

FY 2024 NEW YORK STATE EXECUTIVE BUDGET

**REVENUE
ARTICLE VII LEGISLATION**

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Legislative Bill Drafting Commission
12574-01-3

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 2023-2024 state fiscal year)

BUDGBI. REV Governor

AN ACT

to amend the tax law, in relation to
providing the authority to abate
interest for taxpayers impacted by
declared disasters (Part A); to
amend the tax law, in relation to
clarifying the definition of limited
partner for the purposes of the
metropolitan commuter transportation
mobility tax (Part B); to amend the
tax law, in relation to making the
investment tax credit refundable for
eligible farmers for five years

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	s34 Fernandez	s28 Krueger	s01 Palumbo	s42 Skoufis
s43 Ashby	s60 Gallivan	s24 Lanza	s21 Parker	s11 Stavisky
s36 Bailey	s12 Gianaris	s16 Liu	s19 Persaud	s45 Stec
s57 Borrello	s59 Gonzalez	s50 Mannion	s13 Ramos	s35 Stewart-
s46 Breslin	s26 Gounardes	s04 Martinez	s05 Rhoads	Cousins
s25 Brisport	s53 Griffo	s07 Martins	s33 Rivera	s44 Tedisco
s55 Brouk	s40 Harckham	s02 Mattera	s39 Rolison	s06 Thomas
s09 Canzoneri-	s54 Helming	s48 May	s61 Ryan	s49 Walczyk
Fitzpatrick	s41 Hinchey	s37 Mayer	s18 Salazar	s52 Webb
s17 Chu	s47 Hoylman-	s03 Murray	s10 Sanders	s38 Weber
s30 Cleare	Sigal	s20 Myrie	s23 Scarcella-	s08 Weik
s14 Comrie	s31 Jackson	s51 Oberacker	Spanton	
s56 Cooney	s27 Kavanagh	s58 O'Mara	s32 Sepulveda	
s22 Felder	s63 Kennedy	s62 Ortt	s29 Serrano	

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:

a078 Alvarez	a140 Conrad	a150 Goodell	a017 Mikulin	a016 Sillitti
a031 Anderson	a032 Cook	a116 Gray	a122 Miller	a052 Simon
a121 Angelino	a039 Cruz	a100 Gunther	a051 Mitaynes	a075 Simone
a037 Ardila	a043 Cunningham	a139 Hawley	a145 Morinello	a114 Simpson
a035 Aubry	a021 Curran	a083 Heastie	a144 Norris	a094 Slater
a120 Barclay	a018 Darling	a028 Hevesi	a045 Novakhov	a005 Smith
a106 Barrett	a053 Davila	a128 Hunter	a069 O'Donnell	a118 Smullen
a105 Beephan	a072 De Los Santos	a029 Hyndman	a091 Otis	a022 Solages
a107 Bendett	a003 DeStefano	a079 Jackson	a132 Palmesano	a110 Steck
a082 Benedetto	a070 Dickens	a104 Jacobson	a088 Paulin	a010 Stern
a042 Bichotte	a054 Dilan	a011 Jean-Pierre	a141 Peoples-	a127 Stirpe
Hermelyn	a081 Dinowitz	a134 Jensen	Stokes	a102 Tague
a117 Blankenbush	a147 DiPietro	a115 Jones	a023 Pheffer	a064 Tannousis
a015 Blumencranz	a009 Durso	a077 Joyner	Amato	a086 Tapia
a073 Bores	a099 Eachus	a125 Kelles	a063 Pirozzolo	a071 Taylor
a098 Brabenc	a048 Eichenstein	a040 Kim	a089 Pretlow	a001 Thiele
a026 Braunstein	a074 Epstein	a013 Lavine	a019 Ra	a033 Vanel
a138 Bronson	a109 Fahy	a065 Lee	a030 Raga	a055 Walker
a046 Brook-Krasny	a061 Fall	a126 Lemondes	a038 Rajkumar	a143 Wallace
a020 Brown, E.	a008 Fitzpatrick	a095 Levenberg	a006 Ramos	a112 Walsh
a012 Brown, K.	a004 Flood	a060 Lucas	a062 Reilly	a041 Weinstein
a093 Burdick	a057 Forrest	a135 Lunsford	a087 Reyes	a024 Weprin
a085 Burgos	a124 Friend	a123 Lupardo	a149 Rivera	a059 Williams
a142 Burke	a050 Gallagher	a129 Magnarelli	a027 Rosenthal, D.	a113 Woerner
a119 Buttenschon	a131 Gallahan	a101 Maher	a067 Rosenthal, L.	a080 Zaccaro
a133 Byrnes	a007 Gandolfo	a036 Mamdani	a025 Rozic	a096 Zebrowski
a044 Carroll	a068 Gibbs	a130 Manktelow	a111 Santabarbara	a056 Zinerman
a058 Chandler-	a002 Giglio, J.A.	a108 McDonald	a090 Sayegh	
Waterman	a148 Giglio, J.M.	a014 McDonough	a076 Seawright	
a049 Chang	a066 Glick	a097 McGowan	a084 Septimo	
a136 Clark	a034 Gonzalez-	a146 McMahon	a092 Shimsky	
a047 Colton	Rojas	a137 Meeks	a103 Shrestha	

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: in Assembly 2 copies of memorandum in support, in
Senate 4 copies of memorandum in support (single house); or 4 signed copies
of bill and 6 copies of memorandum in support (uni-bill).

(Part C); to amend the tax law, in relation to the empire state film production credit and the empire state film post-production credit (Part D); to amend the tax law, in relation to the abatement of penalties for underpayment of estimated tax by a corporation (Part E); to amend the economic development law, in relation to the COVID-19 capital costs tax credit program (Part F); to amend the social services law and the tax law, in relation to creating a tax credit for the creation and expansion of child care (Part G); to amend the tax law, in relation to extending the authorization of any city having a population of one million or more to provide a biotechnology credit against the general corporation tax, unincorporated business tax, and banking corporation tax of such city (Part H); to amend the tax law, in relation to extending the current corporate tax rates (Subpart A); to amend the tax law, in relation to extending the rehabilitation of historic properties tax credit (Subpart B); to amend the tax law, in relation to extending the empire state commercial production tax credit for five years (Subpart C); to amend the tax law, in relation to extending provisions of law relating to the grade No. 6 heating oil conversion tax credit (Subpart D); to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and establishing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof; and to amend the tax law, in relation to the New York city musical and theatrical production tax credit (Subpart E) (Part I); to amend the tax law, in relation to making technical corrections to the credit for companies who provide transportation to individuals with disabilities (Subpart A); to amend the tax law,

in relation to eligibility for the brownfield redevelopment tax credit (Subpart B); to amend the tax law, in relation to the pass-through entity tax and city pass-through entity tax and making technical corrections thereto (Subpart C) (Part J); to amend the real property tax law, in relation to simplifying the senior citizens real property tax exemption (Part K); to amend chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, in relation to the effectiveness thereof (Part L); to amend the real property tax law, in relation to requiring excess proceeds from a tax foreclosure sale to be returned to the former owner (Part M); to amend the real property tax law and the state administrative procedure act, in relation to clarifying the solar or wind energy system appraisal model (Part N); to amend the tax law, in relation to the authority of counties to impose sales and compensating use taxes permanently; to amend chapter 67 of the laws of 2015, relating to authorizing the city of Yonkers to impose additional sales tax, in relation to the effectiveness thereof; to amend section 2 of item R of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the expiration of the authorization to the county of Genesee to impose an additional one percent of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 2 of item Z of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to the imposition of sales and compensating use taxes by the county of Monroe, in relation to making such provisions permanent; to amend section 4 of item EE of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authorization of the county of Onondaga to impose an additional rate of sales and compensating use taxes,

in relation to making such provisions permanent; to amend section 2 of item GG of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authority of the county of Orange to impose an additional rate of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 3 of item XX of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authority of the county of Ulster to impose an additional 1 percent sales and compensating use tax, in relation to making such provisions permanent; and to repeal certain provisions of such law relating thereto (Part O); to repeal certain provisions of the tax law, relating to eliminating congestion surcharge registration requirements (Part P); to amend the tax law, in relation to the payment of tax on increased quantities of motor fuel and Diesel motor fuel on which the taxes pursuant to articles 12-A, 13-A and 28 were not previously paid (Part Q); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines for those operated by business enterprise program participants (Part R); to amend the tax law, in relation to an increase in the rate of tax on cigarettes (Part S); to amend the tax law, in relation to the revocation of certain certificates and civil penalties for refusal of a cigarette and tobacco inspection (Part T); to amend the tax law and the administrative code of the city of New York, in relation to extending the tax rate reduction under the New York state real estate transfer tax and the New York city real property transfer tax for conveyances of real property to existing real estate investment funds (Part U); 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 V); to amend the state finance law, in relation to clarifying the deposit timeframe for moneys deposited by the commissioner of taxation and finance (Part W); to amend the tax law, in relation to requiring the New York Racing Association, Inc. to enter into a repayment agreement with the state of New York for the repayment of funds provided by the state for the renovation of Belmont Park (Part X); to amend the tax law, in relation to a keno style lottery game (Part Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to the operations of off-track betting corporations (Part Z); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital region off-track betting corporations' capital acquisition funds (Part AA); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting; to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part BB); and to amend the tax law, in relation to conforming to the federal taxation of S corporations (Part CC)

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 2023-2024
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through CC. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part,
7 including the effective date of the Part, which makes a reference to a
8 section "of this act", when used in connection with that particular
9 component, shall be deemed to mean and refer to the corresponding
10 section of the Part in which it is found. Section three of this act sets
11 forth the general effective date of this act.

12 PART A

13 Section 1. The opening paragraph of paragraph a of subdivision twen-
14 ty-eighth of section 171 of the tax law, as amended by chapter 451 of
15 the laws of 2022, is amended to read as follows:

16 [In the case of a taxpayer who is determined for federal tax purposes
17 under the provisions of] Have the authority to postpone certain dead-
18 lines for a period of up to ninety days, or longer when necessary to
19 align with relief provided by the Internal Revenue Service pursuant to
20 section seven thousand five hundred eight-A of the internal revenue code
21 [to be affected by a presidentially declared disaster, or who], for a
22 taxpayer who is determined [under regulations promulgated by the commis-
23 sioner] to be affected by a presidentially declared disaster or by a
24 disaster emergency declared by the governor[, have authority to provide
25 that a period of up to ninety days, or a longer period when necessary to
26 align with relief that has already been provided by the Internal Revenue

1 Service under the authority to postpone certain deadlines in section
2 seven thousand five hundred eight-A of the internal revenue code, may].
3 Any extension period provided pursuant to the authority in this subdivi-
4 sion shall be disregarded in determining under the tax law, or under a
5 law enacted pursuant to the authority of the tax law or former article
6 2-E of the general city law where administered by the commissioner, in
7 respect of any tax liability (including any interest, penalty, addi-
8 tional amount, or addition to the tax) of such taxpayer:

9 § 2. Paragraph c of subdivision twenty-eighth of section 171 of the
10 tax law, as added by chapter 8 of the laws of 1998, is amended to read
11 as follows:

12 c. Definitions. 1. Presidentially declared disaster. For purposes of
13 this subdivision, the term "presidentially declared disaster" means any
14 disaster which, with respect to an area, resulted in a subsequent deter-
15 mination by the president of the United States that such area warrants
16 assistance by the federal government under the disaster relief and emer-
17 gency assistance act.

18 2. Taxpayer. For purposes of this subdivision, the term "taxpayer"
19 means any person or entity required to file a return or remit any tax to
20 the commissioner pursuant to this chapter.

21 § 3. Subdivision twenty-eighth of section 171 of the tax law is
22 amended by adding a new paragraph d to read as follows:

23 d. Where a taxpayer who, pursuant to section seven thousand five
24 hundred eight-a of the internal revenue code, is determined for federal
25 tax purposes to be affected by a presidentially declared disaster, or
26 who is determined to be affected by a disaster emergency declared by the
27 governor, but the commissioner has not postponed a tax deadline pursuant
28 to the authority in paragraph a of this subdivision due to such disas-

1 ter, the commissioner may abate any amount of interest from the under-
2 payment of any tax administered by the commissioner under this chapter
3 that accrued for the period during which the taxpayer was unable to meet
4 such deadline due to direct impacts of the disaster.

5 § 4. This act shall take effect immediately.

6 PART B

7 Section 1. Subsection (e) of section 800 of the tax law, as added by
8 section 1 of part C of chapter 25 of the laws of 2009, is amended to
9 read as follows:

10 (e) Net earnings from self-employment. Net earnings from self-employ-
11 ment has the same meaning as in section 1402 of the internal revenue
12 code, provided, however, that for purposes of determining whether the
13 exclusion pursuant to paragraph 13 of subsection (a) of section 1402 of
14 the internal revenue code applies, an individual shall not be considered
15 a limited partner if the individual, directly or indirectly, takes part
16 in the control, or participates in the management or operations of the
17 partnership such that the individual is not a passive investor, regard-
18 less of the individual's title or characterization in a partnership or
19 operating agreement.

20 § 2. This act shall take effect immediately.

21 PART C

22 Section 1. Paragraph (d) of subdivision 1 of section 210-B of the tax
23 law, as amended by section 31 of part T of chapter 59 of the laws of
24 2015, is amended to read as follows:

1 (d) Except as otherwise provided in this paragraph, the credit allowed
2 under this subdivision for any taxable year shall not reduce the tax due
3 for such year to less than the fixed dollar minimum amount prescribed in
4 paragraph (d) of subdivision one of section two hundred ten of this
5 article. However, if the amount of credit allowable under this subdivi-
6 sion for any taxable year reduces the tax to such amount or if the
7 taxpayer otherwise pays tax based on the fixed dollar minimum amount,
8 any amount of credit allowed for a taxable year commencing prior to
9 January first, nineteen hundred eighty-seven and not deductible in such
10 taxable year may be carried over to the following year or years and may
11 be deducted from the taxpayer's tax for such year or years but in no
12 event shall such credit be carried over to taxable years commencing on
13 or after January first, two thousand two, and any amount of credit
14 allowed for a taxable year commencing on or after January first, nine-
15 teen hundred eighty-seven and not deductible in such year may be carried
16 over to the fifteen taxable years next following such taxable year and
17 may be deducted from the taxpayer's tax for such year or years. In lieu
18 of such carryover, (i) any such taxpayer which qualifies as a new busi-
19 ness under paragraph (f) of this subdivision may elect to treat the
20 amount of such carryover as an overpayment of tax to be credited or
21 refunded in accordance with the provisions of section one thousand
22 eighty-six of this chapter, and (ii) any such taxpayer that is an eligi-
23 ble farmer, as defined in subdivision eleven of this section, may for
24 taxable years beginning before January first, two thousand twenty-eight,
25 elect to treat the amount of such carryover as an overpayment of tax to
26 be credited or refunded in accordance with the provisions of section one
27 thousand eighty-six of this chapter, provided, however, the provisions

1 of subsection (c) of section one thousand eighty-eight of this chapter
2 notwithstanding, no interest shall be paid thereon.

3 § 2. Paragraph 5 of subsection (a) of section 606 of the tax law, as
4 amended by chapter 170 of the laws of 1994, is amended to read as
5 follows:

6 (5) If the amount of credit allowable under this subsection for any
7 taxable year shall exceed the taxpayer's tax for such year, the excess
8 allowed for a taxable year commencing prior to January first, nineteen
9 hundred eighty-seven may be carried over to the following year or years
10 and may be deducted from the taxpayer's tax for such year or years, but
11 in no event shall such credit be carried over to taxable years commenc-
12 ing on or after January first, nineteen hundred ninety-seven, and any
13 amount of credit allowed for a taxable year commencing on or after Janu-
14 ary first, nineteen hundred eighty-seven and not deductible in such year
15 may be carried over to the ten taxable years next following such taxable
16 year and may be deducted from the taxpayer's tax for such year or years.
17 In lieu of carrying over any such excess, (A) a taxpayer who qualifies
18 as an owner of a new business for purposes of paragraph ten of this
19 subsection may, at [his] the taxpayer's option, receive such excess as a
20 refund, and (B) a taxpayer that is an eligible farmer as defined in
21 subsection (n) of this section may, at the taxpayer's option, for taxa-
22 ble years beginning before January first, two thousand twenty-eight
23 receive such excess as a refund. Any refund paid pursuant to this para-
24 graph shall be deemed to be a refund of an overpayment of tax as
25 provided in section six hundred eighty-six of this article, provided,
26 however, that no interest shall be paid thereon.

27 § 3. This act shall take effect immediately, and apply to taxable
28 years beginning on or after January 1, 2023.

1

PART D

2 Section 1. Paragraph 2 of subdivision (a) of section 24 of the tax
3 law, as separately amended by sections 1 and 2 of part M of chapter 59
4 of the laws of 2020, is amended to read as follows:

5 (2) The amount of the credit shall be the product (or pro rata share
6 of the product, in the case of a member of a partnership) of [twenty-
7 five] thirty percent, or thirty-five percent in the case of an eligible
8 relocated television series, and the qualified production costs paid or
9 incurred in the production of a qualified film, provided that: (i) the
10 qualified production costs (excluding post production costs) paid or
11 incurred which are attributable to the use of tangible property or the
12 performance of services at a qualified film production facility in the
13 production of such qualified film equal or exceed seventy-five percent
14 of the production costs (excluding post production costs) paid or
15 incurred which are attributable to the use of tangible property or the
16 performance of services at any film production facility within and with-
17 out the state in the production of such qualified film, and (ii) except
18 with respect to a qualified independent film production company or
19 pilot, at least ten percent of the total principal photography shooting
20 days spent in the production of such qualified film must be spent at a
21 qualified film production facility. However, if the qualified production
22 costs (excluding post production costs) which are attributable to the
23 use of tangible property or the performance of services at a qualified
24 film production facility in the production of such qualified film is
25 less than three million dollars, then the portion of the qualified
26 production costs attributable to the use of tangible property or the
27 performance of services in the production of such qualified film outside

1 of a qualified film production facility shall be allowed only if the
2 shooting days spent in New York outside of a film production facility in
3 the production of such qualified film equal or exceed seventy-five
4 percent of the total shooting days spent within and without New York
5 outside of a film production facility in the production of such quali-
6 fied film. The credit shall be allowed for the taxable year in which the
7 production of such qualified film is completed. However, in the case of
8 a qualified film that receives funds from additional pool 2, no credit
9 shall be claimed before the later of (1) the taxable year the production
10 of the qualified film is complete, or (2) the [first] taxable year
11 [beginning immediately after the] that includes the last day of the
12 allocation year for which the film has been allocated credit by the
13 governor's office for motion picture and television development. If the
14 amount of the credit is at least one million dollars but less than five
15 million dollars, the credit shall be claimed over a two year period
16 beginning in the first taxable year in which the credit may be claimed
17 and in the next succeeding taxable year, with one-half of the amount of
18 credit allowed being claimed in each year. If the amount of the credit
19 is at least five million dollars, the credit shall be claimed over a
20 three year period beginning in the first taxable year in which the cred-
21 it may be claimed and in the next two succeeding taxable years, with
22 one-third of the amount of the credit allowed being claimed in each
23 year.

24 § 2. Paragraph 5 of subdivision (a) of section 24 of the tax law, as
25 amended by section 2 of part M of chapter 59 of the laws of 2022, is
26 amended to read as follows:

27 (5) For the period two thousand fifteen through two thousand [twenty-
28 nine] thirty-four, in addition to the amount of credit established in

1 paragraph two of this subdivision, a taxpayer shall be allowed a credit
2 equal to the product (or pro rata share of the product, in the case of a
3 member of a partnership) of ten percent and the amount of wages or sala-
4 ries paid to individuals directly employed (excluding those employed as
5 writers, directors, [music directors] composers, producers and perform-
6 ers, including background actors with no scripted lines) by a qualified
7 film production company or a qualified independent film production
8 company for services performed by those individuals in one of the coun-
9 ties specified in this paragraph in connection with a qualified film
10 with a minimum budget of five hundred thousand dollars. For purposes of
11 this additional credit, the services must be performed in one or more of
12 the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga,
13 Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware,
14 Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton,
15 Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery,
16 Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego,
17 Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca,
18 St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Wash-
19 ington, Wayne, Wyoming, or Yates. The aggregate amount of tax credits
20 allowed pursuant to the authority of this paragraph shall be five
21 million dollars each year during the period two thousand fifteen through
22 two thousand [twenty-nine] thirty-four of the annual allocation made
23 available to the program pursuant to paragraph four of subdivision (e)
24 of this section. Such aggregate amount of credits shall be allocated by
25 the governor's office for motion picture and television development
26 among taxpayers in order of priority based upon the date of filing an
27 application for allocation of film production credit with such office.
28 If the total amount of allocated credits applied for under this para-

1 graph in any year exceeds the aggregate amount of tax credits allowed
2 for such year under this paragraph, such excess shall be treated as
3 having been applied for on the first day of the next year. If the total
4 amount of allocated tax credits applied for under this paragraph at the
5 conclusion of any year is less than five million dollars, the remainder
6 shall be treated as part of the annual allocation made available to the
7 program pursuant to paragraph four of subdivision (e) of this section.
8 However, in no event may the total of the credits allocated under this
9 paragraph and the credits allocated under paragraph five of subdivision
10 (a) of section thirty-one of this article exceed five million dollars in
11 any year during the period two thousand fifteen through two thousand
12 [twenty-nine] thirty-four.

13 § 2-a. Paragraph 1 of subdivision (b) of section 24 of the tax law, as
14 amended by section 4 of part B of chapter 59 of the laws of 2013, is
15 amended to read as follows:

16 (1) "Qualified production costs" means production costs only to the
17 extent such costs are attributable to the use of tangible property or
18 the performance of services within the state directly and predominantly
19 in the production (including pre-production and post production) of a
20 qualified film. The aggregate total eligible qualified production
21 costs for producers, writers, directors, actors, and composers shall not
22 exceed forty percent of the aggregate sum total of all other qualified
23 production costs.

24 § 3. Paragraph 2 of subdivision (b) of section 24 of the tax law, as
25 added by section 1 of part P of chapter 60 of the laws of 2004, is
26 amended to read as follows:

27 (2) "Production costs" means any costs for tangible property used and
28 services performed directly and predominantly in the production (includ-

1 ing pre-production and post production) of a qualified film.
2 "Production costs" shall not include (i) costs for a story, script or
3 scenario to be used for a qualified film and (ii) wages or salaries or
4 other compensation for writers, directors, including [music directors]
5 composers, producers and performers (other than background actors with
6 no scripted lines) to the extent those wages or salaries or other
7 compensation exceed five hundred thousand dollars per individual.
8 "Production costs" generally include technical and crew production
9 costs, such as expenditures for film production facilities, or any part
10 thereof, props, makeup, wardrobe, film processing, camera, sound record-
11 ing, set construction, lighting, shooting, editing and meals.

12 § 4. Paragraph 8 of subdivision (b) of section 24 of the tax law, as
13 added by section 2 of part B of chapter 59 of the laws of 2013, is
14 amended to read as follows:

15 (8) "Relocated television production" shall mean, notwithstanding the
16 limitations in subparagraph (i) of paragraph three of this subdivision,
17 a television production that is a talk or variety program that filmed at
18 least [five] two seasons outside the state prior to its first relocated
19 season in New York, the episodes are filmed before a studio audience of
20 two hundred or more, and the relocated television production incurs (i)
21 at least thirty million dollars in annual production costs in the state,
22 or (ii) at least ten million dollars in capital expenditures at a quali-
23 fied production facility in the state.

24 § 5. Subdivision (b) of section 24 of the tax law is amended by adding
25 a new paragraph 9 to read as follows:

26 (9) "Eligible relocated television series" shall mean the first two
27 years of a regularly occurring production intended to run in its initial
28 broadcast, regardless of the medium or mode of its distribution, in a

1 series of narrative and/or thematically related episodes, each of which
2 has a running time of at least thirty minutes in length (inclusive of
3 commercial advertisement and interstitial programming, if any). For the
4 purposes of this definition only, a television series produced by and
5 for media services providers described as streaming services and/or
6 digital platforms (and excluding network/cable) shall mean a regularly
7 occurring production intended to run in its initial release in a series
8 of narrative and/or thematically related episodes, the aggregate length
9 of which is at least seventy-five minutes, although the episodes them-
10 selves may vary in duration from the thirty minutes specified for
11 network/cable production, which had filmed six episodes of the tele-
12 vision series outside the state immediately prior to relocating to the
13 state, where each episode of the television series had a minimum budget
14 of at least one million dollars.

