full and consecutive calendar months.

## Fee Actions

- **Expand Hunting and Crossbow Licensing.** The Budget includes expanding the existing crossbow season and increasing the pool of possible big game hunters to 12- and 13 year-olds to encourage and expand outdoor recreation.
- **Allow Non-CPA Owners of Public Accounting Firms.** The Executive Budget proposes legislation to modernize the State's incorporation laws to allow public accounting firms to incorporate with minority ownership by individuals who are not Certified Public Accountants. In today's rapidly evolving economy, accounting firms endeavor to provide a variety of services to their clients and to do so often requires the skills of individuals who are not Certified Public Accountants. As part of this proposal, each owner of a public accounting firm who is not a licensed Certified Public Accountant would pay a \$300 annual administration fee to the State Education Department.
- **Impose a DMV Convenience Fee.** In an effort to limit the number of required DMV office visits per the COVID-19 safety protocols, the Budget ensures and expands customer access to online transactions by imposing a \$1 per transaction fee for each license and registration transaction executed. Revenues from this fee will be used to maintain and improve DMV's technology systems and infrastructure.
- **Increase Penalties for Mental Hygiene Law Violations and Establish Application Fees for Office of Mental Health (OMH) Operating Certificates.** The Budget includes legislation to enhance OMH's ability to impose sanctions due to a provider's failure to comply with the terms of their operating certificate or applicable law; and charge fees for the purpose of processing applications for the issuance of operating certificates.

## Table 4: Revenue Actions and STAR (Millions of Dollars)

	REVENUE ACTIONS (millions of dollars)			
	General Fund		All Funds	
	FY 2022	FY 2023	FY 2022	FY 2023
<b>Covid-19 Response</b>	<b>1,896</b>	<b>1,717</b>	<b>1,896</b>	<b>1,717</b>
Enact Temporary PIT High Income Surcharge	1,537	1,404	1,537	1,404
Delay Middle Class Tax Cut by One Year	394	403	394	403
Enact the Pandemic Recovery and Restart Program	(35)	(90)	(35)	(90)
Enact Employer Child Care Credits	-	-	-	-
<b>Tax Cuts and Credits</b>	<b>(1)</b>	<b>(9)</b>	<b>(3)</b>	<b>(12)</b>
Extend Low-Income-Housing Credits for Five Years	-	(8)	-	(8)
Extend the Film Tax Credit for One Year	-	-	-	-
Extend and Enhance Brownfield Tangible Property Redevelopment Credit for Two Years	-	-	-	-
Extend the Farm Workforce Retention Credit for Three Years	-	-	-	-
Extend the Alternative Fuels Exemption for Five Years	(1)	(1)	(3)	(4)
Extend Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act for Three Years	-	-	-	-
Extend the Economic Transformation and Facility Redevelopment Program Tax Credit for Five Years	-	-	-	-
Extend the Hire-a-Vet Credit for Two Years	-	-	-	-
<b>Tax Reform and Simplification</b>	<b>9</b>	<b>23</b>	<b>9</b>	<b>24</b>
Reform and Simplify Various Business Tax Provisions	-	6	-	6
Modernize Tax Law To Include the Vacation Rental Industry	9	17	10	18
Simplify Certain Tax Filing and Reporting Requirements	-	-	(1)	-
Make Technical Changes to Cigarette Licensing Provisions	-	-	-	-
Make Technical Correction to Sales Tax Remote Vendor Registration	-	-	-	-
Amend the Collection and Reporting of Taxicab Tax and Congestion Surcharge	-	-	-	-
Reform the State Racing Admissions Tax	-	-	-	-
Make Permanent Local Sales Tax Rate Authorizations	-	-	-	-
Modernize and Merge Real Property Tax Forms and Processes	-	-	-	-
Make Technical and Conforming Changes to Real Property Tax Law	-	-	-	-
<b>Tax Enforcement and Compliance</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
Enact a Pass-Through-Entity Tax	-	-	-	-
Increase Wage and Withholding Filing Penalty	2	2	2	2
Update Tax Preparer Regulation and Enforcement	15	15	15	15
Enhance Real Estate Transfer Tax Compliance	-	-	-	-
Increase the Interest Free Period on Certain Sales Tax Refunds	-	-	-	-

	General Fund		All Funds	
	FY 2022	FY 2023	FY 2022	FY 2023
<b>Other Actions</b>	-	13	20	118
Enact the Cannabis Regulation and Taxation Act	-	13	20	118
Allow DTF the Right to Appeal DTA Tribunal Decisions	-	-	-	-
Extend Implementation Deadline for the Secure Choice Program	-	-	-	-
Promote the Development of Renewable Energy Projects	-	-	-	-
<b>STAR Actions</b>	(1)	(3)	(36)	(80)
Preserve Enhanced STAR Exemption Beneficiaries	(1)	(2)	(36)	(72)
Improve Mobile Home STAR Exemption Administration	-	(1)	-	(8)
Make Various STAR Program Reforms	-	-	-	-
<b>Gaming Initiatives</b>	-	-	71	396
Authorize Mobile Sports Wagering and Establish a Casino Tax Rate Petition Process	-	-	49	357
Eliminate Quick Draw Restrictions	-	-	15	30
Extend Pari Mutuel Tax Rates and Simulcast Provisions for One Year	-	-	-	-
Decouple the Gaming Commission and the Gaming Inspector General	-	-	-	-
Remove Restrictions on Lottery Draw Game Offerings	-	-	7	9
Authorize a Request for Information for Gaming Facility Licenses	-	-	-	-
Temporarily Suspend Certain Racing Support Payments	-	-	-	-
<b>Fee Actions</b>	1	1	8	15
Expand Hunting and Crossbow Licensing	-	-	2	2
Allow Non-CPA Owners of Public Accounting Firms	-	-	2	-
Impose a DMV Convenience Fee	-	-	4	13
Increase Penalties for Mental Hygiene Law Violations and Establish Application Fees for Office of Mental Health (OMH) Operating Certificates	1	1	1	1
<b>TOTAL REVENUE ACTIONS</b>	<b>1,921</b>	<b>1,759</b>	<b>1,981</b>	<b>2,195</b>