15 § 6. Paragraph 4 of subdivision (e) of section 24 of the tax law, as
16 amended by section 3 of part M of chapter 59 of the laws of 2022, is
17 amended to read as follows:

18 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
19 subdivision (a) of this section shall be increased by an additional four
20 hundred twenty million dollars in each year starting in two thousand ten
21 through two thousand [twenty-nine] twenty-three and seven hundred
22 million dollars each year starting in two thousand twenty-four through
23 two thousand thirty-four, provided however, seven million dollars of the
24 annual allocation shall be available for the empire state film post
25 production credit pursuant to section thirty-one of this article in two
26 thousand thirteen and two thousand fourteen, twenty-five million dollars
27 of the annual allocation shall be available for the empire state film
28 post production credit pursuant to section thirty-one of this article in

1 each year starting in two thousand fifteen through two thousand [twen-
2 ty-nine and] twenty-three, and forty-five millions dollars of the annual
3 allocation shall be available for the empire state film post production
4 credit pursuant to section thirty-one of this article in each year
5 starting in two thousand twenty-four through two thousand thirty-four.
6 Provided further, five million dollars of the annual allocation shall be
7 made available for the television writers' and directors' fees and sala-
8 ries credit pursuant to section twenty-four-b of this article in each
9 year starting in two thousand twenty through two thousand [twenty-nine]
10 thirty-four. This amount shall be allocated by the governor's office for
11 motion picture and television development among taxpayers in accordance
12 with subdivision (a) of this section. If the commissioner of economic
13 development determines that the aggregate amount of tax credits avail-
14 able from additional pool 2 for the empire state film production tax
15 credit have been previously allocated, and determines that the pending
16 applications from eligible applicants for the empire state film post
17 production tax credit pursuant to section thirty-one of this article is
18 insufficient to utilize the balance of unallocated empire state film
19 post production tax credits from such pool, the remainder, after such
20 pending applications are considered, shall be made available for allo-
21 cation in the empire state film tax credit pursuant to this section,
22 subdivision twenty of section two hundred ten-B and subsection (gg) of
23 section six hundred six of this chapter. Also, if the commissioner of
24 economic development determines that the aggregate amount of tax credits
25 available from additional pool 2 for the empire state film post
26 production tax credit have been previously allocated, and determines
27 that the pending applications from eligible applicants for the empire
28 state film production tax credit pursuant to this section is insuffi-

1 cient to utilize the balance of unallocated film production tax credits
2 from such pool, then all or part of the remainder, after such pending
3 applications are considered, shall be made available for allocation for
4 the empire state film post production credit pursuant to this section,
5 subdivision thirty-two of section two hundred ten-B and subsection (qq)
6 of section six hundred six of this chapter. The governor's office for
7 motion picture and television development must notify taxpayers of their
8 allocation year and include the allocation year on the certificate of
9 tax credit. Taxpayers eligible to claim a credit must report the allo-
10 cation year directly on their empire state film production credit tax
11 form for each year a credit is claimed and include a copy of the certif-
12 icate with their tax return. In the case of a qualified film that
13 receives funds from additional pool 2, no empire state film production
14 credit shall be claimed before the later of the taxable year the
15 production of the qualified film is complete, or the taxable year imme-
16 diately following the allocation year for which the film has been allo-
17 cated credit by the governor's office for motion picture and television
18 development.

19 § 7. Paragraph 4 of subdivision (e) of section 24 of the tax law, as
20 amended by section 4 of part M of chapter 59 of the laws of 2022, is
21 amended to read as follows:

22 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
23 subdivision (a) of this section shall be increased by an additional four
24 hundred twenty million dollars in each year starting in two thousand ten
25 through two thousand [twenty-nine] twenty-three and seven hundred
26 million dollars in each year starting in two thousand twenty-four
27 through two thousand thirty-four, provided however, seven million
28 dollars of the annual allocation shall be available for the empire state

1 film post production credit pursuant to section thirty-one of this arti-
2 cle in two thousand thirteen and two thousand fourteen [and], twenty-
3 five million dollars of the annual allocation shall be available for the
4 empire state film post production credit pursuant to section thirty-one
5 of this article in each year starting in two thousand fifteen through
6 two thousand [twenty-nine] twenty-three, and forty-five million dollars
7 of the annual allocation shall be available for the empire state film
8 post production credit pursuant to section thirty-one of this article in
9 each year starting in two thousand twenty-four through two thousand
10 thirty-four. This amount shall be allocated by the governor's office for
11 motion picture and television development among taxpayers in accordance
12 with subdivision (a) of this section. If the commissioner of economic
13 development determines that the aggregate amount of tax credits avail-
14 able from additional pool 2 for the empire state film production tax
15 credit have been previously allocated, and determines that the pending
16 applications from eligible applicants for the empire state film post
17 production tax credit pursuant to section thirty-one of this article is
18 insufficient to utilize the balance of unallocated empire state film
19 post production tax credits from such pool, the remainder, after such
20 pending applications are considered, shall be made available for allo-
21 cation in the empire state film tax credit pursuant to this section,
22 subdivision twenty of section two hundred ten-B and subsection (gg) of
23 section six hundred six of this chapter. Also, if the commissioner of
24 economic development determines that the aggregate amount of tax credits
25 available from additional pool 2 for the empire state film post
26 production tax credit have been previously allocated, and determines
27 that the pending applications from eligible applicants for the empire
28 state film production tax credit pursuant to this section is insuffi-

1 cient to utilize the balance of unallocated film production tax credits
2 from such pool, then all or part of the remainder, after such pending
3 applications are considered, shall be made available for allocation for
4 the empire state film post production credit pursuant to this section,
5 subdivision thirty-two of section two hundred ten-B and subsection (qq)
6 of section six hundred six of this chapter. The governor's office for
7 motion picture and television development must notify taxpayers of their
8 allocation year and include the allocation year on the certificate of
9 tax credit. Taxpayers eligible to claim a credit must report the allo-
10 cation year directly on their empire state film production credit tax
11 form for each year a credit is claimed and include a copy of the certif-
12 icate with their tax return. In the case of a qualified film that
13 receives funds from additional pool 2, no empire state film production
14 credit shall be claimed before the later of the taxable year the
15 production of the qualified film is complete, or the taxable year imme-
16 diately following the allocation year for which the film has been allo-
17 cated credit by the governor's office for motion picture and television
18 development.

19 § 8. Paragraph 2 of subdivision (a) of section 31 of the tax law, as
20 amended by section 5 of part M of chapter 59 of the laws of 2020, is
21 amended to read as follows:

22 (2) The amount of the credit shall be the product (or pro rata share
23 of the product, in the case of a member of a partnership) of [twenty-
24 five] thirty percent and the qualified post production costs paid in the
25 production of a qualified film at a qualified post production facility
26 located within the metropolitan commuter transportation district as
27 defined in section twelve hundred sixty-two of the public authorities
28 law or [thirty] thirty-five percent and the qualified post production

1 costs paid in the production of a qualified film at a qualified post
2 production facility located elsewhere in the state.

3 § 9. Paragraph 6 of subdivision (a) of section 31 of the tax law, as
4 amended by section 6 of part M of chapter 59 of the laws of 2022, is
5 amended to read as follows:

6 (6) For the period two thousand fifteen through two thousand [twenty-
7 nine] thirty-four, in addition to the amount of credit established in
8 paragraph two of this subdivision, a taxpayer shall be allowed a credit
9 equal to the product (or pro rata share of the product, in the case of a
10 member of a partnership) of ten percent and the amount of wages or sala-
11 ries paid to individuals directly employed (excluding those employed as
12 writers, directors, [music directors] composers, producers and perform-
13 ers, including background actors with no scripted lines) for services
14 performed by those individuals in one of the counties specified in this
15 paragraph in connection with the post production work on a qualified
16 film with a minimum budget of five hundred thousand dollars at a quali-
17 fied post production facility in one of the counties listed in this
18 paragraph. For purposes of this additional credit, the services must be
19 performed in one or more of the following counties: Albany, Allegany,
20 Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton,
21 Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton,
22 Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madi-
23 son, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange,
24 Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady,
25 Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga,
26 Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The
27 aggregate amount of tax credits allowed pursuant to the authority of
28 this paragraph shall be five million dollars each year during the period

1 two thousand fifteen through two thousand [twenty-nine] thirty-four of
2 the annual allocation made available to the empire state film post
3 production credit pursuant to paragraph four of subdivision (e) of
4 section twenty-four of this article. Such aggregate amount of credits
5 shall be allocated by the governor's office for motion picture and tele-
6 vision development among taxpayers in order of priority based upon the
7 date of filing an application for allocation of post production credit
8 with such office. If the total amount of allocated credits applied for
9 under this paragraph in any year exceeds the aggregate amount of tax
10 credits allowed for such year under this paragraph, such excess shall be
11 treated as having been applied for on the first day of the next year. If
12 the total amount of allocated tax credits applied for under this para-
13 graph at the conclusion of any year is less than five million dollars,
14 the remainder shall be treated as part of the annual allocation for two
15 thousand seventeen made available to the empire state film post
16 production credit pursuant to paragraph four of subdivision (e) of
17 section twenty-four of this article. However, in no event may the total
18 of the credits allocated under this paragraph and the credits allocated
19 under paragraph five of subdivision (a) of section twenty-four of this
20 article exceed five million dollars in any year during the period two
21 thousand fifteen through two thousand [twenty-nine] thirty-four.

22 § 10. This act shall take effect immediately for new initial applica-
23 tions received on or after such effective date; provided, however, that
24 the amendments to paragraph 4 of subdivision (e) of section 24 of the
25 tax law made by section six of this act shall take effect on the same
26 date and in the same manner as section 6 of chapter 683 of the laws of
27 2019, as amended, takes effect.

1 PART E

2 Section 1. Section 1085 of the tax law is amended by adding a new
3 subsection (e-1) to read as follows:

4 (e-1) Waiver of addition for underpayment of estimated tax. No addi-
5 tion to tax shall be imposed under subsection (c) of this section with
6 respect to any underpayment to the extent the commissioner determines
7 that by reason of casualty, disaster or other unusual circumstances the
8 imposition of such addition to tax would be against equity and good
9 conscience.

10 § 2. This act shall take effect immediately.

11 PART F

12 Section 1. Subdivision 4 of section 484 of the economic development
13 law, as added by section 1 of part E of chapter 59 of the laws of 2022,
14 is amended to read as follows:

15 4. The business entity must submit its application by [March thirty-
16 first] September thirtieth, two thousand twenty-three.

17 § 2. This act shall take effect immediately.

18 PART G

19 Section 1. Article 6 of the social services law is amended by adding a
20 new title 1-A to read as follows:

21 TITLE 1-A22 CHILD CARE CREATION AND EXPANSION TAX CREDIT PROGRAM

23 Section 394. Short title.

1 394-a. Definitions.

2 394-b. Eligibility criteria.

3 394-c. Application and approval process.

4 394-d. Child care creation and expansion tax credit.

5 394-e. Allocation of credit.

6 394-f. Powers and duties of the commissioner.

7 394-g. Maintenance of records.

8 § 394. Short title. This title shall be known and may be cited as the
9 "child care creation and expansion tax credit program act".

10 § 394-a. Definitions. For the purposes of this title:

11 1. "Certificate of tax credit" shall mean the document issued to a
12 business entity by the office after the office has verified that the
13 business entity has met all applicable eligibility criteria in this
14 title. The certificate shall specify the exact amount of the tax credit
15 under this title that a business entity may claim, pursuant to section
16 three hundred ninety-four-d of this title, and the service year.

17 2. "Child care program" shall mean a child day care for which a
18 license or registration to operate such program has been issued by the
19 office pursuant to section three hundred ninety of this article.

20 3. "Child care rate" shall mean the weekly child care subsidy market
21 rates, based on the eightieth percentile of the 2021-22 New York state
22 child care market rate survey, for infant and toddler care provided by a
23 licensed or registered child care program, as reflected in the 2022
24 child care market rate survey report published by the office in compli-
25 ance with section 98.45 of title forty-five of the code of federal regu-
26 lations.

27 4. "Child care seats" shall mean the maximum number of children to be
28 allowed on the premises of a child care program at any time that such

1 program is in operation as specified on the license or registration
2 issued for such program by the office.

3 5. "Creates child care" shall mean the making available of child care
4 seats in a child care program by a business entity, directly or through
5 a third-party, for employees of such business entity, where such child
6 care program was not available prior to April first, two thousand twen-
7 ty-three, provided that the costs imposed on such employees for such
8 child care program do not exceed forty percent of the child care rate.

9 6. "Commissioner" shall mean commissioner of the office of children
10 and family services.

11 7. "Expands child care" shall mean the increase in the number of child
12 care seats in a child care program made available by a business entity,
13 directly or through a third party, for employees of such business enti-
14 ty, provided that such increase requires a new or amended license or
15 registration issued by the office pursuant to section three hundred
16 ninety of this article on or after April first, two thousand twenty-
17 three, and, provided further, that the costs imposed on such employees
18 for such child care program do not exceed forty percent of the child
19 care rate.

20 8. "Occupied" shall mean, for each service year in which a child care
21 program is in operation, the average daily number of children in attend-
22 ance on the premises of such child care program.

23 9. "Office" shall mean the office of children and family services.

24 10. "Service year" shall mean the twelve-month period, or portion
25 thereof, commencing on January first and ending on December thirty-
26 first.

1 § 394-b. Eligibility criteria. 1. To be eligible for a tax credit
2 under the child care creation and expansion tax credit program, a busi-
3 ness entity must:

4 (a) be a business entity that is required to file a tax return pursu-
5 ant to article nine-A, twenty-two or thirty-three of the tax law;

6 (b) be a child care program, or contract with such child care program,
7 as defined in this title that is licensed or registered pursuant to
8 section three hundred ninety of this article;

9 (c) create or expand child care seats, directly or through a third
10 party, for the employees of such business entity on or after April
11 first, two thousand twenty-three and before January first, two thousand
12 twenty-five;

13 (d) operate a business location in New York state;

14 (e) be in substantial compliance with any child care licensing laws
15 and regulations related to the entity's business sector or other laws
16 and regulations as determined by the commissioner; and

17 (f) not owe past due state taxes or local property taxes unless the
18 business entity is making payments and complying with an approved bind-
19 ing payment agreement entered into with the taxing authority.

20 § 394-c. Application and approval process. 1. A business entity must
21 submit a complete application as prescribed by the commissioner by the
22 thirty-first of January after the end of the service year.

23 2. The commissioner shall establish procedures for a business entity
24 to submit applications. As part of the application, each business entity
25 must:

26 (a) provide evidence in a form and manner prescribed by the commis-
27 sioner of their business eligibility;

1 (b) provide the license or registration issued to the business entity,
2 directly or through a third party, by the office to operate a child care
3 program indicating the number of child care seats created or, in the
4 case of a child care program that has experienced an expansion of child
5 care seats, the license or registration issued by the office demonstrat-
6 ing such expansion;

7 (c) provide evidence in a form and manner prescribed by the commis-
8 sioner establishing:

9 (i) the total number of child care seats that were occupied during the
10 service year;

11 (ii) of such total number of child care seats that were occupied, the
12 number of infant child care seats that were occupied and the number of
13 toddler child care seats that were occupied;

14 (iii) that, to the extent the business entity, directly or through a
15 third party, has expanded child care, the number of child care seats in
16 existence before such expansion and the number of such child care seats
17 that were occupied before such expansion; and

18 (iv) that the costs imposed on the business entity's employees for
19 such child care program do not exceed forty percent of the child care
20 rate.

21 (d) agree to allow the department of taxation and finance to share the
22 business entity's tax information relevant to the administration of this
23 title with the office. However, any information shared as a result of
24 this title shall not be available for disclosure or inspection under the
25 state freedom of information law;

26 (e) allow the office and its agents access to any and all books and
27 records the office may require to monitor compliance; and

1 (f) agree to provide any additional information required by the office
2 relevant to this title.

3 3. After reviewing a business entity's completed final application and
4 determining that the business entity meets the eligibility criteria as
5 set forth in this title, the office may issue to that business entity a
6 certificate of tax credit, which shall set forth the amount of the cred-
7 it that may be claimed and the service year.

8 § 394-d. Child care creation and expansion tax credit. Allowance of
9 credit. 1. A business entity in the child care creation and expansion
10 tax credit program that meets the eligibility requirements of section
11 three hundred ninety-four-b of this title may be eligible to claim a
12 credit for the portion of the service year in which the child care
13 program was in operation, equal to the sum of: (a) the product of the
14 number of infant child care seats that have been created or expanded and
15 twenty percent of the child care rate for such infant child care seats
16 and (b) the product of the number of toddler child care seats that have
17 been created or expanded and twenty percent of the child care rate for
18 such toddler child care seats; provided that such infant and toddler
19 child care seats are child care seats that are occupied. Notwithstand-
20 ing the preceding sentence, a credit shall not be allowed for more than
21 twenty-five child care seats that are occupied, and the amount of such
22 credit may be reduced as a result of an allocation of available funds,
23 as described in section three hundred ninety-four-e of this title.

24 2. The credit shall be allowed as provided in section forty-eight,
25 subdivision fifty-nine of section two hundred ten-B, subsection (ooo) of
26 section six hundred six and subdivision (ee) of section fifteen hundred
27 eleven of the tax law.

1 § 394-e. Allocation of credit. The aggregate amount of tax credits
2 allowed under this title, subdivision fifty-nine of section two hundred
3 ten-B, subsection (ooo) of section six hundred six and subdivision (ee)
4 of section fifteen eleven of the tax law shall be twenty-five million
5 dollars each year during the period two thousand twenty-three and two
6 thousand twenty-four. Such aggregate amount of credits shall be allo-
7 cated by the office on a pro rata basis to each business entity that
8 demonstrates eligibility pursuant to section three hundred ninety-four-b
9 of this title.

10 § 394-f. Powers and duties of the commissioner. 1. The commissioner
11 may promulgate regulations establishing an application process and
12 eligibility criteria, which will be applied consistent with the purposes
13 of this title so as not to exceed the annual cap on tax credits set
14 forth in this title, that, notwithstanding any provisions to the contra-
15 ry in the state administrative procedure act, may be adopted on an emer-
16 gency basis.

17 2. The commissioner shall, in consultation with the department of
18 taxation and finance, develop a certificate of tax credit that shall be
19 issued by the commissioner to eligible businesses. Such certificate
20 shall contain such information as required by the department of taxation
21 and finance.

22 3. The commissioner shall solely determine the eligibility of any
23 business entity applying for entry into the program and shall remove any
24 business entity from the program for failing to meet any of the require-
25 ments set forth in section three hundred ninety-four-b of this title.

26 § 394-g. Maintenance of records. Each business entity participating in
27 the program shall keep all relevant records for the duration of their
28 participation in the program for at least three years.

1 § 2. The tax law is amended by adding a new section 48 to read as
2 follows:

3 § 48. Child care creation and expansion tax credit. (a) Allowance of
4 credit. A taxpayer subject to tax under article nine-A, twenty-two or
5 thirty-three of this chapter shall be allowed a credit against such tax,
6 pursuant to the provisions referenced in subdivision (f) of this
7 section. The amount of the credit is equal to the amount determined
8 pursuant to section three hundred ninety-four-d of the social services
9 law and shall be claimed in the taxable year that includes the last day
10 of the service year for which the credit is calculated. No cost or
11 expense paid or incurred by the taxpayer that is included as part of the
12 calculation of this credit shall be the basis of any other tax credit
13 allowed under this chapter.

14 (b) Eligibility. To be eligible for the child care creation and expan-
15 sion tax credit, the taxpayer shall have been issued a certificate of
16 tax credit by the office of children and family services pursuant to
17 section three hundred ninety-four-c of the social services law. A
18 taxpayer that is a partner in a partnership, member of a limited liabil-
19 ity company or shareholder in a subchapter S corporation that has
20 received a certificate of tax credit shall be allowed its pro rata share
21 of the credit earned by the partnership, limited liability company or
22 subchapter S corporation.

23 (c) Tax return requirement. The taxpayer shall be required to attach
24 to its tax return in the form prescribed by the commissioner, proof of
25 receipt of its certificate of tax credit issued by the commissioner of
26 the office of children and family services.

1 (d) Information sharing. Notwithstanding any provision of this chap-
2 ter, employees of the office of children and family services and the
3 department shall be allowed and are directed to share and exchange:

4 (1) information regarding the credit applied for, allowed or claimed
5 pursuant to this section and taxpayers that are applying for the credit
6 or that are claiming the credit; and

7 (2) information contained in or derived from credit claim forms
8 submitted to the department. Except as provided in paragraph one of this
9 subdivision, all information exchanged between the office of children
10 and family services and the department shall not be subject to disclo-
11 sure or inspection under the state's freedom of information law.

12 (e) Credit recapture. If a certificate of tax credit issued by the
13 office of children and family services under title 1-A of article six of
14 the social services law is revoked by such office, the amount of credit
15 described in this section and claimed by the taxpayer prior to that
16 revocation shall be added back to tax in the taxable year in which any
17 such revocation becomes final.

18 (f) Cross references. For application of the credit provided for in
19 this section, see the following provisions of this chapter:

20 (1) article 9-A: section 210-B, subdivision 59;

21 (2) article 22: section 606, subsection (ooo);

22 (3) article 33: section 1511, subdivision (ee).

23 § 3. Section 210-B of the tax law is amended by adding a new subdivi-
24 sion 59 to read as follows:

25 59. Child care creation and expansion tax credit. (a) Allowance of
26 credit. A taxpayer shall be allowed a credit, to be computed as
27 provided in section forty-eight of this chapter, against the taxes
28 imposed by this article.

1 (b) Application of credit. The credit allowed under this subdivision
2 for the taxable year shall not reduce the tax due for such year to less
3 than the amount prescribed in paragraph (d) of subdivision one of
4 section two hundred ten of this article. However, if the amount of cred-
5 it allowed under this subdivision for the taxable year reduces the tax
6 to such amount or if the taxpayer otherwise pays tax based on the fixed
7 dollar minimum amount, any amount of credit thus not deductible in such
8 taxable year shall be treated as an overpayment of tax to be credited or
9 refunded in accordance with the provisions of section one thousand
10 eighty-six of this chapter. Provided, however, the provisions of
11 subsection (c) of section one thousand eighty-eight of this chapter
12 notwithstanding, no interest will be paid thereon.

13 § 4. Section 606 of the tax law is amended by adding a new subsection
14 (ooo) to read as follows:

15 (ooo) Child care creation and expansion tax credit. (1) Allowance of
16 credit. A taxpayer shall be allowed a credit, to be computed as provided
17 in section forty-eight of this chapter, against the tax imposed by this
18 article.

19 (2) Application of credit. If the amount of the credit allowed under
20 this subsection for the taxable year exceeds the taxpayer's tax for such
21 year, the excess shall be treated as an overpayment of tax to be credit-
22 ed or refunded in accordance with the provisions of section six hundred
23 eighty-six of this article, provided, however, that no interest will be
24 paid thereon.

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

1 (1) Child care creation and Amount of credit
2 expansion tax credit under under subdivision 59
3 subsection (oo) of section two hundred
4 ten-B

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

7 (ee) Child care creation and expansion tax credit. (1) Allowance of
8 credit. A taxpayer shall be allowed a credit, to be computed as provided
9 in section forty-eight of this chapter, against the tax imposed by this
10 article.

11 (2) Application of credit. The credit allowed under this subdivision
12 shall not reduce the tax due for such year to be less than the minimum
13 fixed by paragraph four of subdivision (a) of section fifteen hundred
14 two or section fifteen hundred two-a of this article, whichever is
15 applicable. However, if the amount of the credit allowed under this
16 subdivision for any taxable year reduces the taxpayer's tax to such
17 amount, any amount of credit thus not deductible will be treated as an
18 overpayment of tax to be credited or refunded in accordance with the
19 provisions of section one thousand eighty-six of this chapter.
20 Provided, however, the provisions of subsection (c) of one thousand
21 eighty-eight of this chapter notwithstanding, no interest shall be paid
22 thereon.

23 § 7. This act shall take effect immediately.

1 Section 1. Paragraph 5 of subdivision (d) of section 1201-a of the tax
2 law, as amended by chapter 260 of the laws of 2015, is amended to read
3 as follows:

4 5. Any local law adopted pursuant to this subdivision may provide for
5 a credit as authorized by this subdivision for a maximum of three
6 consecutive calendar years, provided, however, that any such credit may
7 not apply to taxable years beginning before January first, two thousand
8 [ten] twenty-three or beginning on or after January first, two thousand
9 [nineteen] twenty-six.

10 § 2. This act shall take effect immediately.

11 PART I

12 Section 1. This Part enacts into law major components of legislation
13 relating to extending various taxes and tax credits. Each component is
14 wholly contained within a Subpart identified as Subparts A through E.
15 The effective date for each particular provision contained within such
16 Subpart is set forth in the last section of such Subpart. Any provision
17 in any section contained within a Subpart, including the effective date
18 of the Subpart, which makes reference to a section "of this act", when
19 used in connection with that particular component, shall be deemed to
20 mean and refer to the corresponding section of the Subpart in which it
21 is found. Section three of this Part sets forth the general effective
22 date of this Part.

23 SUBPART A

1 Section 1. The opening paragraph of paragraph (a) of subdivision 1 of
2 section 210 of the tax law, as amended by section 1 of part HHH of chap-
3 ter 59 of the laws of 2021, is amended to read as follows:

4 For taxable years beginning before January first, two thousand
5 sixteen, the amount prescribed by this paragraph shall be computed at
6 the rate of seven and one-tenth percent of the taxpayer's business
7 income base. For taxable years beginning on or after January first, two
8 thousand sixteen, the amount prescribed by this paragraph shall be six
9 and one-half percent of the taxpayer's business income base. For taxable
10 years beginning on or after January first, two thousand twenty-one and
11 before January first, two thousand [twenty-four] twenty-seven for any
12 taxpayer with a business income base for the taxable year of more than
13 five million dollars, the amount prescribed by this paragraph shall be
14 seven and one-quarter percent of the taxpayer's business income base.
15 The taxpayer's business income base shall mean the portion of the
16 taxpayer's business income apportioned within the state as hereinafter
17 provided. However, in the case of a small business taxpayer, as defined
18 in paragraph (f) of this subdivision, the amount prescribed by this
19 paragraph shall be computed pursuant to subparagraph (iv) of this para-
20 graph and in the case of a manufacturer, as defined in subparagraph (vi)
21 of this paragraph, the amount prescribed by this paragraph shall be
22 computed pursuant to subparagraph (vi) of this paragraph, and, in the
23 case of a qualified emerging technology company, as defined in subpara-
24 graph (vii) of this paragraph, the amount prescribed by this paragraph
25 shall be computed pursuant to subparagraph (vii) of this paragraph.

26 § 2. Subparagraph 1 of paragraph (b) of subdivision 1 of section 210
27 of the tax law, as amended by section 2 of part HHH of chapter 59 of the
28 laws of 2021, is amended to read as follows:

1 (1) (i) The amount prescribed by this paragraph shall be computed
2 at .15 percent for each dollar of the taxpayer's total business capital,
3 or the portion thereof apportioned within the state as hereinafter
4 provided for taxable years beginning before January first, two thousand
5 sixteen. However, in the case of a cooperative housing corporation as
6 defined in the internal revenue code, the applicable rate shall be .04
7 percent until taxable years beginning on or after January first, two
8 thousand twenty and zero percent for taxable years beginning on or after
9 January first, two thousand twenty-one. The rate of tax for subsequent
10 tax years shall be as follows: .125 percent for taxable years beginning
11 on or after January first, two thousand sixteen and before January
12 first, two thousand seventeen; .100 percent for taxable years beginning
13 on or after January first, two thousand seventeen and before January
14 first, two thousand eighteen; .075 percent for taxable years beginning
15 on or after January first, two thousand eighteen and before January
16 first, two thousand nineteen; .050 percent for taxable years beginning
17 on or after January first, two thousand nineteen and before January
18 first, two thousand twenty; .025 percent for taxable years beginning on
19 or after January first, two thousand twenty and before January first,
20 two thousand twenty-one; and .1875 percent for years beginning on or
21 after January first, two thousand twenty-one and before January first,
22 two thousand [twenty-four] twenty-seven, and zero percent for taxable
23 years beginning on or after January first, two thousand [twenty-four]
24 twenty-seven. Provided however, for taxable years beginning on or after
25 January first, two thousand twenty-one, the rate of tax for a small
26 business as defined in paragraph (f) of this subdivision shall be zero
27 percent. The rate of tax for a qualified New York manufacturer shall be
28 .132 percent for taxable years beginning on or after January first, two

1 thousand fifteen and before January first, two thousand sixteen, .106
2 percent for taxable years beginning on or after January first, two thou-
3 sand sixteen and before January first, two thousand seventeen, .085
4 percent for taxable years beginning on or after January first, two thou-
5 sand seventeen and before January first, two thousand eighteen; .056
6 percent for taxable years beginning on or after January first, two thou-
7 sand eighteen and before January first, two thousand nineteen; .038
8 percent for taxable years beginning on or after January first, two thou-
9 sand nineteen and before January first, two thousand twenty; .019
10 percent for taxable years beginning on or after January first, two thou-
11 sand twenty and before January first, two thousand twenty-one; and zero
12 percent for years beginning on or after January first, two thousand
13 twenty-one. (ii) In no event shall the amount prescribed by this para-
14 graph exceed three hundred fifty thousand dollars for qualified New York
15 manufacturers and for all other taxpayers five million dollars.

16 § 3. This act shall take effect immediately.

17 SUBPART B

18 Section 1. Subparagraph (A) of paragraph 1 of subsection (oo) of
19 section 606 of the tax law, as amended by section 1 of part CCC of chap-
20 ter 59 of the laws of 2021, is amended to read as follows:

21 (A) For taxable years beginning on or after January first, two thou-
22 sand ten and before January first, two thousand [twenty-five] thirty, a
23 taxpayer shall be allowed a credit as hereinafter provided, against the
24 tax imposed by this article, in an amount equal to one hundred percent
25 of the amount of credit allowed the taxpayer with respect to a certified
26 historic structure, and one hundred fifty percent of the amount of cred-

1 it allowed the taxpayer with respect to a certified historic structure
2 that is a small project, under internal revenue code section 47(c)(3),
3 determined without regard to ratably allocating the credit over a five
4 year period as required by subsection (a) of such section 47, with
5 respect to a certified historic structure located within the state.
6 Provided, however, the credit shall not exceed five million dollars. For
7 taxable years beginning on or after January first, two thousand [twen-
8 ty-five] thirty, a taxpayer shall be allowed a credit as hereinafter
9 provided, against the tax imposed by this article, in an amount equal to
10 thirty percent of the amount of credit allowed the taxpayer with respect
11 to a certified historic structure under internal revenue code section
12 47(c)(3), determined without regard to ratably allocating the credit
13 over a five year period as required by subsection (a) of such section
14 47, with respect to a certified historic structure located within the
15 state; provided, however, the credit shall not exceed one hundred thou-
16 sand dollars.

17 § 2. Subparagraph (i) of paragraph (a) of subdivision 26 of section
18 210-B of the tax law, as amended by section 2 of part CCC of chapter 59
19 of the laws of 2021, is amended to read as follows:

20 (i) For taxable years beginning on or after January first, two thou-
21 sand ten, and before January first, two thousand [twenty-five] thirty, a
22 taxpayer shall be allowed a credit as hereinafter provided, against the
23 tax imposed by this article, in an amount equal to one hundred percent
24 of the amount of credit allowed the taxpayer for the same taxable year
25 with respect to a certified historic structure, and one hundred fifty
26 percent of the amount of credit allowed the taxpayer with respect to a
27 certified historic structure that is a small project, under internal
28 revenue code section 47(c)(3), determined without regard to ratably

1 allocating the credit over a five year period as required by subsection
2 (a) of such section 47, with respect to a certified historic structure
3 located within the state. Provided, however, the credit shall not exceed
4 five million dollars.

5 § 3. Clause (B) of subparagraph (ii) of paragraph (a) of subdivision
6 26 of section 210-B of the tax law, as added by section 17 of part A of
7 chapter 59 of the laws of 2014, is redesignated as paragraph (a-1) and
8 is amended to read as follows:

9 (a-1) If the taxpayer is a partner in a partnership or a shareholder
10 in a New York S corporation, then the credit caps imposed in [subpara-
11 graph (A)] paragraph (a) of this [paragraph] subdivision shall be
12 applied at the entity level, so that the aggregate credit allowed to all
13 the partners or shareholders of each such entity in the taxable year
14 does not exceed the credit cap that is applicable in that taxable year.

15 § 4. Subparagraph (ii) of paragraph (a) of subdivision 26 of section
16 210-B of the tax law, as amended by section 2 of part RR of chapter 59
17 of the laws of 2018, is amended to read as follows:

18 (ii) For taxable years beginning on or after January first, two thou-
19 sand [twenty-five] thirty, a taxpayer shall be allowed a credit as here-
20 inafter provided, against the tax imposed by this article, in an amount
21 equal to thirty percent of the amount of credit allowed the taxpayer for
22 the same taxable year determined without regard to ratably allocating
23 the credit over a five year period as required by subsection (a) of
24 section 47 of the internal revenue code, with respect to a certified
25 historic structure under subsection (c)(3) of section 47 of the internal
26 revenue code with respect to a certified historic structure located
27 within the state. Provided, however, the credit shall not exceed one
28 hundred thousand dollars.

1 § 5. Subparagraph (A) of paragraph 1 of subdivision (y) of section
2 1511 of the tax law, as amended by section 3 of part CCC of chapter 59
3 of the laws of 2021, is amended to read as follows:

4 (A) For taxable years beginning on or after January first, two thou-
5 sand ten and before January first, two thousand [twenty-five] thirty, a
6 taxpayer shall be allowed a credit as hereinafter provided, against the
7 tax imposed by this article, in an amount equal to one hundred percent
8 of the amount of credit allowed the taxpayer with respect to a certified
9 historic structure, and one hundred fifty percent of the amount of cred-
10 it allowed the taxpayer with respect to a certified historic structure
11 that is a small project, under internal revenue code section 47(c)(3),
12 determined without regard to ratably allocating the credit over a five
13 year period as required by subsection (a) of such section 47, with
14 respect to a certified historic structure located within the state.
15 Provided, however, the credit shall not exceed five million dollars. For
16 taxable years beginning on or after January first, two thousand [twen-
17 ty-five] thirty, a taxpayer shall be allowed a credit as hereinafter
18 provided, against the tax imposed by this article, in an amount equal to
19 thirty percent of the amount of credit allowed the taxpayer with respect
20 to a certified historic structure under internal revenue code section
21 47(c)(3), determined without regard to ratably allocating the credit
22 over a five year period as required by subsection (a) of such section 47
23 with respect to a certified historic structure located within the state.
24 Provided, however, the credit shall not exceed one hundred thousand
25 dollars.

26 § 6. This act shall take effect immediately.

1 Section 1. Paragraph 1 of subdivision (a) of section 28 of the tax
2 law, as amended by section 1 of part AAA of chapter 59 of the laws of
3 2019, is amended to read as follows:

4 (1) A taxpayer which is a qualified commercial production company, or
5 which is a sole proprietor of a qualified commercial production company,
6 and which is subject to tax under article nine-A or twenty-two of this
7 chapter, shall be allowed a credit against such tax, pursuant to the
8 provisions referenced in subdivision (c) of this section, to be computed
9 as provided in this section. Provided, however, to be eligible for such
10 credit, at least seventy-five percent of the production costs (excluding
11 post production costs) paid or incurred directly and predominantly in
12 the actual filming or recording of the qualified commercial must be
13 costs incurred in New York state. The tax credit allowed pursuant to
14 this section shall apply to taxable years beginning before January
15 first, two thousand [twenty-four] twenty-nine.

16 § 2. Paragraph (c) of subdivision 23 of section 210-B of the tax law,
17 as amended by chapter 518 of the laws of 2018, is amended to read as
18 follows:

19 (c) Expiration of credit. The credit allowed under this subdivision
20 shall not be applicable to taxable years beginning on or after January
21 first, two thousand [twenty-four] twenty-nine.

22 § 3. Paragraph 1 of subsection (jj) of section 606 of the tax law, as
23 amended by chapter 518 of the laws of 2018, is amended to read as
24 follows:

25 (1) Allowance of credit. A taxpayer that is eligible pursuant to the
26 provisions of section twenty-eight of this chapter shall be allowed a
27 credit to be computed as provided in such section against the tax
28 imposed by this article. The tax credit allowed pursuant to this section

1 shall apply to taxable years beginning before January first, two thou-
2 sand [twenty-four] twenty-nine.

3 § 4. This act shall take effect immediately.

4 SUBPART D

5 Section 1. Paragraph 1 of subdivision (a) of section 47 of the tax
6 law, as added by section 1 of part I of chapter 59 of the laws of 2022,
7 is amended to read as follows:

8 (1) Allowance of credit. A taxpayer that meets the eligibility
9 requirements of subdivision (b) of this section and is subject to tax
10 under article nine-A or twenty-two of this chapter may be eligible to
11 claim a grade no. 6 heating oil conversion tax credit in the taxable
12 year the conversion is complete. The credit shall be equal to fifty
13 percent of the conversion costs for all of the taxpayer's buildings
14 located at a facility regulated pursuant to section 19-0302 or title ten
15 of article seventeen of the environmental conservation law, paid by such
16 taxpayer on or after January first, two thousand twenty-two and before
17 [July] January first, two thousand [twenty-three] twenty-four. The
18 credit cannot exceed five hundred thousand dollars per facility.

19 § 2. This act shall take effect immediately.

20 SUBPART E

21 Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws
22 of 2021 amending the tax law and the state finance law relating to
23 establishing the New York city musical and theatrical production tax
24 credit and establishing the New York state council on the arts cultural

1 program fund, as amended by section 7 of part F of chapter 59 of the
2 laws of 2022, is amended to read as follows:

3 § 6. This act shall take effect immediately; provided however, that
4 [section] sections one, two, three and four of this act shall apply to
5 taxable years beginning on or after January 1, 2021, and before January
6 1, [2024] 2026 and shall expire and be deemed repealed January 1, [2024]
7 2026; provided further, however that the obligations under paragraph 3
8 of subdivision (g) of section 24-c of the tax law, as added by section
9 one of this act, shall remain in effect until December 31, [2025] 2027.

10 § 2. Paragraph 2 of subdivision (a) of section 24-c of the tax law, as
11 amended by section 1 of part F of chapter 59 of the laws of 2022, is
12 amended to read as follows:

13 (2) The amount of the credit shall be the product (or pro rata share
14 of the product, in the case of a member of a partnership) of twenty-five
15 percent and the sum of the qualified production expenditures paid for
16 during the qualified New York city musical and theatrical production's
17 credit period. Provided however that the amount of the credit cannot
18 exceed three million dollars per qualified New York city musical and
19 theatrical production for productions whose first performance is prior
20 to January first, two thousand [twenty-three] twenty-five. [For
21 productions whose first performance is on or after January first, two
22 thousand twenty-three, such cap shall decrease to one million five
23 hundred thousand dollars per qualified New York city musical and theat-
24 rical production unless the New York city tourism economy has not suffi-
25 ciently recovered, as determined by the department of economic develop-
26 ment in consultation with the division of the budget. In determining
27 whether the New York city tourism economy has sufficiently recovered,
28 the department of economic development will perform an analysis of key

1 New York city economic indicators which shall include, but not be limit-
2 ed to, hotel occupancy rates and travel metrics. The department of
3 economic development's analysis shall also be informed by the status of
4 any remaining COVID-19 restrictions affecting New York city musical and
5 theatrical productions.] In no event shall a qualified New York city
6 musical and theatrical production be eligible for more than one credit
7 under this program.

8 § 3. Subparagraph (i) of paragraph 5 of subdivision (b) of section
9 24-c of the tax law, as amended by section 2 of part F of chapter 59 of
10 the laws of 2022, is amended to read as follows:

11 (i) "The credit period of a qualified New York city musical and theat-
12 rical production company" is the period starting on the production start
13 date and ending on the earlier of the date the qualified musical and
14 theatrical production has expended sufficient qualified production
15 expenditures to reach its credit cap, September thirtieth, two thousand
16 [twenty-three] twenty-five or the date the qualified musical and theat-
17 rical production closes.

18 § 4. Subdivision (c) of section 24-c of the tax law, as added by
19 section 1 of subpart B of part PP of chapter 59 of the laws of 2021, is
20 amended to read as follows:

21 (c) The credit shall be allowed for the taxable year beginning on or
22 after January first, two thousand twenty-one but before January first,
23 two thousand [twenty-four] twenty-six. A qualified New York city
24 musical and theatrical production company shall claim the credit in the
25 year in which its credit period ends.

26 § 5. Paragraphs 1 and 2 of subdivision (f) of section 24-c of the tax
27 law, paragraph 1 as amended by section 3 of part F of chapter 59 of the

1 laws of 2022, and paragraph 2 as amended by section 4 of part F of chap-
2 ter 59 of the laws of 2022, are amended to read as follows:

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

10 (2) The commissioner of economic development, after consulting with
11 the commissioner, shall promulgate regulations to establish procedures
12 for the allocation of tax credits as required by this section. Such
13 rules and regulations shall include provisions describing the applica-
14 tion process, the due dates for such applications, the standards that
15 will be used to evaluate the applications, the documentation that will
16 be provided by applicants to substantiate to the department the amount
17 of qualified production expenditures of such applicants, and such other
18 provisions as deemed necessary and appropriate. Notwithstanding any
19 other provisions to the contrary in the state administrative procedure
20 act, such rules and regulations may be adopted on an emergency basis. In
21 no event shall a qualified New York city musical and theatrical
22 production submit an application for this program after June thirtieth,
23 two thousand [twenty-three] twenty-five.

24 § 6. This act shall take effect immediately; provided that the amend-
25 ments to section 24-c of the tax law made by sections two, three, four
26 and five of this act shall not affect the repeal of such section and
27 shall be deemed repealed therewith.

1 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
2 sion, section or part of this act shall be adjudged by any court of
3 competent jurisdiction to be invalid, such judgment shall not affect,
4 impair, or invalidate the remainder thereof, but shall be confined in
5 its operation to the clause, sentence, paragraph, subdivision, section
6 or part thereof directly involved in the controversy in which such judg-
7 ment shall have been rendered. It is hereby declared to be the intent of
8 the legislature that this act would have been enacted even if such
9 invalid provisions had not been included herein.

10 § 3. This act shall take effect immediately provided, however, that
11 the applicable effective dates of Subparts A through E of this act shall
12 be as specifically set forth in the last section of such Subparts.

13 PART J

14 Section 1. This act enacts into law major components of legislation
15 relating to taxation. Each component is wholly contained within a
16 Subpart identified as Subparts A through C. The effective date for each
17 particular provision contained within such Subpart is set forth in the
18 last section of such Subpart. Any provision in any section contained
19 within a Subpart, including the effective date of the Subpart, which
20 makes reference to a section "of this act", when used in connection with
21 that particular component, shall be deemed to mean and refer to the
22 corresponding section of the Subpart in which it is found. Section three
23 of this act sets forth the general effective date of this act.

24 SUBPART A

1 Section 1. Paragraph (b) of subdivision 38 of section 210-B of the tax
2 law, as amended by section 2 of part L of chapter 59 of the laws of
3 2022, is amended to read as follows:

4 (b) Definitions. The term "accessible by individuals with disabili-
5 ties" shall, for the purposes of this subdivision, refer to a vehicle
6 that complies with federal regulations promulgated pursuant to the Amer-
7 icans with Disabilities Act applicable to vans under twenty-two feet in
8 length, by the federal Department of Transportation, in Code of Federal
9 Regulations, title 49, parts 37 and 38[, and by the federal Architecture
10 and Transportation Barriers Compliance Board, in Code of Federal Regu-
11 lations, title 36, section 1192.23,] and the Federal Motor Vehicle Safe-
12 ty Standards, Code of Federal Regulations, title 49, part [57] 571. The
13 term "electric vehicle" shall, for the purposes of this subdivision,
14 have the same meaning as in section sixty-six-s of the public service
15 law.

16 § 2. Paragraph 2 of subsection (tt) of section 606 of the tax law, as
17 amended by section 4 of part L of chapter 59 of the laws of 2022, is
18 amended to read as follows:

19 (2) Definitions. The term "accessible by individuals with disabili-
20 ties" shall, for the purposes of this subsection, refer to a vehicle
21 that complies with federal regulations promulgated pursuant to the Amer-
22 icans with Disabilities Act applicable to vans under twenty-two feet in
23 length, by the federal Department of Transportation, in Code of Federal
24 Regulations, title 49, parts 37 and 38[, and by the federal Architecture
25 and Transportation Barriers Compliance Board, in Code of Federal Regu-
26 lations, title 36, section 1192.23,] and the Federal Motor Vehicle Safe-
27 ty Standards, Code of Federal Regulations, title [29] 49, part [57] 571.
28 The term "electric vehicle" shall, for the purposes of this subsection,

1 have the same meaning as in section sixty-six-s of the public service
2 law.

3 § 3. This act shall take effect immediately and shall apply to taxable
4 years beginning on or after January 1, 2023.

5 SUBPART B

6 Section 1. Paragraph 2 of subdivision (b) of section 21 of the tax
7 law, as amended by section 7 of part LL of chapter 58 of the laws of
8 2022, is amended to read as follows:

9 (2) Site preparation costs. The term "site preparation costs" shall
10 mean all amounts properly chargeable to a capital account, which are
11 paid or incurred which are necessary to implement a site's investi-
12 gation, remediation, or qualification for a certificate of completion,
13 and shall include costs of: excavation; demolition; activities undertak-
14 en under the oversight of the department of labor or in accordance with
15 standards established by the department of health to remediate and
16 dispose of regulated materials including asbestos, lead or polychlori-
17 nated biphenyls; environmental consulting; engineering; legal costs;
18 transportation, disposal, treatment or containment of contaminated soil;
19 remediation measures taken to address contaminated soil vapor; cover
20 systems consistent with applicable regulations; physical support of
21 excavation; dewatering and other work to facilitate or enable remedi-
22 ation activities; sheeting, shoring, and other engineering controls
23 required to prevent off-site migration of contamination from the quali-
24 fied site or migrating onto the qualified site; and the costs of fenc-
25 ing, temporary electric wiring, scaffolding, and security facilities
26 until such time as the certificate of completion has been issued. Site

1 preparation shall include all costs paid or incurred within sixty months
2 after the last day of the tax year in which the certificate of
3 completion is issued that are necessary for compliance with the certif-
4 icate of completion or subsequent modifications thereof, or the remedial
5 program defined in such certificate of completion including but not
6 limited to institutional controls, engineering controls, an approved
7 site management plan, and an environmental easement with respect to the
8 qualified site; provided, however, with respect to any qualified site
9 for which [the department of environmental conservation has issued a
10 notice to the taxpayer on or after July first, two thousand fifteen but
11 on or before June twenty-fourth, two thousand twenty-one that its
12 request for participation has been accepted under subdivision six of
13 section 27-1407 of the environmental conservation law] a certificate of
14 completion was issued on or after July first, two thousand fifteen but
15 on or before June twenty-fourth, two thousand twenty-one, site prepara-
16 tion shall include all costs paid or incurred within eighty-four months
17 after the last day of the tax year in which the certificate of
18 completion is issued that are necessary for compliance with the certif-
19 icate of completion or subsequent modifications thereof, or the remedial
20 program defined in such certificate of completion including but not
21 limited to institutional controls, engineering controls, an approved
22 site management plan, and an environmental easement with respect to the
23 qualified site. Site preparation cost shall not include the costs of
24 foundation systems that exceed the cover system requirements in the
25 regulations applicable to the qualified site.

26 § 2. This act shall take effect immediately and shall be deemed to
27 have been in effect on and after April 9, 2022.

1

SUBPART C

2 Section 1. Paragraphs 1, 2 and 3 of subsection (h) of section 860 of
3 the tax law, paragraph 1 as added by section 1 of part C of chapter 59
4 of the laws of 2021, and paragraph 2 as amended and paragraph 3 as added
5 by section 2 of subpart A of part MM of chapter 59 of the laws of 2022,
6 are amended to read as follows:

7 (1) In the case of an electing partnership, the sum of (i) all items
8 of income, gain, loss, or deduction derived from or connected with New
9 York sources to the extent they are included in the taxable income of a
10 nonresident partner subject to tax under article twenty-two, under para-
11 graph one of subsection (a) of section six hundred thirty-two of this
12 chapter; [and] (ii) all items of income, gain, loss, or deduction to the
13 extent they are included in the taxable income of a resident partner
14 subject to tax under article twenty-two of this chapter; and (iii) all
15 pass-through entity taxes including taxes paid under this article to New
16 York, taxes paid under article twenty-four-B of this chapter to the city
17 of New York, and taxes paid to other jurisdictions that are substantial-
18 ly similar to the taxes paid under this article, to the extent that, for
19 federal income tax purposes, the taxes are paid and deducted in the
20 taxable year, and are included in the taxable income of the partners
21 subject to tax under article twenty-two of this chapter for the taxable
22 year.

23 (2) In the case of an electing standard S corporation, the sum of (i)
24 all items of income, gain, loss, or deduction derived from or connected
25 with New York sources to the extent they would be included under para-
26 graph two of subsection (a) of section six hundred thirty-two of this
27 chapter in the taxable income of a shareholder subject to tax under

1 article twenty-two of this chapter; and (ii) all pass-through entity
2 taxes including taxes paid under this article to New York, taxes paid
3 under article twenty-four-B of this chapter to the city of New York, and
4 taxes paid to other jurisdictions that are substantially similar to the
5 taxes paid under this article, to the extent that, for federal income
6 tax purposes, the taxes are paid and deducted in the taxable year, and
7 are included in the taxable income of the shareholders subject to tax
8 under article twenty-two of this chapter for the taxable year.

9 (3) In the case of an electing resident S corporation, the sum of (i)
10 all items of income, gain, loss, or deduction to the extent they are
11 included in the taxable income of a shareholder subject to tax under
12 article twenty-two of this chapter; and (ii) all pass-through entity
13 taxes including taxes paid under this article to New York, taxes paid
14 under article twenty-four-B of this chapter to the city of New York, and
15 taxes paid to other jurisdictions that are substantially similar to
16 taxes paid under this article, to the extent that, for federal income
17 tax purposes, the taxes are paid and deducted in the taxable year, and
18 are included in the taxable income of the shareholders subject to tax
19 under article twenty-two of this chapter for the taxable year.

20 § 2. Subsection (c) of section 861 of the tax law, as amended by
21 section 3 of subpart A of part MM of chapter 59 of the laws of 2022, is
22 amended to read as follows:

23 (c) The annual election must be made [by] on or before the due date of
24 the first estimated payment under section eight hundred sixty-four of
25 this article and will take effect for the current taxable year. Only one
26 election may be made during each calendar year. An election made under
27 this section is irrevocable [as of] after the due date.

1 § 3. Paragraphs 1 and 2 of subsection (b) of section 867 of the tax
2 law, as added by section 1 of subpart B of part MM of chapter 59 of the
3 laws of 2022, are amended to read as follows:

4 (1) In the case of an electing city partnership, the sum of (i) all
5 items of income, gain, loss, or deduction to the extent they are
6 included in the city taxable income of a partner or member of the elect-
7 ing city partnership who is a city taxpayer; and (ii) all pass-through
8 entity taxes including taxes paid under article twenty-four-A of this
9 chapter to New York, taxes paid under this article to the city of New
10 York, and taxes paid to other jurisdictions that are substantially simi-
11 lar to taxes paid under article twenty-four-A of this chapter, to the
12 extent that, for federal income tax purposes, the taxes were paid and
13 deducted in the taxable year, and they are included in the taxable
14 income of the partners subject to tax under article twenty-two of this
15 chapter for the taxable year.

16 (2) In the case of an electing city resident S corporation, the sum of
17 (i) all items of income, gain, loss, or deduction to the extent they
18 would be included in the city taxable income of a shareholder of the
19 electing city resident S corporation who is a city taxpayer; and (ii)
20 all pass-through entity taxes including taxes paid under article twen-
21 ty-four-A of this chapter to New York, taxes paid under this article to
22 the city of New York, and taxes paid to other jurisdictions that are
23 substantially similar to taxes paid under article twenty-four-A of this
24 chapter, to the extent that, for federal income tax purposes, the taxes
25 were paid and deducted in the taxable year, and they are included in the
26 taxable income of the shareholders subject to tax under article twenty-
27 two of this chapter for the taxable year.

1 § 4. Subsection (e) of section 867 of the tax law, as added by section
2 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended
3 to read as follows:

4 (e) City taxpayer. A city taxpayer means [a city resident individual
5 subject to the tax imposed pursuant to the authority of article thirty
6 of this chapter]:

7 (1) a city resident individual, as defined in subsection (a) of
8 section thirteen hundred five of this chapter; and

9 (2) a city resident trust or estate, as defined in subsection (c) of
10 section thirteen hundred five of this chapter.

11 § 5. Subsection (i) of section 867 of the tax law, as added by section
12 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended
13 to read as follows:

14 (i) Eligible city partnership. Eligible city partnership means any
15 partnership as provided for in section 7701(a)(2) of the Internal Reven-
16 ue Code that has a filing requirement under paragraph one of subsection
17 (c) of section six hundred fifty-eight of this chapter other than a
18 publicly traded partnership as defined in section 7704 of the Internal
19 Revenue Code, where at least one partner or member is a city [resident
20 individual] taxpayer. An eligible city partnership includes any entity,
21 including a limited liability company, treated as a partnership for
22 federal income tax purposes that otherwise meets the requirements of
23 this subsection.

24 § 6. Subsection (j) of section 867 of the tax law, as added by section
25 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended
26 to read as follows:

27 (j) Eligible city resident S corporation. Eligible city resident S
28 corporation means any New York S corporation as defined pursuant to

1 subdivision one-A of section two hundred eight of this chapter that is
2 subject to tax under section two hundred nine of this chapter that has
3 only city [resident individual] taxpayer shareholders. An eligible city
4 resident S corporation includes any entity, including a limited liabil-
5 ity company, treated as an S corporation for federal income tax purposes
6 that otherwise meets the requirements of this subsection.

7 § 7. Subsection (c) of section 868 of the tax law, as added by section
8 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended
9 to read as follows:

10 (c) The annual election to be taxed pursuant to this article must be
11 made [by] on or before the due date of the first estimated payment under
12 section eight hundred sixty-four of this chapter and will take effect
13 for the current taxable year. Only one election to be taxed pursuant to
14 this article may be made during each calendar year. An election made
15 under this section is irrevocable [as of] after such due date. To the
16 extent an election made under section eight hundred sixty-one of this
17 chapter is revoked or otherwise invalidated an election made under this
18 section is automatically invalidated.

19 § 8. This act shall take effect immediately, provided, however, that:

20 (i) sections one and two of this act shall be deemed to have been in
21 full force and effect on and after the effective date of part C of chap-
22 ter 59 of the laws of 2021; (ii) sections three and seven of this act
23 shall be deemed to have been in full force and effect on and after the
24 effective date of section 1 of subpart B of part MM of chapter 59 of the
25 laws of 2022; and (iii) sections four, five and six of this act shall
26 apply to taxable years beginning on or after January 1, 2023.

27 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
28 sion, section or part of this act shall be adjudged by any court of

1 competent jurisdiction to be invalid, such judgment shall not affect,
2 impair, or invalidate the remainder thereof, but shall be confined in
3 its operation to the clause, sentence, paragraph, subdivision, section
4 or part thereof directly involved in the controversy in which such judg-
5 ment shall have been rendered. It is hereby declared to be the intent of
6 the legislature that this act would have been enacted even if such
7 invalid provisions had not been included herein.

8 § 3. This act shall take effect immediately; provided, however, that
9 the applicable effective dates of Subparts A through C of this act shall
10 be as specifically set forth in the last section of such Subparts.

11 PART K

12 Section 1. Paragraphs (a) and (d) of subdivision 1 of section 467 of
13 the real property tax law, as amended by section 1 of part B of chapter
14 686 of the laws of 2022, are amended to read as follows:

15 (a) Real property owned by one or more persons, each of whom is
16 sixty-five years of age or over, or real property owned by [husband and
17 wife] a married couple or by siblings, one of whom is sixty-five years
18 of age or over, or real property owned by one or more persons, some of
19 whom qualify under this section and the others of whom qualify under
20 section four hundred fifty-nine-c of this title, shall be exempt from
21 payments in lieu of taxes (PILOT) to the battery park city authority or
22 from taxation by any municipal corporation in which located to the
23 extent of fifty per centum of the assessed valuation thereof, provided
24 the governing board of such municipality, after public hearing, adopts a
25 local law, ordinance or resolution providing therefor. For the purposes
26 of this section, [sibling shall mean a brother or a sister, whether

1 related] the term "sibling" shall include persons whose relationship as
2 siblings has been established through either half blood, whole blood or
3 adoption.

4 (d) The real property tax or PILOT exemption on real property owned by
5 [husband and wife] a married couple, one of whom is sixty-five years of
6 age or over, once granted, shall not be rescinded by any municipal
7 corporation solely because of the death of the older spouse so long as
8 the surviving spouse is at least sixty-two years of age.

9 § 2. Subdivision 3 of section 467 of the real property tax law, as
10 amended by section 1 of part B of chapter 686 of the laws of 2022, para-
11 graph (a) as separately amended by chapter 488 of the laws of 2022, is
12 amended to read as follows:

13 3. No exemption shall be granted:

14 (a)(i) if the income of the owner or the combined income of the owners
15 of the property for the applicable income tax year [immediately preced-
16 ing the date of making application for exemption] exceeds the sum of
17 three thousand dollars, or such other sum not less than three thousand
18 dollars nor more than [twenty-six thousand dollars beginning July first,
19 two thousand six, twenty-seven thousand dollars beginning July first,
20 two thousand seven, twenty-eight thousand dollars beginning July first,
21 two thousand eight, twenty-nine thousand dollars beginning July first,
22 two thousand nine, fifty thousand dollars beginning July first, two
23 thousand twenty-two, and in a city with a population of one million or
24 more fifty thousand dollars beginning July first, two thousand seven-
25 teen,] fifty thousand dollars, as may be provided by the local law,
26 ordinance or resolution adopted pursuant to this section.

27 (ii) Where the taxable status date is on or before April fourteenth,
28 the applicable income tax year shall [mean] be the twelve-month period

1 for which the owner or owners filed a federal personal income tax return
2 for the year before the income tax year immediately preceding the date
3 of application and where the taxable status date is on or after April
4 fifteenth, the applicable income tax year shall [mean] be the twelve-
5 month period for which the owner or owners filed a federal personal
6 income tax return for the income tax year immediately preceding the date
7 of application.

8 (iii) Where title is vested in [either the husband or the wife, their]
9 a married person, the combined income of such person and such person's
10 spouse may not exceed such sum, except where [the husband or wife, or
11 ex-husband or ex-wife] one spouse or ex-spouse is absent from the prop-
12 erty as provided in subparagraph (ii) of paragraph (d) of this subdivi-
13 sion, then only the income of the spouse or ex-spouse residing on the
14 property shall be considered and may not exceed such sum. [Such income
15 shall include social security and retirement benefits, interest, divi-
16 dends, total gain from the sale or exchange of a capital asset which may
17 be offset by a loss from the sale or exchange of a capital asset in the
18 same income tax year, net rental income, salary or earnings, and net
19 income from self-employment, but shall not include a return of capital,
20 gifts, inheritances, payments made to individuals because of their
21 status as victims of Nazi persecution, as defined in P.L. 103-286 or
22 monies earned through employment in the federal foster grandparent
23 program and any such income shall be offset by all medical and
24 prescription drug expenses actually paid which were not reimbursed or
25 paid for by insurance, if the governing board of a municipality, after a
26 public hearing, adopts a local law, ordinance or resolution providing
27 therefor. In addition, an exchange of an annuity for an annuity
28 contract, which resulted in non-taxable gain, as determined in section

1 one thousand thirty-five of the internal revenue code, shall be excluded
2 from such income. Provided that such exclusion shall be based on satis-
3 factory proof that such an exchange was solely an exchange of an annuity
4 for an annuity contract that resulted in a non-taxable transfer deter-
5 mined by such section of the internal revenue code. Furthermore, such
6 income shall not include the proceeds of a reverse mortgage, as author-
7 ized by section six-h of the banking law, and sections two hundred
8 eighty and two hundred eighty-a of the real property law; provided,
9 however, that monies used to repay a reverse mortgage may not be
10 deducted from income, and provided additionally that any interest or
11 dividends realized from the investment of reverse mortgage proceeds
12 shall be considered income. The provisions of this paragraph notwith-
13 standing, such income shall not include veterans disability compen-
14 sation, as defined in Title 38 of the United States Code provided the
15 governing board of such municipality, after public hearing, adopts a
16 local law, ordinance or resolution providing therefor. In computing net
17 rental income and net income from self-employment no depreciation
18 deduction shall be allowed for the exhaustion, wear and tear of real or
19 personal property held for the production of income;]

20 (iv) The term "income" as used herein shall mean the "adjusted gross
21 income" for federal income tax purposes as reported on the applicant's
22 federal or state income tax return for the applicable income tax year,
23 subject to any subsequent amendments or revisions, plus any social secu-
24 arity benefits not included in such adjusted gross income, minus any
25 distributions, to the extent included in federal adjusted gross income,
26 received from an individual retirement account and an individual retire-
27 ment annuity; provided that if no such return was filed for the applica-
28 ble income tax year, the applicant's income shall be determined based on

1 the amounts that would have so been reported if such a return had been
2 filed; and provided further, that the governing board of a municipality
3 may adopt a local law, ordinance or resolution providing that any social
4 security benefits that were not included in the applicant's adjusted
5 gross income shall not be considered income for purposes of this
6 section;

7 (b) unless the owner shall have held an exemption under this section
8 for [his] the owner's previous residence or unless the title of the
9 property shall have been vested in the owner or one of the owners of the
10 property for at least twelve consecutive months prior to the date of
11 making application for exemption, provided, however, that in the event
12 of the death of [either a husband or wife] a married person in whose
13 name title of the property shall have been vested at the time of death
14 and then becomes vested solely in [the survivor] such person's surviving
15 spouse by virtue of devise by or descent from the deceased [husband or
16 wife] spouse, the time of ownership of the property by the deceased
17 [husband or wife] spouse shall be deemed also a time of ownership by the
18 [survivor] surviving spouse and such ownership shall be deemed contin-
19 uous for the purposes of computing such period of twelve consecutive
20 months. In the event of a transfer by [either a husband or wife to the
21 other] a married person to such person's spouse of all or part of the
22 title to the property, the time of ownership of the property by the
23 transferor spouse shall be deemed also a time of ownership by the trans-
24 feree spouse and such ownership shall be deemed continuous for the
25 purposes of computing such period of twelve consecutive months. Where
26 property of the owner or owners has been acquired to replace property
27 formerly owned by such owner or owners and taken by eminent domain or
28 other involuntary proceeding, except a tax sale, the period of ownership

1 of the former property shall be combined with the period of ownership of
2 the property for which application is made for exemption and such peri-
3 ods of ownership shall be deemed to be consecutive for purposes of this
4 section. Where a residence is sold and replaced with another within one
5 year and both residences are within the state, the period of ownership
6 of both properties shall be deemed consecutive for purposes of the
7 exemption from taxation by a municipality within the state granting such
8 exemption. Where the owner or owners transfer title to property which as
9 of the date of transfer was exempt from taxation or PILOT under the
10 provisions of this section, the reacquisition of title by such owner or
11 owners within nine months of the date of transfer shall be deemed to
12 satisfy the requirement of this paragraph that the title of the property
13 shall have been vested in the owner or one of the owners for such period
14 of twelve consecutive months. Where, upon or subsequent to the death of
15 an owner or owners, title to property which as of the date of such death
16 was exempt from taxation or PILOT under such provisions, becomes vested,
17 by virtue of devise or descent from the deceased owner or owners, or by
18 transfer by any other means within nine months after such death, solely
19 in a person or persons who, at the time of such death, maintained such
20 property as a primary residence, the requirement of this paragraph that
21 the title of the property shall have been vested in the owner or one of
22 the owners for such period of twelve consecutive months shall be deemed
23 satisfied;

24 (c) unless the property is used exclusively for residential purposes,
25 provided, however, that in the event any portion of such property is not
26 so used exclusively for residential purposes but is used for other
27 purposes, such portion shall be subject to taxation or PILOT and the

1 remaining portion only shall be entitled to the exemption provided by
2 this section;

3 (d) unless the real property is the legal residence of and is occupied
4 in whole or in part by the owner or by all of the owners of the proper-
5 ty: except where, (i) an owner is absent from the residence while
6 receiving health-related care as an inpatient of a residential health
7 care facility, as defined in section twenty-eight hundred one of the
8 public health law, provided that any income accruing to that person
9 shall only be income only to the extent that it exceeds the amount paid
10 by such owner, spouse, or co-owner for care in the facility, and
11 provided further, that during such confinement such property is not
12 occupied by other than the spouse or co-owner of such owner; or, (ii)
13 the real property is owned by a [husband and/or wife, or an ex-husband
14 and/or an ex-wife, and either] married person or a married couple, or by
15 a formerly married person or a formerly married couple, and one spouse
16 or ex-spouse is absent from the residence due to divorce, legal sepa-
17 ration or abandonment and all other provisions of this section are met
18 provided that where an exemption was previously granted when both
19 resided on the property, then the person remaining on the real property
20 shall be sixty-two years of age or over.

21 § 3. Paragraph (a) of subdivision 3-a of section 467 of the real prop-
22 erty tax law, as amended by section 1 of part B of chapter 686 of the
23 laws of 2022, is amended to read as follows:

24 (a) For the purposes of this section, title to that portion of real
25 property owned by a cooperative apartment corporation in which a
26 tenant-stockholder of such corporation resides and which is represented
27 by [his] the tenant-stockholder's share or shares of stock in such
28 corporation as determined by its or their proportional relationship to

1 the total outstanding stock of the corporation, including that owned by
2 the corporation, shall be deemed to be vested in such tenant-stockhold-
3 er.

4 § 4. Subdivisions 5 and 5-a of section 467 of the real property tax
5 law, as amended by section 1 of part B of chapter 686 of the laws of
6 2022, are amended to read as follows:

7 5. Application for such exemption must be made by the owner, or all of
8 the owners of the property, on forms prescribed by the commissioner to
9 be furnished by the appropriate assessing authority and shall furnish
10 the information and be executed in the manner required or prescribed in
11 such forms, and shall be filed in such assessor's office on or before
12 the appropriate taxable status date. Notwithstanding any other provision
13 of law, at the option of the municipal corporation, any person otherwise
14 qualifying under this section shall not be denied the exemption under
15 this section if [he] such person becomes sixty-five years of age after
16 the appropriate taxable status date and on or before December thirty-
17 first of the same year.

18 5-a. Any local law or ordinance adopted pursuant to paragraph (a) of
19 subdivision one of this section may be amended, or a local law or ordi-
20 nance may be adopted to provide, notwithstanding subdivision five of
21 this section, that an application for such exemption may be filed with
22 the assessor after the appropriate taxable status date but not later
23 than the last date on which a petition with respect to complaints of
24 assessment may be filed, where failure to file a timely application
25 resulted from: (a) a death of the applicant's spouse, child, parent[,
26 brother or sister] or sibling; or (b) an illness of the applicant or of
27 the applicant's spouse, child, parent[, brother or sister] or sibling,
28 which actually prevents the applicant from filing on a timely basis, as

1 certified by a licensed physician. The assessor shall approve or deny
2 such application as if it had been filed on or before the taxable status
3 date.

4 § 5. Subdivision 6 of section 467 of the real property tax law, as
5 amended by section 1 of part B of chapter 686 of the laws of 2022, is
6 amended to read as follows:

7 6. (a) At least sixty days prior to the appropriate taxable status
8 date, the assessing authority shall mail to each person who was granted
9 exemption pursuant to this section on the latest completed assessment
10 roll an application form and a notice that such application must be
11 filed on or before the taxable status date and be approved in order for
12 the exemption to be granted. The assessing authority shall, within three
13 days of the completion and filing of the tentative assessment roll,
14 notify by mail any applicant [who has included with his] whose applica-
15 tion includes at least one self-addressed, pre-paid envelope, of the
16 approval or denial of the application; provided, however, that the
17 assessing authority shall, upon the receipt and filing of the applica-
18 tion, send by mail notification of receipt to any applicant who has
19 included two of such envelopes with the application. Where an applicant
20 is entitled to a notice of denial pursuant to this subdivision, such
21 notice shall be on a form prescribed by the commissioner and shall state
22 the reasons for such denial and shall further state that the applicant
23 may have such determination reviewed in the manner provided by law.
24 Failure to mail any such application form or notices or the failure of
25 such person to receive any of the same shall not prevent the levy,
26 collection and enforcement of the payment of the taxes or PILOT on prop-
27 erty owned by such person.

1 (b) Except in cities of one million or more, any person who has been
2 granted exemption pursuant to this section on five (5) consecutive
3 completed assessment rolls, including any years when the exemption was
4 granted to a property owned by [a husband and/or wife] a married person
5 or a married couple while both spouses resided in such property, shall
6 not be subject to the requirements set forth in paragraph (a) of this
7 subdivision provided the governing board of the municipality in which
8 said property is situated after public hearing adopts a local law, ordi-
9 nance or resolution providing therefor however said person shall be
10 mailed an application form and a notice [informing him of his] setting
11 forth such person's rights. Such exemption shall be automatically grant-
12 ed on each subsequent assessment roll. Provided, however, that when tax
13 payment is made by such person a sworn affidavit must be included with
14 such payment which shall state that such person continues to be eligible
15 for such exemption. Such affidavit shall be on a form prescribed by the
16 commissioner. If such affidavit is not included with the tax payment,
17 the collecting officer shall proceed pursuant to section five hundred
18 fifty-one-a of this chapter.

19 (c) In cities of one million or more, any person who has been granted
20 exemption pursuant to this section shall file the completed application
21 with the appropriate assessing authority every twenty-four months from
22 the date such exemption was granted without the necessity of having been
23 granted exemption pursuant to this section on five (5) consecutive
24 completed assessment rolls including any years when the exemption was
25 granted to a property owned by [a husband and/or wife] a married person
26 or a married couple while both spouses resided in such property.

1 § 6. Subdivision 8-a of section 467 of the real property tax law, as
2 amended by section 1 of part B of chapter 686 of the laws of 2022, is
3 amended to read as follows:

4 8-a. Notwithstanding any provision of law to the contrary, the local
5 governing body of a municipal corporation that is authorized to adopt a
6 local law pursuant to subdivision eight of this section is further
7 authorized to adopt a local law providing that where a renewal applica-
8 tion for the exemption authorized by this section has not been filed on
9 or before the taxable status date, and the owner believes that good
10 cause existed for the failure to file the renewal application by that
11 date, the owner may, no later than the last day for paying taxes or
12 PILOT without incurring interest or penalty, submit a written request to
13 the assessor asking [him or her] the assessor to extend the filing dead-
14 line and grant the exemption. Such request shall contain an explanation
15 of why the deadline was missed, and shall be accompanied by a renewal
16 application, reflecting the facts and circumstances as they existed on
17 the taxable status date. The assessor may extend the filing deadline and
18 grant the exemption if [he or she] the assessor is satisfied that (i)
19 good cause existed for the failure to file the renewal application by
20 the taxable status date, and that (ii) the applicant is otherwise enti-
21 tled to the exemption. The assessor shall make a determination and mail
22 notice [of his or her determination] thereof to the owner. If the deter-
23 mination states that the assessor has granted the exemption, [he or she]
24 the assessor shall thereupon be authorized and directed to correct the
25 assessment roll accordingly, or, if another person has custody or
26 control of the assessment roll, to direct that person to make the appro-
27 priate corrections. If the correction is not made before taxes are
28 levied, the failure to take the exemption into account in the computa-

1 tion of the tax shall be deemed a "clerical error" for purposes of title
2 three of article five of this chapter, and shall be corrected according-
3 ly.

4 § 7. This act shall take effect immediately and shall apply to all
5 applications for exemptions pursuant to section 467 of the real property
6 tax law on assessment rolls that are based on taxable status dates
7 occurring on and after October 1, 2023.

8 PART L

9 Section 1. Section 2 of chapter 540 of the laws of 1992, amending the
10 real property tax law relating to oil and gas charges, as amended by
11 section 1 of part C of chapter 59 of the laws of 2020, is amended to
12 read as follows:

13 § 2. This act shall take effect immediately and shall be deemed to
14 have been in full force and effect on and after April 1, 1992; provided,
15 however that any charges imposed by section 593 of the real property tax
16 law as added by section one of this act shall first be due for values
17 for assessment rolls with tentative completion dates after July 1, 1992,
18 and provided further, that this act shall remain in full force and
19 effect until March 31, [2024] 2027, at which time section 593 of the
20 real property tax law as added by section one of this act shall be
21 repealed.

22 § 2. This act shall take effect immediately.

23 PART M

1 Section 1. The real property tax law is amended by adding a new
2 section 989 to read as follows:

3 § 989. Distribution of surplus in tax enforcement proceedings. 1.
4 Notwithstanding the provisions of any general, special or local law to
5 the contrary, when a property owner is divested of title due to the
6 foreclosure of a delinquent real property tax lien on the property, and
7 the property is sold to a third party, the proceeds of such sale shall
8 be distributed as follows:

9 (a) If the proceeds of the sale are less than or equal to the total
10 taxes due on the property plus interest, penalties and other charges
11 duly imposed upon the property, including the administrative costs asso-
12 ciated with the foreclosure process, the entire proceeds shall be paid
13 to the local government.

14 (b) If the proceeds of the sale exceed the total taxes due on the
15 property plus interest, penalties and other charges duly imposed upon
16 the property, including the administrative costs associated with the
17 foreclosure process, the excess shall be distributed as follows:

18 (i) If the property is not subject to other liens, the excess proceeds
19 shall be paid to the prior owner or owners of the property.

20 (ii) If the property is subject to other liens, the lienholders shall
21 be paid from the excess proceeds in the same order and to the same
22 extent as they would be in an action to foreclose a mortgage pursuant to
23 article thirteen of the real property actions and proceedings law. Any
24 proceeds remaining after the other lienholders have been so paid shall
25 be paid to the prior owner or owners of the property.

26 2. The provisions of this section shall apply whether property is sold
27 through a public auction or otherwise.

1 3. When a foreclosure concludes with the tax district taking title to
2 property, the provisions of this section shall not apply unless and
3 until the tax district sells the property to a third party; provided
4 that in such a case, if there are excess proceeds to be paid to the
5 prior owner or owners of the property, such proceeds shall be paid to
6 the owner or owners of the property prior to its acquisition by the tax
7 district.

8 4. The provisions of this section shall not apply to the enforcement
9 of tax liens on abandoned real property. For purposes of this section,
10 real property shall be deemed abandoned if it:

11 (a) has been included on a local municipal roll, registry or list of
12 vacant and abandoned residential property pursuant to section eleven
13 hundred eleven-a of this chapter, or

14 (b) has been certified as abandoned commercial or industrial real
15 property pursuant to article nineteen-A of the real property actions and
16 proceedings law, or

17 (c) has been included on the statewide registry of vacant and aban-
18 doned property pursuant to section thirteen hundred ten of the real
19 property actions and proceedings law.

20 5. This section shall be construed to supersede all general, special
21 and local laws relating to tax enforcement to the extent that such laws
22 would otherwise allow the proceeds of a sale to be distributed in a
23 manner other than as set forth in this section. This section is not
24 intended to supersede such laws in other respects.

25 § 2. Subdivision 2 of section 1104 of the real property tax law, as
26 amended by chapter 532 of the laws of 1994, paragraph (iii) as further
27 amended by subdivision (b) of section 1 of part W of chapter 56 of the
28 laws of 2010, is amended to read as follows:

1 2. The provisions of this article shall not be applicable to a county,
2 city or town which: (i) on January first, nineteen hundred ninety-three,
3 was authorized to enforce the collection of delinquent taxes pursuant to
4 a county charter, city charter, administrative code or special law; (ii)
5 adopted a local law, no later than July first, nineteen hundred ninety-
6 four, providing that the collection of taxes in such county, city or
7 town shall continue to be enforced pursuant to such charter, code or
8 special law, as such charter, code or special law may from time to time
9 be amended; and (iii) filed a copy of such local law with the commis-
10 sioner no later than August first, nineteen hundred ninety-four.
11 Provided, however, that nothing contained herein shall be construed to
12 exempt any such county, city or town from the provisions of section nine
13 hundred eighty-nine of this chapter.

14 § 3. Subdivision 1 of section 1166 of the real property tax law, as
15 amended by chapter 500 of the laws of 2015, is amended to read as
16 follows:

17 1. Whenever any tax district shall become vested with the title to
18 real property by virtue of a foreclosure proceeding brought pursuant to
19 the provisions of this article, such tax district is hereby authorized
20 to sell and convey the real property so acquired, which shall include
21 any and all gas, oil or mineral rights associated with such real proper-
22 ty, either with or without advertising for bids, notwithstanding the
23 provisions of any general, special or local law. The proceeds obtained
24 from any such sale shall be distributed in the manner provided by
25 section nine hundred eighty-nine of this chapter.

26 § 4. This act shall take effect October 1, 2023, and shall apply to
27 all tax foreclosure proceedings commenced on and after such date.

1

PART N

2 Section 1. Section 575-b of the real property tax law is amended by
3 adding a new subdivision 1-a to read as follows:

4 1-a. Notwithstanding any provision of law to the contrary, the solar
5 or wind energy system appraisal model authorized by this section shall
6 be identified, formulated, adopted, published, and updated periodically
7 in the manner provided in this section without regard to the provisions
8 of article two of the state administrative procedure act.

9 § 2. Subparagraph (viii) of paragraph (b) of subdivision 2 of section
10 102 of the state administrative procedure act, as amended by chapter 74
11 of the laws of 1987, is amended to read as follows:

12 (viii) appraisal models, discount rates, state equalization rates,
13 class ratios, special equalization rates and special equalization ratios
14 established pursuant to the real property tax law;

15 § 3. No assessing unit that failed to use the appraisal model pursu-
16 ant to section 575-b of the real property tax law in 2022 shall be held
17 liable for failing to use such model in 2022. Within fifteen days from
18 the effective date of this act, the commissioner of taxation and finance
19 may readopt the 2022 appraisal model or models and discount rates for
20 use in 2023, without additional consultation with the New York state
21 energy research and development authority or the New York state asses-
22 sors association, and without soliciting or considering additional
23 public comments.

24 § 4. This act shall take effect immediately and shall be deemed to
25 have been in full force and effect on and after the effective date of
26 part X of chapter 59 of the laws of 2021.

1 PART O

2 Section 1. Subparagraph (i) of the opening paragraph of section 1210
3 of the tax law is REPEALED and a new subparagraph (i) is added to read
4 as follows:

5 (i) with respect to a city of one million or more and the following
6 counties: (1) any such city having a population of one million or more
7 is hereby authorized and empowered to adopt and amend local laws, ordi-
8 nances or resolutions imposing such taxes in any such city, at the rate
9 of four and one-half percent;

10 (2) the following counties that impose taxes described in subdivision
11 (a) of this section at the rate of three percent as authorized above in
12 this paragraph are hereby further authorized and empowered to adopt and
13 amend local laws, ordinances, or resolutions imposing such taxes at
14 additional rates, in quarter percent increments, not to exceed the
15 following rates, which rates are additional to the three percent rate
16 authorized above in this paragraph:

17 (A) One percent - Albany, Broome, Cattaraugus, Cayuga, Chautauqua,
18 Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess,
19 Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Jefferson, Lewis,
20 Livingston, Madison, Monroe, Montgomery, Niagara, Onondaga, Ontario,
21 Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Rockland, St.
22 Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben,
23 Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne,
24 Westchester, Wyoming, Yates;

25 (B) One and one-quarter percent - Herkimer, Nassau;

26 (C) One and one-half percent - Allegany;

27 (D) One and three-quarters percent - Erie, Oneida.

1 (E) Provided, however, that (I) the county of Rockland may impose
2 additional rates of five-eighths percent and three-eighths percent, in
3 lieu of imposing such additional rate in quarter percent increments;
4 (II) the county of Ontario may impose additional rates of one-eighth
5 percent and three-eighths percent, in lieu of imposing such additional
6 rate in quarter percent increments; (III) three-quarters percent of the
7 additional rate authorized to be imposed by the county of Nassau shall
8 be subject to the limitation set forth in section twelve hundred sixty-
9 two-e of this article; (IV) the one and three-quarters percent addi-
10 tional rate to be imposed by the county of Erie shall be subject to the
11 limitations set forth in section twelve hundred sixty-two-q of this
12 article.

13 § 2. Subparagraph (ii) of the opening paragraph of section 1210 of the
14 tax law is REPEALED and a new subparagraph (ii) is added to read as
15 follows:

16 (ii) the following cities that impose taxes described in subdivision
17 (a) of this section at the rate of one and one-half percent or higher as
18 authorized above in this paragraph for such cities are hereby further
19 authorized and empowered to adopt and amend local laws, ordinances, or
20 resolutions imposing such taxes at additional rates, in quarter percent
21 increments, not to exceed the following rates, which rates are addi-
22 tional to the one and one-half percent or higher rates authorized above
23 in this paragraph:

24 (1) One percent - Mount Vernon; New Rochelle; Oswego; White Plains;

25 (2) One and one-quarter percent - None;

26 (3) One and one-half percent - Yonkers.

1 § 3. Subparagraphs (iii) and (iv) of the opening paragraph of section
2 1210 of the tax law are REPEALED and a new subparagraph (iii) is added
3 to read as follows:

4 (iii) the maximum rate referred to in section twelve hundred twenty-
5 four of this article shall be calculated without reference to the addi-
6 tional rates authorized for counties, other than the counties of Cayuga,
7 Cortland, Fulton, Madison, and Otsego, in clause two of subparagraph (i)
8 and the cities in subparagraph (ii) of this paragraph.

9 § 4. Section 1210 of the tax law is amended by adding a new subdivi-
10 sion (p) to read as follows:

11 (p) Notwithstanding any provision of this section or any other law to
12 the contrary, a county authorized to impose an additional rate or rates
13 of sales and compensating use taxes by clause two of subparagraph (i) of
14 the opening paragraph of this section, or a city, other than the city of
15 Mount Vernon, authorized to impose an additional rate of such taxes by
16 subparagraph (ii) of such opening paragraph, may adopt a local law,
17 ordinance, or resolution by a majority vote of its governing body impos-
18 ing such rate or rates for a period not to exceed two years, and any
19 such period must end on November thirtieth of an odd-numbered year.
20 Notwithstanding the preceding sentence, the city of White Plains is
21 authorized to exceed such two-year limitation to impose the tax author-
22 ized by subparagraph (ii) of such opening paragraph for the period
23 commencing on September first, two thousand twenty-three and ending on
24 November thirtieth, two thousand twenty-five. Any such local law, ordi-
25 nance, or resolution shall also be subject to the provisions of subdivi-
26 sions (d) and (e) of this section.

27 § 5. Section 1210-E of the tax law is REPEALED.

1 § 6. Subdivision (a) of section 1223 of the tax law, as amended by
2 chapter 44 of the laws of 2019, is amended to read as follows:

3 (a) No transaction taxable under sections twelve hundred two through
4 twelve hundred four of this article shall be taxed pursuant to this
5 article by any county or by any city located therein, or by both, at an
6 aggregate rate in excess of the highest rate set forth in the applicable
7 subdivision of section twelve hundred one of this article or, in the
8 case of any taxes imposed pursuant to the authority of section twelve
9 hundred ten or twelve hundred eleven of this article (other than taxes
10 imposed by the county of Nassau, Erie, [Steuben, Cattaraugus, Suffolk,
11 Oneida, [Genesee, Greene, Franklin, Hamilton,] Herkimer, [Tioga, Orle-
12 ans,] and Allegany[, Ulster, Albany, Rensselaer, Tompkins, Wyoming,
13 Columbia, Schuyler, Rockland, Chenango, Monroe, Chemung, Seneca, Sulli-
14 van, Wayne, Livingston, Schenectady, Montgomery, Delaware, Clinton,
15 Niagara, Yates, Lewis, Essex, Dutchess, Schoharie, Putnam, Chautauqua,
16 Orange, Oswego, Ontario, Jefferson, St. Lawrence, Westchester or Ononda-
17 ga and by the county of Cortland and the city of Cortland and by the
18 county of Broome and the city of Binghamton and by the county of Cayuga
19 and the city of Auburn and by the county of Otsego and the city of
20 Oneonta and by the county of Madison and the city of Oneida and by the
21 county of Fulton and the city of Gloversville or the city of Johnstown]
22 as provided in section twelve hundred ten of this article) at a rate in
23 excess of [three] four percent, except that, in the city of Yonkers[, in
24 the city of Mount Vernon, in the city of New Rochelle, in the city of
25 Fulton, in the city of Oswego, and in the city of White Plains,] the
26 rate may not be in excess of four and one-half percent, and except that
27 in the city of Poughkeepsie in the county of Dutchess, if such county
28 withdraws from the metropolitan commuter transportation district pursu-

1 ant to section twelve hundred seventy-nine-b of the public authorities
2 law and if the revenues from a three-eighths percent rate of such tax
3 imposed by such county, pursuant to the authority of section twelve
4 hundred ten of this article, are required by local laws, ordinances or
5 resolutions to be set aside for mass transportation purposes, the rate
6 may not be in excess of [three] four and three-eighths percent.

7 § 7. Subdivisions (d), (e), (f), (g), (h), (i), (j), (k), (l), (m),
8 (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (z-1),
9 (aa), (bb), (cc), (dd), (ee), (ff), (gg), (hh), (ii) and (jj) of section
10 1224 of the tax law are REPEALED.

11 § 8. Section 1224 of the tax law is amended by adding three new subdi-
12 visions (d), (e), and (f) to read as follows:

13 (d) For purposes of this section, the term "prior right" shall mean
14 the preferential right to impose any tax described in sections twelve
15 hundred two and twelve hundred three, or twelve hundred ten and twelve
16 hundred eleven, of this article and thereby to preempt such tax and to
17 preclude another municipal corporation from imposing or continuing the
18 imposition of such tax to the extent that such right is exercised.
19 However, the right of preemption shall only apply within the territorial
20 limits of the taxing jurisdiction having the right of preemption.

21 (e) Each of the following counties and cities shall have the sole
22 right to impose the following additional rate of sales and compensating
23 use taxes in excess of three percent that such county or city is author-
24 ized to impose pursuant to clause two of subparagraph (i) or subpara-
25 graph (ii) of the opening paragraph of section twelve hundred ten of
26 this article. Such additional rates of tax shall not be subject to
27 preemption.

28 (1) Counties:

1 (A) One percent - Albany, Broome, Cattaraugus, Chautauqua, Chemung,
2 Chenango, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Gene-
3 see, Greene, Hamilton, Jefferson, Lewis, Livingston, Monroe, Montgomery,
4 Niagara, Onondaga, Ontario, Orange, Orleans, Oswego, Putnam, Rensselaer,
5 Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler,
6 Seneca, Steuben, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren,
7 Washington, Wayne, Westchester, Wyoming, Yates;

8 (B) One and one-quarter percent - Herkimer, Nassau;

9 (C) One and one-half percent - Allegany;

10 (D) One and three-quarters percent - Erie, Oneida.

11 (E) Provided, however, that the county of Westchester shall have the
12 sole right to impose the additional one percent rate of tax which such
13 county is authorized to impose pursuant to the authority of clause two
14 of subparagraph (i) of the opening paragraph of section twelve hundred
15 ten of this article in the area of the county outside the cities of
16 Mount Vernon, New Rochelle, White Plains, and Yonkers.

17 (2) Cities:

18 (A) One-quarter of one percent - Rome;

19 (B) One-half of one percent - None;

20 (C) Three-quarters of one percent - None;

21 (D) One percent - Mount Vernon, New Rochelle, White Plains;

22 (E) One and one-quarter percent - None;

23 (F) One and one-half percent - Yonkers.

24 (f) Each of the following cities is authorized to preempt the taxes
25 imposed by the county in which it is located pursuant to the authority
26 of section twelve hundred ten of this article, to the extent of one-half
27 the maximum aggregate rate authorized under section twelve hundred ten
28 of this article, including the additional rate that the county in which

1 such city is located is authorized to impose: Auburn, in Cayuga county;
2 Cortland, in Cortland county; Gloversville and Johnstown, in Fulton
3 county; Oneida, in Madison county; Oneonta, in Otsego county. As of the
4 date this subdivision takes effect, any such preemption by such a city
5 in effect on such date shall continue in full force and effect until the
6 effective date of a local law, ordinance, or resolution adopted or
7 amended by the city to change such preemption. Any preemption by such a
8 city pursuant to this subdivision that takes effect after the effective
9 date of this subdivision shall be subject to the notice requirements in
10 section twelve hundred twenty-three of this subpart and to the other
11 requirements of this article.

12 § 9. Subdivision (b) of section 1262-b of the tax law is REPEALED.

13 § 10. Section 1262-e of the tax law, as amended by section 2 of item
14 BB of subpart C of part XXX of chapter 58 of the laws of 2020, is
15 amended to read as follows:

16 § 1262-e. Establishment of local government assistance programs in
17 Nassau county. 1. Towns and cities. Notwithstanding any other provision
18 of law to the contrary, for the calendar year beginning on January
19 first, nineteen hundred ninety-eight and continuing through the calendar
20 year beginning on January first, two thousand twenty-three, and each
21 calendar year thereafter beginning on January first, the county of
22 Nassau shall enact and establish a local government assistance program
23 for the towns and cities within such county to assist such towns and
24 cities to minimize real property taxes; defray the cost and expense of
25 the treatment, collection, management, disposal, and transportation of
26 municipal solid waste, and to comply with the provisions of chapter two
27 hundred ninety-nine of the laws of nineteen hundred eighty-three; and
28 defray the cost of maintaining conservation and environmental control

1 programs. Such special assistance program for the towns and cities with-
2 in such county and the funding for such program shall equal one-third of
3 the revenues received by such county from the imposition of the three-
4 quarters percent sales and use tax during calendar years two thousand
5 one, two thousand two, two thousand three, two thousand four, two thou-
6 sand five, two thousand six, two thousand seven, two thousand eight, two
7 thousand nine, two thousand ten, two thousand eleven, two thousand
8 twelve, two thousand thirteen, two thousand fourteen, two thousand
9 fifteen, two thousand sixteen, two thousand seventeen, two thousand
10 eighteen, two thousand nineteen, two thousand twenty, two thousand twen-
11 ty-one, two thousand twenty-two [and], two thousand twenty-three and
12 each calendar year thereafter additional to the regular three percent
13 rate authorized for such county in section twelve hundred ten of this
14 article. The monies for such special local assistance shall be paid and
15 distributed to the towns and cities on a per capita basis using the
16 population figures in the latest decennial federal census. Provided
17 further, that notwithstanding any other law to the contrary, the estab-
18 lishment of such special assistance program shall preclude any city or
19 town within such county from preempting or claiming under any other
20 section of this chapter the revenues derived from the additional tax
21 authorized by section twelve hundred ten of this article. Provided
22 further, that any such town or towns may, by resolution of the town
23 board, apportion all or a part of monies received in such special
24 assistance program to an improvement district or special district
25 account within such town or towns in order to accomplish the purposes of
26 this special assistance program.

27 2. Villages. Notwithstanding any other provision of law to the contra-
28 ry, for the calendar year beginning on January first, nineteen hundred

1 ninety-eight and continuing through the calendar year beginning on Janu-
2 ary first, two thousand twenty-three, and each calendar year thereafter,
3 the county of Nassau, by local law, is hereby empowered to enact and
4 establish a local government assistance program for the villages within
5 such county to assist such villages to minimize real property taxes;
6 defray the cost and expense of the treatment, collection, management,
7 disposal, and transportation of municipal solid waste; and defray the
8 cost of maintaining conservation and environmental control programs. The
9 funding of such local assistance program for the villages within such
10 county may be provided by Nassau county during any calendar year in
11 which such village local assistance program is in effect and shall not
12 exceed one-sixth of the revenues received from the imposition of the
13 three-quarters percent sales and use tax that are remaining after the
14 towns and cities have received their funding pursuant to the provisions
15 of subdivision one of this section. The funding for such village local
16 assistance program shall be paid and distributed to the villages on a
17 per capita basis using the population figures in the latest decennial
18 federal census. Provided further, that the establishment of such village
19 local assistance program shall preclude any village within such county
20 from preempting or claiming under any other section of this chapter the
21 revenues derived from the additional tax authorized by section twelve
22 hundred ten of this article.

23 § 11. Section 1262-g of the tax law, as amended by section 2 of item
24 DD of subpart C of part XXX of chapter 58 of the laws of 2020, is
25 amended to read as follows:

26 § 1262-g. Oneida county allocation and distribution of net collections
27 from the additional [one percent rate] rates of sales and compensating
28 use taxes. Notwithstanding any contrary provision of law, (a) if the

1 county of Oneida imposes sales and compensating use taxes at a rate
2 which is one percent additional to the three percent rate authorized by
3 section twelve hundred ten of this article, as authorized by such
4 section, [(a)] (i) where a city in such county imposes tax pursuant to
5 the authority of subdivision (a) of such section twelve hundred ten,
6 such county shall allocate, distribute and pay in cash quarterly to such
7 city one-half of the net collections attributable to such additional one
8 percent rate of the county's taxes collected in such city's boundaries;
9 [(b)] (ii) where a city in such county does not impose tax pursuant to
10 the authority of such subdivision (a) of such section twelve hundred
11 ten, such county shall allocate, distribute and pay in cash quarterly to
12 such city not so imposing tax a portion of the net collections attribut-
13 able to one-half of the county's additional one percent rate of tax
14 calculated on the basis of the ratio which such city's population bears
15 to the county's total population, such populations as determined in
16 accordance with the latest decennial federal census or special popu-
17 lation census taken pursuant to section twenty of the general municipal
18 law completed and published prior to the end of the quarter for which
19 the allocation is made, which special census must include the entire
20 area of the county; [and (c)] provided, however, that such county shall
21 dedicate the first one million five hundred thousand dollars of net
22 collections attributable to such additional one percent rate of tax
23 received by such county after the county receives in the aggregate eigh-
24 teen million five hundred thousand dollars of net collections from such
25 additional one percent rate of tax [imposed for any of the periods:
26 September first, two thousand twelve through August thirty-first, two
27 thousand thirteen; September first, two thousand thirteen through August
28 thirty-first, two thousand fourteen; and September first, two thousand

1 fourteen through August thirty-first, two thousand fifteen; September
2 first, two thousand fifteen through August thirty-first, two thousand
3 sixteen; and September first, two thousand sixteen through August thir-
4 ty-first, two thousand seventeen; September first, two thousand seven-
5 teen through August thirty-first, two thousand eighteen; September
6 first, two thousand eighteen through August thirty-first, two thousand
7 twenty; and September first, two thousand twenty through August thirty-
8 first, two thousand twenty-three,] to an allocation on a per capita
9 basis, utilizing figures from the latest decennial federal census or
10 special population census taken pursuant to section twenty of the gener-
11 al municipal law, completed and published prior to the end of the year
12 for which such allocation is made, which special census must include the
13 entire area of such county, to be allocated and distributed among the
14 towns of Oneida county by appropriation of its board of legislators;
15 provided, further, that nothing herein shall require such board of
16 legislators to make any such appropriation until it has been notified by
17 any town by appropriate resolution and, in any case where there is a
18 village wholly or partly located within a town, a resolution of every
19 such village, embodying the agreement of such town and village or
20 villages upon the amount of such appropriation to be distributed to such
21 village or villages out of the allocation to the town or towns in which
22 it is located. (b) If the county of Oneida imposes sales and compensat-
23 ing use taxes at a rate which is one and three-quarters percent addi-
24 tional to the three percent rate authorized by section twelve hundred
25 ten of this article, as authorized pursuant to clause two of subpara-
26 graph (i) of the opening paragraph of section twelve hundred ten of this
27 article, net collections attributable to the additional three-quarters
28 percent of such additional rate shall not be subject to any revenue

1 distribution agreement entered into by the county and the cities in the
2 county pursuant to the authority of subdivision (c) of section twelve
3 hundred sixty-two of this part.

4 § 12. Section 1262-h of the tax law, as amended by chapter 315 of the
5 laws of 2020, is amended to read as follows:

6 § 1262-h. Allocation and distribution of net collections from the
7 additional one percent rate of sales and compensating use taxes in Steu-
8 ben county. Notwithstanding any provision of law to the contrary, of the
9 net collections received by the county of Steuben as a result of the
10 imposition of the additional one percent rate of tax authorized by
11 section twelve hundred ten of this article [(a) during the period begin-
12 ning December first, nineteen hundred ninety-three and ending November
13 thirtieth, nineteen hundred ninety-four, the county of Steuben shall pay
14 or cause to be paid to the city of Hornell the sum of two hundred thou-
15 sand dollars, to the city of Corning the sum of three hundred thousand
16 dollars, and the sum of five hundred thousand dollars to the towns and
17 villages of the county of Steuben, on the basis of the ratio which the
18 full valuation of real property in each town or village bears to the
19 aggregate full valuation of real property in all of the towns and
20 villages in such area. Of the net collections received by the county of
21 Steuben as a result of the imposition of said additional one percent
22 rate of tax authorized by section twelve hundred ten of this article
23 during the period beginning December first, nineteen hundred ninety-four
24 and ending November thirtieth, nineteen hundred ninety-five, the county
25 of Steuben shall pay or cause to be paid to the city of Hornell the sum
26 of three hundred thousand dollars, to the city of Corning the sum of
27 four hundred fifty thousand dollars, and the sum of seven hundred fifty
28 thousand dollars to the towns and villages of the county of Steuben, on

1 the basis of the ratio which the full valuation of real property in each
2 town or village bears to the aggregate full valuation of real property
3 in all of the towns and villages in such area; and (b) during the period
4 beginning December first, nineteen hundred ninety-five and ending Novem-
5 ber thirtieth, two thousand seven, the county of Steuben shall annually
6 pay or cause to be paid to the city of Hornell the sum of five hundred
7 fifty thousand dollars, to the city of Corning the sum of six hundred
8 thousand dollars, and the sum of seven hundred fifty thousand dollars to
9 the towns and villages of the county of Steuben, on the basis of the
10 ratio which the full valuation of real property in each town or village
11 bears to the aggregate full valuation of real property in all of the
12 towns and villages in such area; and during the period beginning Decem-
13 ber first, two thousand seven and ending November thirtieth, two thou-
14 sand nine, the county of Steuben shall annually pay or cause to be paid
15 to the city of Hornell the sum of six hundred ten thousand dollars, to
16 the city of Corning the sum of six hundred fifty thousand dollars, and
17 the sum of seven hundred fifty thousand dollars to the towns and
18 villages of the county of Steuben, on the basis of the ratio which the
19 full valuation of real property in each town or village bears to the
20 aggregate full valuation of real property in all of the towns and
21 villages in such area; and during the period beginning December first,
22 two thousand nine and ending November thirtieth, two thousand eleven,
23 the county of Steuben shall annually pay or cause to be paid to the city
24 of Hornell the sum of seven hundred ten thousand dollars, to the city of
25 Corning the sum of seven hundred ten thousand dollars, and the sum of
26 seven hundred fifty thousand dollars to the towns and villages of the
27 county of Steuben, on the basis of the ratio which the full valuation of
28 real property in each town or village bears to the aggregate full valu-

1 ation of real property in all of the towns and villages in such area;
2 and during the period beginning December first, two thousand eleven and
3 ending November thirtieth, two thousand thirteen, the county of Steuben
4 shall annually pay or cause to be paid to the city of Hornell the sum of
5 seven hundred forty thousand dollars, to the city of Corning the sum of
6 seven hundred forty thousand dollars, and the sum of seven hundred fifty
7 thousand dollars to the towns and villages of the county of Steuben, on
8 the basis of the ratio which the full valuation of real property in each
9 town or village bears to the aggregate full valuation of real property
10 in all of the towns and villages in such area; and during the period
11 beginning December first, two thousand thirteen and ending November
12 thirtieth, two thousand fifteen, the county of Steuben shall annually
13 pay or cause to be paid to the city of Hornell the sum of seven hundred
14 sixty-five thousand dollars, to the city of Corning the sum of seven
15 hundred sixty-five thousand dollars, and the sum of seven hundred fifty
16 thousand dollars to the towns and villages of the county of Steuben, on
17 the basis of the ratio which the full valuation of real property in each
18 town or village bears to the aggregate full valuation of real property
19 in all of the towns and villages in such area; and during the period
20 beginning December first, two thousand fifteen and ending November thir-
21 tieth, two thousand seventeen, the county of Steuben shall annually pay
22 or cause to be paid to the city of Hornell the sum of seven hundred
23 sixty-five thousand dollars, to the city of Corning the sum of seven
24 hundred sixty-five thousand dollars, and the sum of seven hundred fifty
25 thousand dollars to the towns and villages of the county of Steuben, on
26 the basis of the ratio which the full valuation of real property in each
27 town or village bears to the aggregate full valuation of real property
28 in all of the towns and villages in such area; and during the period

1 beginning December first, two thousand seventeen and ending November
2 thirtieth, two thousand twenty, the county of Steuben shall annually pay
3 or cause to be paid to the city of Hornell the sum of seven hundred
4 eighty thousand dollars, to the city of Corning the sum of seven hundred
5 eighty thousand dollars, and the sum of seven hundred fifty thousand
6 dollars to the towns and villages of the county of Steuben, on the basis
7 of the ratio which the full valuation of real property in each town or
8 village bears to the aggregate full valuation of real property in all of
9 the towns and villages in such area; and during the] for any period
10 beginning on or after December first, two thousand twenty [and ending
11 November thirtieth, two thousand twenty-three], the county of Steuben
12 shall annually pay or cause to be paid to the city of Hornell the sum of
13 eight hundred twenty thousand dollars, to the city of Corning the sum of
14 eight hundred twenty thousand dollars, and the sum of seven hundred
15 ninety thousand dollars to the towns and villages of the county of Steu-
16 ben, on the basis of the ratio which the full valuation of real property
17 in each town or village bears to the aggregate full valuation of real
18 property in all of the towns and villages in such area.

19 § 13. Subdivision (c) of section 1262-j of the tax law, as amended by
20 section 2 of item TT of subpart C of part XXX of chapter 58 of the laws
21 of 2020, is amended to read as follows:

22 (c) Notwithstanding any provision of law to the contrary, of the net
23 collections received by the county of Suffolk as a result of the
24 increase of one percent to the tax authorized by section twelve hundred
25 ten of this article for [the] any period beginning or after June first,
26 two thousand one [and ending November thirtieth, two thousand twenty-
27 three], imposed by local laws or resolutions (by simple majority) by the
28 county legislature, and signed by the county executive, the county of

1 Suffolk shall allocate such net collections as follows: no less than
2 one-eighth and no more than three-eighths of such net collections
3 received shall be dedicated for public safety purposes and the balance
4 shall be deposited in the general fund of the county of Suffolk.

5 § 14. Section 1262-1 of the tax law, as amended by section 2 of item
6 MM of subpart C of part XXX of chapter 58 of the laws of 2020, is
7 amended to read as follows:

8 § 1262-1. Allocation and distribution of net collections from the
9 additional rate of sales and compensating use tax in Rockland county. 1.
10 Notwithstanding any provision of law to the contrary, if the county of
11 Rockland imposes the additional five-eighths of one percent rate of tax
12 authorized by section twelve hundred ten of this article [during the]
13 for each period beginning on or after March first, two thousand two,
14 [and ending November thirtieth, two thousand twenty-three,] such county
15 shall allocate and distribute twenty percent of the net collections from
16 such additional rate to the towns and villages in the county in accord-
17 ance with subdivision (c) of section twelve hundred sixty-two of this
18 part on the basis of the ratio which the population of each such town or
19 village bears to such county's total population; and

20 2. Notwithstanding any provision of law to the contrary, if the county
21 of Rockland imposes the additional three-eighths of one percent rate of
22 tax authorized by section twelve hundred ten of this article [during
23 the] for any period beginning on or after March first, two thousand
24 seven, [and ending November thirtieth, two thousand twenty-three,] such
25 county shall allocate and distribute [sixteen and two-thirds] thirty-
26 three and one-third percent of the net collections from such additional
27 rate to the general funds of towns and villages within the county of
28 Rockland with existing town and village police departments from [March

1 first, two thousand seven through December thirty-first, two thousand
2 seven and thirty-three and one-third percent of the net collections from
3 such additional rate from] January first, two thousand eight [through
4 November thirtieth, two thousand twenty-three] and thereafter. The
5 monies allocated and distributed pursuant to this subdivision shall be
6 allocated and distributed to towns and villages with police departments
7 on the basis of the number of full-time equivalent police officers
8 employed by each police department and shall not be used for salaries
9 heretofore or hereafter negotiated.

10 § 15. Section 1262-n of the tax law, as amended by section 2 of item
11 CC of subpart C of part XXX of chapter 58 of the laws of 2020, is
12 amended to read as follows:

13 § 1262-n. Disposition of net collections from the additional one
14 percent rate of sales and compensating use taxes in the county of
15 Niagara. Notwithstanding any contrary provision of law, if the county
16 of Niagara imposes the additional one percent rate of sales and compen-
17 sating use taxes authorized by section twelve hundred ten of this arti-
18 cle for all or any portion of [the] each period beginning on or after
19 March first, two thousand three [and ending November thirtieth, two
20 thousand twenty-three,] the county shall use all net collections from
21 such additional one percent rate to pay the county's expenses for Medi-
22 caid. The net collections from the additional one percent rate imposed
23 pursuant to this section shall be deposited in a special fund to be
24 created by such county separate and apart from any other funds and
25 accounts of the county. Any and all remaining net collections from such
26 additional one percent tax, after the Medicaid expenses are paid, shall
27 be deposited by the county of Niagara in the general fund of such county
28 for any county purpose.

1 § 16. Section 1262-o of the tax law, as amended by section 2 of item F
2 of subpart C of part XXX of chapter 58 of the laws of 2020, is amended
3 to read as follows:

4 § 1262-o. Disposition of net collections from the additional rate of
5 sales and compensating use taxes in the county of Chautauqua. [Notwith-
6 standing any contrary provision of law, if the county of Chautauqua
7 imposes the additional one and one-quarter percent rate of sales and
8 compensating use taxes authorized by section twelve hundred ten of this
9 article for all or any portion of the period beginning March first, two
10 thousand five and ending August thirty-first, two thousand six, the
11 additional one percent rate authorized by such section for all or any of
12 the period beginning September first, two thousand six and ending Novem-
13 ber thirtieth, two thousand seven, the additional three-quarters of one
14 percent rate authorized by such section for all or any of the period
15 beginning December first, two thousand seven and ending November thirti-
16 eth, two thousand ten, the county shall allocate one-fifth of the net
17 collections from the additional three-quarters of one percent to the
18 cities, towns and villages in the county on the basis of their respec-
19 tive populations, determined in accordance with the latest decennial
20 federal census or special population census taken pursuant to section
21 twenty of the general municipal law completed and published prior to the
22 end of the quarter for which the allocation is made, and allocate the
23 remainder of the net collections from the additional three-quarters of
24 one percent as follows: (1) to pay the county's expenses for Medicaid
25 and other expenses required by law; (2) to pay for local road and bridge
26 projects; (3) for the purposes of capital projects and repaying any
27 debts incurred for such capital projects in the county of Chautauqua
28 that are not otherwise paid for by revenue received from the mortgage

1 recording tax; and (4) for deposit into a reserve fund for bonded
2 indebtedness established pursuant to the general municipal law. Notwith-
3 standing any contrary provision of law, if the county of Chautauqua
4 imposes the additional one-half percent rate of sales and compensating
5 use taxes authorized by such section twelve hundred ten for all or any
6 of the period beginning December first, two thousand ten and ending
7 November thirtieth, two thousand fifteen, the county shall allocate
8 three-tenths of the net collections from the additional one-half of one
9 percent to the cities, towns and villages in the county on the basis of
10 their respective populations, determined in accordance with the latest
11 decennial federal census or special population census taken pursuant to
12 section twenty of the general municipal law completed and published
13 prior to the end of the quarter for which the allocation is made, and
14 allocate the remainder of the net collections from the additional one-
15 half of one percent as follows: (1) to pay the county's expenses for
16 Medicaid and other expenses required by law; (2) to pay for local road
17 and bridge projects; (3) for the purposes of capital projects and repay-
18 ing any debts incurred for such capital projects in the county of Chau-
19 tauqua that are not otherwise paid for by revenue received from the
20 mortgage recording tax; and (4) for deposit into a reserve fund for
21 bonded indebtedness established pursuant to the general municipal law.]
22 Notwithstanding any contrary provision of law, if the county of Chautau-
23 qua imposes the additional one percent rate of sales and compensating
24 use taxes authorized by such section twelve hundred ten for all or any
25 of [the] any period beginning on or after December first, two thousand
26 fifteen and [ending November thirtieth, two thousand twenty-three,] the
27 county shall allocate three-twentieths of the net collections from the
28 additional one percent to the cities, towns and villages in the county

1 on the basis of their respective populations, determined in accordance
2 with the latest decennial federal census or special population census
3 taken pursuant to section twenty of the general municipal law completed
4 and published prior to the end of the quarter for which the allocation
5 is made, and allocate the remainder of the net collections from the
6 additional one percent as follows: (1) to pay the county's expenses for
7 Medicaid and other expenses required by law; (2) to pay for local road
8 and bridge projects; (3) for the purposes of capital projects and repay-
9 ing any debts incurred for such capital projects in the county of Chau-
10 tauqua that are not otherwise paid for by revenue received from the
11 mortgage recording tax; and (4) for deposit into a reserve fund for
12 bonded indebtedness established pursuant to the general municipal law.
13 The net collections from the additional rates imposed pursuant to this
14 section shall be deposited in a special fund to be created by such coun-
15 ty separate and apart from any other funds and accounts of the county to
16 be used for purposes above described.

17 § 17. Section 1262-p of the tax law, as amended by section 2 of item X
18 of subpart C of part XXX of chapter 58 of the laws of 2020, is amended
19 to read as follows:

20 § 1262-p. Disposition of net collections from the additional one
21 percent rate of sales and compensating use taxes in the county of
22 Livingston. Notwithstanding any contrary provision of law, if the coun-
23 ty of Livingston imposes the additional one percent rate of sales and
24 compensating use taxes authorized by section twelve hundred ten of this
25 article for all or any portion of [the] any period beginning on or after
26 June first, two thousand three [and ending November thirtieth, two thou-
27 sand twenty-three], the county shall use all net collections from such
28 additional one percent rate to pay the county's expenses for Medicaid.

1 The net collections from the additional one percent rate imposed pursu-
2 ant to this section shall be deposited in a special fund to be created
3 by such county separate and apart from any other funds and accounts of
4 the county. Any and all remaining net collections from such additional
5 one percent tax, after the Medicaid expenses are paid, shall be deposit-
6 ed by the county of Livingston in the general fund of such county for
7 any county purpose.

8 § 18. Subdivision 1 of section 1262-q of the tax law, as amended by
9 chapter 243 of the laws of 2011, is amended to read as follows:

10 (1) If the county of Erie imposes the additional one percent rate of
11 sales and compensating use taxes authorized by [item (i) of clause (4)
12 of subparagraph (i) of the opening paragraph of] section twelve hundred
13 ten of this article [during the] for any period beginning January first,
14 two thousand seven, or thereafter, the county shall allocate each calen-
15 dar year the first twelve million five hundred thousand dollars of the
16 net collections from such one percent rate to the cities of such county
17 and the area in such county outside its cities to be applied or distrib-
18 uted in the same manner and proportion as the net collections for such
19 cities and area are applied or distributed under the revenue distrib-
20 ution agreement entered into pursuant to the authority of subdivision
21 (c) of section twelve hundred sixty-two of this part in effect on Janu-
22 ary first, two thousand six, and subject to all provisions of such
23 agreement governing the net collections for such cities and area and
24 shall retain the remainder of such net collections for any county
25 purpose.

26 § 19. Subdivision 2 of section 1262-q of the tax law, as amended by
27 section 2 of item N of subpart C of part XXX of chapter 58 of the laws
28 of 2020, is amended to read as follows:

1 (2) Net collections from the additional three-quarters of one percent
2 rate of sales and compensating use taxes which the county may impose
3 [during the period] commencing December first, two thousand eleven, [and
4 ending November thirtieth, two thousand twenty-three,] pursuant to the
5 authority of [item (ii) of clause (4) of subparagraph (i) of the opening
6 paragraph of] section twelve hundred ten of this article shall be used
7 by the county solely for county purposes and shall not be subject to any
8 revenue distribution agreement the county entered into pursuant to the
9 authority of subdivision (c) of section twelve hundred sixty-two of this
10 part.

11 § 20. The opening paragraph of section 1262-r of the tax law, as added
12 by chapter 37 of the laws of 2006, is amended to read as follows:

13 (1) Notwithstanding any contrary provision of law, if the county of
14 Ontario imposes the additional one-eighth of one percent and the addi-
15 tional three-eighths of one percent rates of tax authorized pursuant to
16 clause two of subparagraph (i) of the opening paragraph of section
17 twelve hundred ten of this article, net collections from such additional
18 three-eighths of one percent rate of such taxes shall be set aside for
19 county purposes and shall not be subject to any agreement entered into
20 by the county and the cities in the county pursuant to the authority of
21 subdivision (c) of section twelve hundred sixty-two of this part or this
22 section.

23 (2) Notwithstanding the provisions of subdivision (c) of section
24 twelve hundred sixty-two of this part to the contrary, if the cities of
25 Canandaigua and Geneva in the county of Ontario do not impose sales and
26 compensating use taxes pursuant to the authority of section twelve
27 hundred ten of this article and such cities and county enter into an
28 agreement pursuant to the authority of subdivision (c) of section twelve

1 hundred sixty-two of this part to be effective March first, two thousand
2 six, such agreement may provide that:

3 § 21. Section 1262-s of the tax law, as amended by section 3 of item U
4 of subpart C of part XXX of chapter 58 of the laws of 2020, is amended
5 to read as follows:

6 § 1262-s. Disposition of net collections from the additional one-quarter
7 ter of one percent rate of sales and compensating use taxes in the coun-
8 ty of Herkimer. Notwithstanding any contrary provision of law, if the
9 county of Herkimer imposes [the additional] sales and compensating use
10 tax at a rate that is one and one-quarter [of one] percent [rate of
11 sales and compensating use taxes] additional to the three percent rate
12 authorized by section twelve hundred ten of this article as authorized
13 by [section twelve hundred ten-E] clause two of subparagraph (i) of the
14 opening paragraph of section twelve hundred ten of this article [for all
15 or any portion of the period beginning December first, two thousand
16 seven and ending November thirtieth, two thousand twenty-three], the
17 county shall use all net collections [from such] attributable to the
18 additional one-quarter [of one] percent of such additional rate to pay
19 the county's expenses for the construction of additional correctional
20 facilities. The net collections from [the] such additional one-quarter
21 percent of such additional rate [imposed pursuant to section twelve
22 hundred ten-E of this article] shall be deposited in a special fund to
23 be created by such county separate and apart from any other funds and
24 accounts of the county. Any and all remaining net collections from such
25 additional tax, after the expenses of such construction are paid, shall
26 be deposited by the county of Herkimer in the general fund of such coun-
27 ty for any county purpose.

1 § 22. Section 1262-t of the tax law, as added by chapter 67 of the
2 laws of 2015, is amended to read as follows:

3 § 1262-t. City of Yonkers - disposition of net collections from the
4 additional one-half of one percent rate of sales and compensating use
5 taxes in the city of Yonkers. Notwithstanding any provision of law to
6 the contrary, if the city of Yonkers imposes the additional one-half of
7 one percent rate of sales and compensating use taxes authorized by [item
8 (b) of clause one of] subparagraph (ii) of the opening paragraph of
9 section twelve hundred ten of this article, the city shall use the net
10 collections from such additional one-half of one percent rate solely for
11 the support of education, unless the city council votes, on an annual
12 basis, to use such net collections for a different purpose of the city,
13 provided, however, that the requirements of paragraph b of subdivision
14 five-b of section two thousand five hundred seventy-six of the education
15 law are met.

16 § 23. The tax law is amended by adding a new section 1262-w to read as
17 follows:

18 § 1262-w. Disposition of net collections from the additional rate of
19 sales and compensating use tax in Clinton county. Notwithstanding any
20 contrary provision of law, if the county of Clinton imposes the addi-
21 tional one percent rate of sales and compensating use taxes authorized
22 pursuant to clause two of subparagraph (i) of the opening paragraph of
23 section twelve hundred ten of this article, net collections from such
24 additional rate shall be paid to the county and the county shall set
25 aside such net collections and use them solely for county purposes. Such
26 net collections shall not be subject to any revenue distribution agree-
27 ment entered into by the county and the city in the county pursuant to

1 the authority of subdivision (c) of section twelve hundred sixty-two of
2 this part.

3 § 24. The tax law is amended by adding a new section 1262-x to read as
4 follows:

5 § 1262-x. Allocation and distribution of net collections from the
6 additional one percent rate of sales and compensating use taxes in West-
7 chester county. Notwithstanding any provision of law to the contrary,
8 if the county of Westchester imposes the additional one percent rate of
9 sales and compensating use tax authorized by section twelve hundred ten
10 of this article, the county shall allocate and credit or pay net
11 collections from such additional one percent rate with respect to the
12 area of the county outside any city imposing sales and compensating use
13 taxes at a rate of one and one-half percent or greater pursuant to the
14 authority of subdivision (a) or at any rate pursuant to the authority of
15 subdivision (b) of section twelve hundred ten of this article as
16 follows:

17 (1) Seventy percent of such net collections shall be retained by the
18 county to be used for any county purpose.

19 (2) Ten percent of such net collections shall be allocated and paid
20 quarterly by the county commissioner of finance, in cash, to the several
21 school districts in such area of the county outside any such city impos-
22 ing sales and compensating use taxes. Such allocation and payment, to
23 such several school districts, shall be made on the basis of the ratio
24 which the population of each such school district bears to the aggregate
25 population of all of the school districts in such area. In the case of
26 school districts which are partially within and partially without the
27 county, or partially within or partially without the area of the county
28 outside a city imposing sales and compensating use taxes, the allocation

1 and payment to each such school district shall be made on the basis of
2 the population in such school district in the county, or in such area of
3 the county outside a city imposing sales and compensating use taxes, as
4 the case may be. Such populations shall be determined in accordance with
5 the latest federal census or special population census under section
6 twenty of the general municipal law completed and published prior to the
7 end of the quarter in which such allocation and payment are made, which
8 special population census shall include the entire area of the county;
9 provided that such special population census shall not be taken more
10 than once in every two years. A school district split between Westches-
11 ter county and another county shall apply such allocation and payment
12 solely to the benefit of the residents of the county in which the sales
13 and compensating use taxes are imposed.

14 (3) Twenty percent of such net collections shall be allocated and paid
15 quarterly by the county commissioner of finance, in cash, to the cities
16 not imposing sales and compensating use taxes and to the towns and
17 villages on which such rate is imposed, on the basis of the ratio which
18 the population of each such city, town or village on which such rate is
19 imposed bears to the entire population of all such cities, towns and
20 villages in the area on which such rate is imposed. Such populations
21 shall be determined in accordance with the latest federal census or
22 special population census under section twenty of the general municipal
23 law completed and published prior to the end of the quarter in which
24 such allocation is made, which special population census shall include
25 the entire area of the county; provided that such special population
26 census shall not be taken more than once in every two years.

1 § 25. Paragraph 2 of subdivision (c) of section 1261 of the tax law,
2 as amended by chapter 67 of the laws of 2015, is amended to read as
3 follows:

4 (2) However, the taxes, penalties and interest from the additional one
5 percent rate which the city of Yonkers is authorized to impose pursuant
6 to [item (a) of clause one of] subparagraph (ii) of the opening para-
7 graph of section twelve hundred ten of this article, after the comp-
8 troller has reserved such refund fund and such cost shall be paid to the
9 special sales and compensating use tax fund for the city of Yonkers
10 established by section ninety-two-f of the state finance law at the
11 times set forth in the preceding sentence.

12 § 26. The tax law is amended by adding a new section 1265 to read as
13 follows:

14 § 1265. References to certain provisions authorizing additional rates.
15 Notwithstanding any provision of law to the contrary, any reference in
16 any section of this chapter or other law, or in any local law, ordi-
17 nance, or resolution adopted pursuant to the authority of this article,
18 to net collections or revenues from a tax imposed by a county or city
19 pursuant to the authority of a clause, or to a subclause of a clause, of
20 subparagraph (i) or (ii) of the opening paragraph of section twelve
21 hundred ten of this article repealed by section one or two of a part of
22 the chapter of the laws of two thousand twenty-three that added this
23 section or pursuant to section twelve hundred ten-E of this article
24 repealed by section five of such part shall be deemed to be a reference
25 to net collections or revenues from a tax imposed by that county or city
26 pursuant to the authority of the equivalent provision of clause two of
27 subparagraph (i) or to subparagraph (ii) of the opening paragraph of

1 such section twelve hundred ten as added by such section one or two of
2 such part of the chapter of the laws of two thousand twenty-three.

3 § 27. Section 7 of chapter 67 of the laws of 2015, amending the tax
4 law relating to authorizing the city of Yonkers to impose additional
5 sales tax, as amended by section 2 of item CCC of subpart C of part XXX
6 of chapter 58 of the laws of 2020, is amended to read as follows:

7 § 7. This act shall take effect immediately [and shall expire and be
8 deemed repealed November 30, 2023].

9 § 28. Section 2 of item R of subpart C of part XXX of chapter 58 of
10 the laws of 2020 amending the tax law relating to extending the expira-
11 tion of the authorization to the county of Genesee to impose an addi-
12 tional one percent of sales and compensating use taxes, is amended to
13 read as follows:

14 § 2. Notwithstanding any other provision of law to the contrary, the
15 one percent increase in sales and compensating use taxes authorized for
16 the county of Genesee [until November 30, 2023] pursuant to [clause 20
17 of subparagraph (i) of the opening paragraph of] section 1210 of the tax
18 law[, as amended by section one of this act,] shall be divided in the
19 same manner and proportion as the existing three percent sales and
20 compensating use taxes in such county are divided.

21 § 29. Section 2 of item Z of subpart C of part XXX of chapter 58 of
22 the laws of 2020 amending the tax law relating to the imposition of
23 sales and compensating use taxes by the county of Monroe, is amended
24 to read as follows:

25 § 2. Notwithstanding the provisions of subdivisions (b) and (c) of
26 section 1262 and section 1262-g of the tax law, net collections, as such
27 term is defined in section 1262 of the tax law, derived from the imposi-
28 tion of sales and compensating use taxes by the county of Monroe at the

1 additional rate of one percent as authorized pursuant to [clause (25) of
2 subparagraph (i) of the opening paragraph of] section 1210 of the tax
3 law[, as amended by section one of this act,] which are in addition to
4 the current net collections derived from the imposition of such taxes at
5 the three percent rate authorized by [the opening paragraph of] section
6 1210 of the tax law, shall be distributed and allocated as follows: for
7 [the] any period [of] beginning on or after December 1, 2020 [through
8 November 30, 2023] in cash, five percent to the school districts in the
9 area of the county outside the city of Rochester, three percent to the
10 towns located within the county, one and one-quarter percent to the
11 villages located within the county, and ninety and three-quarters
12 percent to the city of Rochester and county of Monroe. The amount of the
13 ninety and three-quarters percent to be distributed and allocated to the
14 city of Rochester and county of Monroe shall be distributed and allo-
15 cated to each so that the combined total distribution and allocation to
16 each from the sales tax revenues pursuant to sections 1262 and 1262-g of
17 the tax law and this section shall result in the same total amount being
18 distributed and allocated to the city of Rochester and county of Monroe.
19 The amount so distributed and allocated to the county shall be used for
20 county purposes. The foregoing cash payments to the school districts
21 shall be allocated on the basis of the enrolled public school pupils,
22 thereof, as such term is used in subdivision (b) of section 1262 of the
23 tax law, residing in the county of Monroe. The cash payments to the
24 towns located within the county of Monroe shall be allocated on the
25 basis of the ratio which the population of each town, exclusive of the
26 population of any village or portion thereof located within a town,
27 bears to the total population of the towns, exclusive of the population
28 of the villages located within such towns. The cash payments to the

1 villages located within the county shall be allocated on the basis of
2 the ratio which the population of each village bears to the total popu-
3 lation of the villages located within the county. The term population as
4 used in this section shall have the same meaning as used in subdivision
5 (b) of section 1262 of the tax law.

6 § 30. Section 4 of item EE of subpart C of part XXX of chapter 58 of
7 the laws of 2020 amending the tax law relating to extending the authori-
8 zation of the county of Onondaga to impose an additional rate of sales
9 and compensating use taxes, is amended to read as follows:

10 § 4. Notwithstanding any contrary provision of law, net collections
11 from the additional one percent rate of sales and compensating use taxes
12 which may be imposed by the county of Onondaga during [the] any period
13 commencing on or after December 1, 2022 [and ending November 30, 2023],
14 pursuant to the authority of section 1210 of the tax law, shall not be
15 subject to any revenue distribution agreement entered into under subdivi-
16 sion (c) of section 1262 of the tax law, but shall be allocated and
17 distributed or paid, at least quarterly, as follows: (i) 1.58% to the
18 county of Onondaga for any county purpose; (ii) 97.79% to the city of
19 Syracuse; and (iii) .63% to the school districts in accordance with
20 subdivision (a) of section 1262 of the tax law.

21 § 31. Section 2 of item GG of subpart C of part XXX of chapter 58 of
22 the laws of 2020 amending the tax law relating to extending the authori-
23 ty of the county of Orange to impose an additional rate of sales and
24 compensating use taxes, is amended to read as follows:

25 § 2. Notwithstanding subdivision (c) of section 1262 of the tax law,
26 net collections from any additional rate of sales and compensating use
27 taxes which may be imposed by the county of Orange [during the] for any
28 period commencing on or after December 1, 2020, [and ending November 30,

1 2023,] pursuant to the authority of section 1210 of the tax law, shall
2 be paid to the county of Orange and shall be used by such county solely
3 for county purposes and shall not be subject to any revenue distribution
4 agreement entered into pursuant to the authority of subdivision (c) of
5 section 1262 of the tax law.

6 § 32. Section 3 of item XX of subpart C of part XXX of chapter 58 of
7 the laws of 2020 amending the tax law relating to extending the authori-
8 ty of the county of Ulster to impose an additional 1 percent sales and
9 compensating use tax, is amended to read as follows:

10 § 3. If, pursuant to the authority of this act, the county of Ulster
11 imposes sales and compensating use taxes at a rate greater than three
12 percent for all or any portion of [the] any period commencing on or
13 after September 1, 2002, [and ending November 30, 2023,] net collections
14 from such additional rate of tax imposed during such period shall be
15 deemed to be, and shall be included in, net collections subject to such
16 county's existing agreement with the city of Kingston entered into
17 pursuant to subdivision (c) of section 1262 of the tax law and such net
18 collections shall be allocated in accordance with such agreement.

19 § 33. This act shall take effect immediately.

20 PART P

21 Section 1. Section 1299-C of the tax law is REPEALED.

22 § 2. Notwithstanding any provision of law to the contrary, there shall
23 be no refund of any registration fees paid prior to the effective date
24 of this act.

25 § 3. This act shall take effect immediately.

1

PART Q

2 Section 1. Section 285-a of the tax law is amended by adding a new
3 subdivision 4 to read as follow:

4 4. Upon each sale of motor fuel, other than a sale that is otherwise
5 exempt under this article, the distributor must charge the tax imposed
6 by this article to the purchaser on each gallon sold. If the taxes
7 imposed by this article have not already been assumed or paid by a
8 distributor on any quantity of such fuel for any reason, including, but
9 not limited to, the expansion of such fuel as a result of temperature
10 fluctuation, the distributor must remit such taxes to the commissioner
11 on the return for the period in which such sale was made.

12 § 2. Section 285-b of the tax law is amended by adding a new subdivi-
13 sion 5 to read as follows:

14 5. Upon each sale of Diesel motor fuel, other than a sale that is
15 otherwise exempt under this article, the distributor must charge the tax
16 imposed by this article to the purchaser on each gallon sold. If the
17 taxes imposed by this article have not already been assumed or paid by a
18 distributor on any quantity of such fuel for any reason, including, but
19 not limited to, the expansion of such fuel as a result of temperature
20 fluctuation, the distributor must remit such taxes to the commissioner
21 on the return for the period in which such sale was made.

22 § 3. Section 308 of the tax law is amended by adding a new subdivision
23 (j) to read as follows:

24 (j) Every petroleum business subject to tax under this article that is
25 also a distributor, as defined in section two hundred eighty-two of this
26 chapter, must charge the tax imposed by this article to the purchaser on
27 each gallon sold, unless otherwise exempt. If the taxes imposed by this

1 article have not already been assumed or paid by such petroleum business
2 on any quantity of such fuel for any reason, including, but not limited
3 to, the expansion of such fuel as a result of temperature fluctuation,
4 such petroleum business must remit such taxes to the commissioner on the
5 return for the period in which such sale was made.

6 § 4. Section 1102 of the tax law is amended by adding a new subdivi-
7 sion (g) to read as follows:

8 (g) The tax imposed by this section must be charged on the sale, other
9 than a retail sale or a sale that is otherwise exempt under this arti-
10 cle, of each gallon of motor fuel or Diesel motor fuel. If the taxes
11 imposed by this section have not already been assumed or paid by the
12 distributor on any quantity of such fuel for any reason, including, but
13 not limited to, the expansion of such fuel as a result of temperature
14 fluctuation, the distributor must remit such taxes to the commissioner
15 on the return for the period in which such sale was made.

16 § 5. This act shall take effect on September 1, 2023 and shall apply
17 to sales of motor fuel and Diesel motor fuel on or after such date.

18 PART R

19 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of
20 section 1115 of the tax law, as amended by section 1 of part GG of chap-
21 ter 59 of the laws of 2022, is amended to read as follows:

22 (B) Until May [thirty first] thirty-first, two thousand [twenty-three]
23 twenty-four, the food and drink excluded from the exemption provided by
24 clauses (i), (ii) and (iii) of subparagraph (A) of this paragraph, and
25 bottled water, shall be exempt under this subparagraph: (i) when sold
26 for one dollar and fifty cents or less through any vending machine oper-

1 ated by a participant in the "business enterprise program", as such term
2 is defined in paragraph two of subdivision a of section eleven-a of
3 chapter four hundred fifteen of the laws of nineteen hundred thirteen
4 that accepts coin or currency only; or (ii) when sold for two dollars or
5 less through any vending machine operated by such a participant that
6 accepts any form of payment other than coin or currency, whether or not
7 it also accepts coin or currency.

8 § 2. This act shall take effect June 1, 2023.

9 PART S

10 Section 1. Subdivision 1 of section 471 of the tax law, as amended by
11 section 1 of part D of chapter 134 of the laws of 2010, is amended to
12 read as follows:

13 1. There is hereby imposed and shall be paid a tax on all cigarettes
14 possessed in the state by any person for sale, except that no tax shall
15 be imposed on cigarettes sold under such circumstances that this state
16 is without power to impose such tax, including sales to qualified Indi-
17 ans for their own use and consumption on their nations' or tribes' qual-
18 ified reservation, or sold to the United States or sold to or by a
19 voluntary unincorporated organization of the armed forces of the United
20 States operating a place for the sale of goods pursuant to regulations
21 promulgated by the appropriate executive agency of the United States, to
22 the extent provided in such regulations and policy statements of such an
23 agency applicable to such sales. The tax imposed by this section is
24 imposed on all cigarettes sold on an Indian reservation to non-members
25 of the Indian nation or tribe and to non-Indians and evidence of such
26 tax shall be by means of an affixed cigarette tax stamp. Indian nations

1 or tribes may elect to participate in the Indian tax exemption coupon
2 system established in section four hundred seventy-one-e of this article
3 which provides a mechanism for the collection of the tax imposed by this
4 section on cigarette sales on qualified reservations to such non-members
5 and non-Indians and for the delivery of quantities of tax-exempt ciga-
6 rettes to Indian nations or tribes for the personal use and consumption
7 of qualified members of the Indian nation or tribe. If an Indian nation
8 or tribe does not elect to participate in the Indian tax exemption
9 coupon system, the prior approval system shall be the mechanism for the
10 delivery of quantities of tax-exempt cigarettes to Indian nations or
11 tribes for the personal use and consumption of qualified members of the
12 Indian nation or tribe as provided for in paragraph (b) of subdivision
13 five of this section. Such tax on cigarettes shall be at the rate of
14 [four] five dollars and thirty-five cents for each twenty cigarettes or
15 fraction thereof, provided, however, that if a package of cigarettes
16 contains more than twenty cigarettes, the rate of tax on the cigarettes
17 in such package in excess of twenty shall be one dollar and [eight]
18 thirty-three and three-quarters cents for each five cigarettes or frac-
19 tion thereof. Such tax is intended to be imposed upon only one sale of
20 the same package of cigarettes. It shall be presumed that all cigarettes
21 within the state are subject to tax until the contrary is established,
22 and the burden of proof that any cigarettes are not taxable hereunder
23 shall be upon the person in possession thereof.

24 § 2. Section 471-a of the tax law, as amended by section 5 of part D
25 of chapter 134 of the laws of 2010, is amended to read as follows:

26 § 471-a. Use tax on cigarettes. There is hereby imposed and shall be
27 paid a tax on all cigarettes used in the state by any person, except
28 that no tax shall be imposed (1) if the tax provided in section four

1 hundred seventy-one of this article is paid, (2) on the use of ciga-
2 rettes which are exempt from the tax imposed by said section, or (3) on
3 the use of four hundred or less cigarettes, brought into the state on,
4 or in the possession of, any person. Such tax on cigarettes shall be at
5 the rate of [four] five dollars and thirty-five cents for each twenty
6 cigarettes or fraction thereof, provided, however, that if a package of
7 cigarettes contains more than twenty cigarettes, the rate of tax on the
8 cigarettes in such package in excess of twenty shall be one dollar and
9 [eight] thirty-three and three-quarters cents for each five cigarettes
10 or fraction thereof. Within twenty-four hours after liability for the
11 tax accrues, each such person shall file with the commissioner a return
12 in such form as the commissioner may prescribe together with a remit-
13 tance of the tax shown to be due thereon. For purposes of this article,
14 the word "use" means the exercise of any right or power actual or
15 constructive and shall include but is not limited to the receipt, stor-
16 age or any keeping or retention for any length of time, but shall not
17 include possession for sale. All other provisions of this article if not
18 inconsistent shall apply to the administration and enforcement of the
19 tax imposed by this section in the same manner as if the language of
20 said provisions had been incorporated in full into this section.

21 § 3. Notwithstanding any other provision of law to the contrary, the
22 tax due on cigarettes possessed in New York state as of the close of
23 business on August 31, 2023, by any person for sale solely attributable
24 to the increase imposed by the amendments to section 471 of the tax law,
25 as amended by section one of this act, shall be paid by November 20,
26 2023, subject to such terms and conditions as the commissioner of taxa-
27 tion and finance shall prescribe.

1 § 4. This act shall take effect on September 1, 2023, and shall apply
2 to all cigarettes possessed in this state by any person for sale and all
3 cigarettes used in this state by any person on or after such date.

4 PART T

5 Section 1. Subdivision 4 of section 474 of the tax law, as amended by
6 chapter 61 of the laws of 1989, is amended to read as follows:

7 4. (a) At the time of delivering cigarettes to any person each agent
8 or wholesale dealer, and at the time of delivering tobacco products to
9 any person each distributor or wholesale dealer of tobacco products,
10 shall make a true duplicate invoice showing the date of delivery, the
11 number of packages and number of cigarettes contained therein, in each
12 shipment of cigarettes delivered, and the items and quantity and whole-
13 sale price of each item in each shipment of tobacco products delivered,
14 and the name of the purchaser to whom delivery is made, and shall retain
15 the same for a period of three years subject to the use and inspection
16 of the commissioner [of taxation and finance]. Each dealer shall procure
17 and retain invoices showing the number of packages and number of ciga-
18 rettes contained therein, in each shipment of cigarettes received by him
19 or her, and the items and quantity and wholesale price of each item in
20 each shipment of tobacco products received by him or her, the date ther-
21 eof, and the name of the shipper, and shall retain the same for a period
22 of three years subject to the use and inspection of the commissioner [of
23 taxation and finance]. The commissioner [of taxation and finance] by
24 regulation may provide that whenever cigarettes or tobacco products are
25 shipped into the state, the railroad company, express company, trucking
26 company or other public carrier transporting any shipment thereof shall

1 file with the commissioner [of taxation and finance] a copy of the
2 freight bill within ten days after the delivery in the state of each
3 shipment. All dealers shall maintain and keep for a period of three
4 years such other records of cigarettes or tobacco products received,
5 sold or delivered within the state as may be required by the commission-
6 er [of taxation and finance]. The commissioner [of taxation and finance]
7 is hereby authorized to examine the books, papers, invoices and other
8 records of any person in possession, control or occupancy of any prem-
9 ises where cigarettes or tobacco products are placed, stored, sold or
10 offered for sale, and the equipment of any such person pertaining to the
11 stamping of cigarettes or the sale and delivery of cigarettes or tobacco
12 products taxable under this article, as well as the stock of cigarettes
13 or tobacco products in any such premises or vehicle. To verify the accu-
14 racy of the tax imposed and assessed by this article, each such person
15 is hereby directed and required to give to the commissioner [of taxation
16 and finance] or his or her duly authorized representatives, the means,
17 facilities and opportunity for such examinations as are herein provided
18 for and required.

19 (b) If a retail dealer, or its employees or agents, refuses to give
20 the commissioner or his or her duly authorized representatives, the
21 means, facilities and opportunity for such examinations as are required
22 and provided for by this section: (i) its registration to sell ciga-
23 rettes and tobacco products shall be revoked for a period of one year;
24 (ii) for a second such failure within a period of three years, its
25 registration shall be permanently revoked. If such retail dealer does
26 not possess a valid registration, either because it failed to obtain a
27 registration or its registration is suspended or revoked at the time of
28 such refusal, the retail dealer shall be subject to a penalty of up to

1 five thousand dollars for a first refusal and up to ten thousand dollars
2 for a second refusal within three years.

3 § 2. This act shall take effect immediately.

4 PART U

5 Section 1. The opening paragraph of subparagraph (B) of paragraph 2 of
6 subdivision (b) of section 1402 of the tax law, as amended by section 1
7 of item UUU of subpart B of part XXX of chapter 58 of the laws of 2020,
8 is amended to read as follows:

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

20 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section
21 1201 of the tax law, as amended by section 2 of item UUU of subpart B of
22 part XXX of chapter 58 of the laws of 2020, is amended to read as
23 follows:

24 (2) any issuance or transfer of an interest in a REIT, or in a part-
25 nership or corporation in which a REIT owns a controlling interest imme-
26 diately following the issuance or transfer, in connection with a trans-

1 action described in subparagraph one of this paragraph. Notwithstanding
2 the foregoing, a transaction described in the preceding sentence shall
3 not constitute a real estate investment trust transfer unless (A) it
4 occurs in connection with the initial formation of the REIT and the
5 conditions described in subparagraphs three and four of this paragraph
6 are satisfied, or (B) in the case of any real estate investment trust
7 transfer occurring on or after July thirteenth, nineteen hundred nine-
8 ty-six and before September first, two thousand [twenty-three] twenty-
9 six, the transaction is described in subparagraph five of this paragraph
10 in which case the provisions of such subparagraph shall apply.

11 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section
12 11-2102 of the administrative code of the city of New York, as amended
13 by section 3 of item UUU of subpart B of part XXX of chapter 58 of the
14 laws of 2020, is amended to read as follows:

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

28 § 4. This act shall take effect immediately.

1

PART V

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

4 § 2016. Judicial review. A decision of the tax appeals tribunal, which
5 is not subject to any further administrative review, shall finally and
6 irrevocably decide all the issues which were raised in proceedings
7 before the division of tax appeals upon which such decision is based
8 unless, within four months after notice of such decision is served by
9 the tax appeals tribunal upon every party to the proceeding before such
10 tribunal by certified mail or personal service, the petitioner who
11 commenced the proceeding [petitions] or the commissioner, or both, peti-
12 tion for judicial review in the manner provided by article seventy-eight
13 of the civil practice law and rules, except as otherwise provided in
14 this [section] chapter. Such service by certified mail shall be
15 complete upon deposit of such notice, enclosed in a post-paid properly
16 addressed wrapper, in a post office or official depository under the
17 exclusive care and custody of the United States postal service. [The]
18 Where the petitioner who commenced the proceeding before the division of
19 tax appeals files a petition for judicial review, the petition shall
20 designate the tax appeals tribunal and the commissioner [of taxation and
21 finance] as respondents in the proceeding for judicial review. Where
22 the commissioner files a petition for judicial review, the petition
23 shall designate the tax appeals tribunal and the petitioner who
24 commenced the proceeding before the division of tax appeals as respond-
25 ents in the proceeding for judicial review. The tax appeals tribunal
26 shall not participate in proceedings for judicial review of its deci-
27 sions and such proceedings for judicial review shall be commenced in the

1 appellate division of the supreme court, third department. In all other
2 respects the provisions and standards of article seventy-eight of the
3 civil practice law and rules shall apply. The record to be reviewed in
4 such proceedings for judicial review shall include the determination of
5 the administrative law judge, the decision of the tax appeals tribunal,
6 the stenographic transcript of the hearing before the administrative law
7 judge, the transcript of any oral proceedings before the tax appeals
8 tribunal and any exhibit or document submitted into evidence at any
9 proceeding in the division of tax appeals upon which such decision is
10 based.

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

14 PART W

15 Section 1. Subdivision 1 of section 105 of the state finance law, as
16 amended by chapter 204 of the laws of 2002, is amended to read as
17 follows:

18 1. All moneys received by the commissioner of taxation and finance on
19 account of the state, excepting such moneys as are required by law to be
20 deposited to the credit of the comptroller, but including such moneys as
21 are thereafter paid into the state treasury by the comptroller, shall be
22 deposited by the commissioner of taxation and finance within three busi-
23 ness days after the receipt thereof, either as a demand deposit or an
24 interest-bearing time deposit (other than a time certificate of depos-
25 it), as [he] the commissioner and the comptroller may determine, in such
26 banks, trust companies and industrial banks as in [his] the opinion of

1 the commissioner and the opinion of the comptroller are secure. The
2 moneys so deposited shall be placed to the account of the commissioner
3 of taxation and finance. [He] The commissioner shall keep a bankbook in
4 which shall be entered [his] their account of deposit in and moneys
5 drawn from the banks and trust companies and industrial banks in which
6 deposits are made by [him] the commissioner, which [he] they shall
7 exhibit to the comptroller for [his] inspection on the first Tuesday of
8 every month and oftener if required. [He] The commissioner shall not
9 draw any moneys from such banks, trust companies or industrial banks
10 unless by checks signed and countersigned in the manner prescribed by
11 section one hundred one, unless otherwise provided by law. No moneys
12 shall be paid by any such bank, trust company or industrial bank out of
13 any such deposit except upon such checks. Moneys may be paid through
14 electronic transfer in accordance with procedures developed by the
15 commissioner of taxation and finance and the comptroller and consistent
16 with the requirements of this section for recording payments. Such
17 payments through electronic transfer shall be considered, for purposes
18 of this chapter, to be moneys drawn by check. Every such bank, trust
19 company or industrial bank shall transmit to the comptroller monthly
20 statements of all moneys received and paid by it on account of the
21 commissioner of taxation and finance.

22 § 2. This act shall take effect immediately.

23 PART X

24 Section 1. Legislative findings. The legislature finds that it is in
25 the interests of the state to assist The New York Racing Association,
26 Inc., which is the franchised corporation pursuant to section two

1 hundred six of the racing, pari-mutuel wagering and breeding law, to
2 renovate Belmont Park racetrack and repurpose the Aqueduct property.
3 The legislature further finds and determines that the anticipated cost
4 of renovating Belmont Park racetrack is four hundred fifty-five million
5 dollars and that the renovation of Belmont Park racetrack shall initial-
6 ly be financed by the state subject to the provisions of the repayment
7 agreement of the franchised corporation required by section two of this
8 act. The franchised corporation will be responsible for repayment of the
9 state funds in accordance with the terms of such repayment agreement.

10 § 2. Prior to, and as a condition to the state initially providing
11 funds for the renovation of Belmont Park racetrack, the franchised
12 corporation shall enter into a repayment agreement with the state
13 authorizing and directing that a portion of the funds of the franchised
14 corporation dedicated for capital expenditures of the franchised corpo-
15 ration pursuant to paragraph 3 of subdivision f and paragraph 3 of
16 subdivision f-1 of section 1612 of the tax law shall be used to repay
17 the state for the funds provided by the state for the renovation of
18 Belmont Park racetrack, in accordance with the repayment agreement
19 between the state and the franchised corporation. Such agreement shall
20 further provide that in the event the franchised corporation receives
21 future statutory payments enacted for the specific purpose of holding
22 the franchised corporation harmless for any loss of payments pursuant to
23 paragraph 3 of subdivision f and paragraph 3 of subdivision f-1 of
24 section 1612 of the tax law, such statutory payments shall also be used
25 to repay the state for the funds provided by the state for the reno-
26 vation of Belmont Park racetrack. Such agreement may also be amended
27 from time to time as agreed to by the state and the franchised corpo-
28 ration. At any time prior to the repayment of the state funds for the

1 renovation of Belmont Park racetrack, the state may issue state personal
2 income tax revenue bonds or state sales tax revenue bonds. In the event
3 of the issuance of such bonds, the repayment agreement shall be revised
4 to reflect the obligation of the franchised corporation to fully repay
5 the debt service costs associated with such bonds.

6 § 3. Prior to, and as a condition of, the state initially providing
7 funds for the renovation of Belmont Park racetrack, the franchised
8 corporation shall also enter into an agreement with the state relin-
9 quishing to the state its leasehold interest in real property located in
10 South Ozone Park, commonly known as Aqueduct Racetrack, upon substantial
11 completion of the renovation of Belmont Park racetrack.

12 § 4. The New York State Gaming Commission shall ensure that to the
13 extent that the law allows for a franchise agreement for the operation
14 of Belmont Park racetrack with a franchisee other than the franchised
15 corporation, the term of any such franchise agreement awarded after
16 funding provided by the state for the renovation of Belmont Park race-
17 track described by section one of this act shall include a provision
18 obligating such franchisee to assume the payments of the franchised
19 corporation required by section two of this act.

20 § 5. The opening paragraph of paragraph 3 of subdivision f of section
21 1612 of the tax law is designated subparagraph (i) and a new subpara-
22 graph (ii) is added to read as follows:

23 (ii) Notwithstanding subparagraph (i) of this paragraph, in the event
24 the state provides funds to the franchised corporation for the reno-
25 vation of Belmont Park racetrack, out of the amount payable to the fran-
26 chised corporation for capital expenditures pursuant to subparagraph (i)
27 of this paragraph during any state fiscal year, an amount pursuant to
28 the repayment agreement between the state and the franchised corporation

1 shall instead be deposited into the miscellaneous capital projects fund,
2 New York racing capital improvement fund as required to repay the state
3 for funds provided for the renovation of Belmont Park racetrack. Any
4 amount payable to the franchised corporation in any state fiscal year
5 for capital expenditures pursuant to subparagraph (i) of this paragraph
6 in excess of the amount pursuant to the repayment agreement between
7 the state and the franchised corporation shall be deposited pursuant to
8 subparagraph (i) of this paragraph. Once the state has been fully reim-
9 bursed for the costs related to the renovation of Belmont Park race-
10 track, this subparagraph shall no longer apply and subparagraph (i) of
11 this paragraph shall apply.

12 § 6. The opening paragraph of paragraph 3 of subdivision f-1 of
13 section 1612 of the tax law is designated subparagraph (i) and a new
14 subparagraph (ii) is added to read as follows:

15 (ii) Notwithstanding subparagraph (i) of this paragraph, in the event
16 the state provides funds to the franchised corporation for the reno-
17 vation of Belmont Park racetrack, and in the event the amount deposited
18 pursuant to subparagraph (ii) of paragraph three of subdivision f of
19 this section is insufficient to make the required repayment pursuant to
20 such subparagraph during any state fiscal year, an amount payable to the
21 franchised corporation for capital expenditures pursuant to subparagraph
22 (i) of this paragraph shall instead be deposited into the miscellaneous
23 capital projects fund, New York racing capital improvement fund to the
24 extent necessary, when combined with the amount set forth in subpara-
25 graph (ii) of paragraph three of subdivision f of this section, to make
26 any required repayment of funds provided by the state related to the
27 renovation of Belmont Park racetrack during such fiscal year. Any amount
28 payable to the franchised corporation in any state fiscal year for capi-

1 tal expenditures pursuant to subparagraph (i) of this paragraph in
2 excess of the amount pursuant to the repayment agreement between the
3 state and the franchised corporation shall be deposited pursuant to
4 subparagraph (i) of this paragraph. Once the state has been fully reim-
5 bursed for such costs related to the renovation of Belmont Park race-
6 track, this subparagraph shall no longer apply and subparagraph (i) of
7 this paragraph shall apply.

8 § 7. The state comptroller is hereby authorized and directed to loan
9 money in accordance with the provisions set forth in subdivision 5 of
10 section 4 of the state finance law to the miscellaneous capital projects
11 fund, New York racing capital improvement fund.

12 § 8. 1. Notwithstanding any other provisions of law to the contrary,
13 the dormitory authority, the urban development corporation, and the New
14 York state thruway authority are hereby authorized to issue personal
15 income tax revenue bonds or notes or state sales tax revenue bonds or
16 notes in one or more series in an aggregate principal amount not to
17 exceed four hundred fifty-five million dollars (\$455,000,000) excluding
18 bonds or notes issued to pay costs of issuance of such bonds or notes
19 and bonds or notes issued to refund or otherwise repay such bonds or
20 notes previously issued, for the purpose of financing the renovation of
21 Belmont Park racetrack.

22 2. Notwithstanding any other provision of law to the contrary, in
23 order to assist the dormitory authority, urban development corporation,
24 and the New York state thruway authority in undertaking the financing
25 for the renovation of Belmont Park racetrack, the director of the budget
26 is hereby authorized to enter into one or more financing agreements with
27 the dormitory authority, the urban development corporation, and the New
28 York state thruway authority, upon such terms and conditions as the

1 director of the budget and the dormitory authority, the urban develop-
2 ment corporation and the New York state thruway authority agree, so as
3 to annually provide to the dormitory authority, the urban development
4 corporation, and the New York state thruway authority, in the aggregate,
5 a sum not to exceed the principal, interest, and related expenses
6 required for such bonds and notes. Any financing agreement entered into
7 pursuant to this section shall provide that the obligation of the state
8 to pay the amount therein provided shall not constitute a debt of the
9 state within the meaning of any constitutional or statutory provision
10 and shall be deemed executory only to the extent of monies available and
11 that no liability shall be incurred by the state beyond the monies
12 available for such purpose, subject to annual appropriation by the
13 legislature. Any such contract or any payments made or to be made there-
14 under may be assigned and pledged by the dormitory authority, the urban
15 development corporation, and the New York state thruway authority as
16 security for such bonds and notes, as authorized by this section.

17 § 9. Notwithstanding any law to the contrary, and in accordance with
18 section 4 of the state finance law, the comptroller is hereby authorized
19 and directed in each state fiscal year to transfer, upon request of the
20 director of the budget, up to the unencumbered balance or an amount up
21 to twenty-five million eight hundred thousand dollars (\$25,800,000) from
22 the miscellaneous capital projects fund, New York racing capital
23 improvement fund to the general fund.

24 § 10. This act shall take effect immediately.

1 Section 1. Paragraph 1 of subdivision a of section 1612 of the tax
2 law, as amended by chapter 174 of the laws of 2013, is amended to read
3 as follows:

4 (1) sixty percent of the total amount for which tickets have been sold
5 for [a lawful lottery] the Quick Draw game [introduced on or after the
6 effective date of this paragraph,] subject to [the following provisions:

7 (A) such game shall be available only on premises occupied by licensed
8 lottery sales agents, subject to the following provisions:

9 (i) if the licensee does not hold a license issued pursuant to the
10 alcoholic beverage control law to sell alcoholic beverages for consump-
11 tion on the premises, then the premises must have a minimum square
12 footage greater than two thousand five hundred square feet;

13 (ii) notwithstanding the foregoing provisions, television equipment
14 that automatically displays the results of such drawings may be
15 installed and used without regard to the square footage if such premises
16 are used as:

17 (I) a commercial bowling establishment, or

18 (II) a facility authorized under the racing, pari-mutuel wagering and
19 breeding law to accept pari-mutuel wagers;

20 (B) the] rules for the operation of such game [shall be] as prescribed
21 by regulations promulgated and adopted by the division[, provided howev-
22 er, that such rules shall provide that no person under the age of twen-
23 ty-one may participate in such games on the premises of a licensee who
24 holds a license issued pursuant to the alcoholic beverage control law to
25 sell alcoholic beverages for consumption on the premises; and, provided,
26 further, that such regulations may be revised on an emergency basis not
27 later than ninety days after the enactment of this paragraph in order to
28 conform such regulations to the requirements of this paragraph]; or

1 § 2. This act shall take effect immediately.

2 PART Z

3 Section 1. The racing, pari-mutuel wagering and breeding law is
4 amended by adding a new section 502-a to read as follows:

5 § 502-a. Closure of Catskill regional off-track betting corporation.

6 1. Catskill regional off-track betting corporation established under
7 section five hundred two of this article is terminated, subject to the
8 satisfaction of outstanding debts and obligations and distribution of
9 any remaining assets, as set forth in this section.

10 2. Catskill regional off-track betting corporation shall continue in
11 its existence solely for the purpose of satisfying all outstanding debts
12 and obligations and distribution of any remaining assets, taking into
13 account the priority requirements of subdivision two of section five
14 hundred six and subdivision two of section five hundred sixteen of this
15 article. Such corporation shall submit a list of all outstanding debts
16 and obligations to the commission and a plan proposing the order in
17 which such debts and obligations shall be satisfied. The commission
18 shall approve or modify such plan. Once all debts and obligations are
19 satisfied or all available funds have been exhausted, and any remaining
20 assets are distributed, such corporation shall be terminated for all
21 purposes. Such corporation may use the following to satisfy its exist-
22 ing debts and obligations:

23 (a) in accordance with subdivision four of section five hundred nine
24 of this article, any remaining money in such corporation's capital
25 reserve fund, after use of such funds for payment of the principal of

1 bonds, interest on such bonds and the payment of any redemption premium
2 required, as set forth in such section; and

3 (b) in accordance with subdivision four of section five hundred nine-a
4 of this article, funds from its capital acquisition fund.

5 § 2. Paragraph c of subdivision 1 of section 509 of the racing, pari-
6 mutuel wagering and breeding law, as amended by chapter 243 of the laws
7 of 2020, is amended and a new subdivision 4 is added, to read as
8 follows:

9 c. Any other moneys that may be made available to the corporation for
10 the purpose of such capital reserve fund from any other source or sourc-
11 es. All moneys held in the capital reserve fund, except as [hereinafter]
12 provided in this paragraph and in subdivision four of this section,
13 shall be used solely for the payment of the principal of bonds of the
14 corporation, the payment of interest on such bonds, or the payment of
15 any redemption premium required to be paid when such bonds are redeemed
16 prior to maturity; provided, however, that moneys in such capital
17 reserve fund shall not be withdrawn therefrom at any time in such amount
18 as would reduce the amount of such fund to less than the maximum amount
19 of principal and interest maturing and becoming due in any succeeding
20 fiscal year of the corporation on all bonds of the corporation then
21 outstanding, except for the purpose of paying principal of and interest
22 on such bonds of the corporation maturing and becoming due and for the
23 payment of which other moneys of the corporation are not available. Any
24 income or interest earned by, or increment to, the capital reserve fund
25 due to the investment thereof may be transferred to other funds or
26 accounts to the extent it does not reduce the amount of the capital
27 reserve fund below the maximum amount of principal and interest maturing

1 and becoming due in any such succeeding fiscal year on all bonds of the
2 corporation then outstanding.

3 4. Upon the termination of Catskill regional off-track betting corpo-
4 ration pursuant to section five hundred two-a of this article, the
5 remainder of the corporation's capital reserve fund, after such funds
6 are used for the purposes set forth in paragraph c of subdivision one of
7 this section, shall be used to pay other obligations, debts and liabil-
8 ities of the corporation pursuant to the commission-approved plan
9 described in subdivision two of section five hundred two-a of this arti-
10 cle.

11 § 3. Section 509-a of the racing, pari-mutuel wagering and breeding
12 law is amended by adding a new subdivision 4 to read as follows:

13 4. As of April first, two thousand twenty-three, Catskill regional
14 off-track betting corporation may use any remaining money in its capital
15 acquisition fund to pay off any outstanding debts and obligations in
16 accordance with the commission-approved plan described in subdivision
17 two of section five hundred two-a of this article. The use of such money
18 shall be subject to the approval of the commission and shall not be used
19 to pay the wages and benefits of employees of such corporation until all
20 other debts and obligations have been satisfied. Any money remaining in
21 the fund after such debts and obligations have been paid upon termi-
22 nation of such corporation shall be distributed to the counties in
23 accordance with law.

24 § 4. Section 521 of the racing, pari-mutuel wagering and breeding law
25 is amended by adding a new subdivision 9 to read as follows:

26 9. Notwithstanding any other provision of this article to the contra-
27 ry, a county for whose benefit Catskill regional off-track betting
28 corporation had been established may enter into an agreement with an

1 existing off-track betting corporation from a different region to
2 provide the services authorized under this article within such county.

3 § 5. This act shall take effect immediately.

4 PART AA

5 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel
6 wagering and breeding law, as amended by section 1 of part DD of chapter
7 59 of the laws of 2022, is amended to read as follows:

8 2. a. Notwithstanding any other provision of law or regulation to the
9 contrary, from April nineteenth, two thousand twenty-one to March thir-
10 ty-first, two thousand twenty-two, twenty-three percent of the funds,
11 not to exceed two and one-half million dollars, in the Catskill off-
12 track betting corporation's capital acquisition fund and twenty-three
13 percent of the funds, not to exceed four hundred forty thousand dollars,
14 in the Capital off-track betting corporation's capital acquisition fund
15 established pursuant to this section shall also be available to such
16 off-track betting corporation for the purposes of statutory obligations,
17 payroll, and expenditures necessary to accept authorized wagers.

18 b. Notwithstanding any other provision of law or regulation to the
19 contrary, from April first, two thousand twenty-two to March thirty-
20 first, two thousand twenty-three, twenty-three percent of the funds, not
21 to exceed two and one-half million dollars, in the Catskill off-track
22 betting corporation's capital acquisition fund established pursuant to
23 this section, and twenty-three percent of the funds, not to exceed four
24 hundred forty thousand dollars, in the Capital off-track betting corpo-
25 ration's capital acquisition fund established pursuant to this section,
26 shall be available to such off-track betting corporations for the

1 purposes of statutory obligations, payroll, and expenditures necessary
2 to accept authorized wagers.

3 c. Notwithstanding any other provision of law or regulation to the
4 contrary, from April first, two thousand twenty-three to March thirty-
5 first, two thousand twenty-four, twenty-three percent of the funds, not
6 to exceed four hundred forty thousand dollars, in the Capital off-track
7 betting corporation's capital acquisition fund established pursuant to
8 this section, shall be available to such off-track betting corporation
9 for the purposes of statutory obligations, payroll, and expenditures
10 necessary to accept authorized wagers.

11 d. Prior to a corporation being able to utilize the funds authorized
12 by [paragraph] paragraphs b and c of this subdivision, the corporation
13 must submit an expenditure plan to the gaming commission for review.
14 Such plan shall include the corporation's outstanding liabilities,
15 projected revenue for the upcoming year, a detailed explanation of how
16 the funds will be used, and any other information determined necessary
17 by the commission. Upon review, the commission will make a determination
18 as to whether access to the funds is needed and warranted.

19 § 2. This act shall take effect immediately.

20 PART BB

21 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
22 racing, pari-mutuel wagering and breeding law, as amended by section 1
23 of part EE of chapter 59 of the laws of 2022, is amended to read as
24 follows:

25 (a) Any racing association or corporation or regional off-track
26 betting corporation, authorized to conduct pari-mutuel wagering under

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

1 January first, two thousand five; (ii) that each off-track betting
2 corporation having within its geographic boundaries such residences,
3 homes or other areas technically capable of receiving the simulcast
4 signal shall be a contracting party; (iii) the distribution of revenues
5 shall be subject to contractual agreement of the parties except that
6 statutory payments to non-contracting parties, if any, may not be
7 reduced; provided, however, that nothing herein to the contrary shall
8 prevent a track from televising its races on an irregular basis primari-
9 ly for promotional or marketing purposes as found by the commission. For
10 purposes of this paragraph, the provisions of section one thousand thir-
11 teen of this article shall not apply. Any agreement authorizing an
12 in-home simulcasting experiment commencing prior to May fifteenth, nine-
13 teen hundred ninety-five, may, and all its terms, be extended until June
14 thirtieth, two thousand [twenty-three] twenty-four; provided, however,
15 that any party to such agreement may elect to terminate such agreement
16 upon conveying written notice to all other parties of such agreement at
17 least forty-five days prior to the effective date of the termination,
18 via registered mail. Any party to an agreement receiving such notice of
19 an intent to terminate, may request the commission to mediate between
20 the parties new terms and conditions in a replacement agreement between
21 the parties as will permit continuation of an in-home experiment until
22 June thirtieth, two thousand [twenty-three] twenty-four; and (iv) no
23 in-home simulcasting in the thoroughbred special betting district shall
24 occur without the approval of the regional thoroughbred track.

25 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
26 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
27 section 2 of part EE of chapter 59 of the laws of 2022, is amended to
28 read as follows:

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

13 § 3. The opening paragraph of subdivision 1 of section 1014 of the
14 racing, pari-mutuel wagering and breeding law, as amended by section 3
15 of part EE of chapter 59 of the laws of 2022, is amended to read as
16 follows:

17 The provisions of this section shall govern the simulcasting of races
18 conducted at thoroughbred tracks located in another state or country on
19 any day during which a franchised corporation is conducting a race meet-
20 ing in Saratoga county at Saratoga thoroughbred racetrack until June
21 thirtieth, two thousand [twenty-three] twenty-four and on any day
22 regardless of whether or not a franchised corporation is conducting a
23 race meeting in Saratoga county at Saratoga thoroughbred racetrack after
24 June thirtieth, two thousand [twenty-three] twenty-four. On any day on
25 which a franchised corporation has not scheduled a racing program but a
26 thoroughbred racing corporation located within the state is conducting
27 racing, each off-track betting corporation branch office and each simul-
28 casting facility licensed in accordance with section one thousand seven

1 (that has entered into a written agreement with such facility's repre-
2 sentative horsemen's organization, as approved by the commission), one
3 thousand eight, or one thousand nine of this article shall be authorized
4 to accept wagers and display the live simulcast signal from thoroughbred
5 tracks located in another state or foreign country subject to the
6 following provisions:

7 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
8 and breeding law, as amended by section 4 of part EE of chapter 59 of
9 the laws of 2022, is amended to read as follows:

10 1. The provisions of this section shall govern the simulcasting of
11 races conducted at harness tracks located in another state or country
12 during the period July first, nineteen hundred ninety-four through June
13 thirtieth, two thousand [twenty-three] twenty-four. This section shall
14 supersede all inconsistent provisions of this chapter.

15 § 5. The opening paragraph of subdivision 1 of section 1016 of the
16 racing, pari-mutuel wagering and breeding law, as amended by section 5
17 of part EE of chapter 59 of the laws of 2022, is amended to read as
18 follows:

19 The provisions of this section shall govern the simulcasting of races
20 conducted at thoroughbred tracks located in another state or country on
21 any day during which a franchised corporation is not conducting a race
22 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
23 thirtieth, two thousand [twenty-three] twenty-four. Every off-track
24 betting corporation branch office and every simulcasting facility
25 licensed in accordance with section one thousand seven that have entered
26 into a written agreement with such facility's representative horsemen's
27 organization as approved by the commission, one thousand eight or one
28 thousand nine of this article shall be authorized to accept wagers and

1 display the live full-card simulcast signal of thoroughbred tracks
2 (which may include quarter horse or mixed meetings provided that all
3 such wagering on such races shall be construed to be thoroughbred races)
4 located in another state or foreign country, subject to the following
5 provisions; provided, however, no such written agreement shall be
6 required of a franchised corporation licensed in accordance with section
7 one thousand seven of this article:

8 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
9 wagering and breeding law, as amended by section 6 of part EE of chapter
10 59 of the laws of 2022, is amended to read as follows:

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

27 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
28 racing, pari-mutuel wagering and breeding law and other laws relating to

1 simulcasting, as amended by section 7 of part EE of chapter 59 of the
2 laws of 2022, is amended to read as follows:

3 § 32. This act shall take effect immediately and the pari-mutuel tax
4 reductions in section six of this act shall expire and be deemed
5 repealed on July 1, [2023] 2024; provided, however, that nothing
6 contained herein shall be deemed to affect the application, qualifica-
7 tion, expiration, or repeal of any provision of law amended by any
8 section of this act, and such provisions shall be applied or qualified
9 or shall expire or be deemed repealed in the same manner, to the same
10 extent and on the same date as the case may be as otherwise provided by
11 law; provided further, however, that sections twenty-three and twenty-
12 five of this act shall remain in full force and effect only until May 1,
13 1997 and at such time shall be deemed to be repealed.

14 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
15 racing, pari-mutuel wagering and breeding law and other laws relating to
16 simulcasting and the imposition of certain taxes, as amended by section
17 8 of part EE of chapter 59 of the laws of 2022, is amended to read as
18 follows:

19 § 54. This act shall take effect immediately; provided, however,
20 sections three through twelve of this act shall take effect on January
21 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
22 ing law, as added by section thirty-eight of this act, shall expire and
23 be deemed repealed on July 1, [2023] 2024; and section eighteen of this
24 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
25 two of this act shall take effect as of the same date as chapter 772 of
26 the laws of 1989 took effect.

1 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
2 pari-mutuel wagering and breeding law, as amended by section 9 of part
3 EE of chapter 59 of the laws of 2022, is amended to read as follows:

4 (a) The franchised corporation authorized under this chapter to
5 conduct pari-mutuel betting at a race meeting or races run thereat shall
6 distribute all sums deposited in any pari-mutuel pool to the holders of
7 winning tickets therein, provided such tickets are presented for payment
8 before April first of the year following the year of their purchase,
9 less an amount that shall be established and retained by such franchised
10 corporation of between twelve to seventeen percent of the total deposits
11 in pools resulting from on-track regular bets, and fourteen to twenty-
12 one percent of the total deposits in pools resulting from on-track
13 multiple bets and fifteen to twenty-five percent of the total deposits
14 in pools resulting from on-track exotic bets and fifteen to thirty-six
15 percent of the total deposits in pools resulting from on-track super
16 exotic bets, plus the breaks. The retention rate to be established is
17 subject to the prior approval of the commission.

18 Such rate may not be changed more than once per calendar quarter to be
19 effective on the first day of the calendar quarter. "Exotic bets" and
20 "multiple bets" shall have the meanings set forth in section five
21 hundred nineteen of this chapter. "Super exotic bets" shall have the
22 meaning set forth in section three hundred one of this chapter. For
23 purposes of this section, a "pick six bet" shall mean a single bet or
24 wager on the outcomes of six races. The breaks are hereby defined as the
25 odd cents over any multiple of five for payoffs greater than one dollar
26 five cents but less than five dollars, over any multiple of ten for
27 payoffs greater than five dollars but less than twenty-five dollars,
28 over any multiple of twenty-five for payoffs greater than twenty-five

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

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

23 § 10. This act shall take effect immediately.

1 Section 1. Subdivision 1-A of section 208 of the tax law, as amended
2 by section 4 of part A of chapter 59 of the laws of 2014, is amended to
3 read as follows:

4 1-A. The term "New York S corporation" means, with respect to any
5 taxable year, a federal S corporation [subject to tax under this article
6 for which an election is in effect pursuant to] required to file as a
7 New York S corporation pursuant to subsection (a) of section six hundred
8 sixty of this chapter for such year, and any such year shall be denomi-
9 nated a "New York S year", [and such election shall be denominated a
10 "New York S election"] unless the corporation is treated as a New York C
11 corporation for such year under subsection (b) of section six hundred
12 sixty of this chapter. The term "New York C corporation" means, with
13 respect to any taxable year, a corporation subject to tax under this
14 article which is not a New York S corporation, and any such year shall
15 be denominated a "New York C year". The term "termination year" means
16 any taxable year of a corporation during which the corporation's status
17 as a New York S [election] corporation terminates on a day other than
18 the first day of such year. The portion of the taxable year ending
19 before the first day for which such termination is effective shall be
20 denominated the "S short year", and the portion of such year beginning
21 on such first day shall be denominated the "C short year". [The term
22 "New York S termination year" means any termination year which is not
23 also an S termination year for federal purposes.]

24 § 2. Subdivision 1-B of section 208 of the tax law, as amended by
25 section 4 of part A of chapter 59 of the laws of 2014, is amended to
26 read as follows:

27 1-B. The term "QSSS" means a corporation which is a qualified subchap-
28 ter S subsidiary as defined in subparagraph (B) of paragraph three of

1 subsection (b) of section thirteen hundred sixty-one of the internal
2 revenue code. [The term "exempt QSSS" means a QSSS exempt from tax under
3 this article as provided in paragraph (k) of subdivision nine of this
4 section, or a QSSS described in subclause (i) of clause (B) of subpara-
5 graph two of paragraph (k) of subdivision nine of this section, wherein
6 the parent corporation of the QSSS is subject to tax under this article,
7 and the assets, liabilities, income and deductions of the QSSS are
8 treated as the assets, liabilities, income and deductions of the parent
9 corporation. Where a QSSS is an exempt QSSS, then for all purposes under
10 this article] When the parent corporation of the QSSS is a New York S
11 corporation:

12 (a) the assets, liabilities, income, deductions, property, payroll,
13 receipts, capital, credits, and all other tax attributes and elements of
14 economic activity of the QSSS shall be deemed to be those of the parent
15 corporation,

16 (b) the stocks, bonds and other securities issued by, and any indebt-
17 edness from, the QSSS shall not be investment or business capital of the
18 parent corporation,

19 (c) transactions between the parent corporation and the QSSS, includ-
20 ing the payment of interest and dividends, shall not be taken into
21 account, [and]

22 (d) general executive officers of the QSSS shall be deemed to be
23 general executive officers of the parent corporation, and

24 (e) the QSSS shall not be subject to tax under this article.

25 § 3. Paragraph (k) of subdivision 9 of section 208 of the tax law, as
26 amended by section 4 of part A of chapter 59 of the laws of 2014, is
27 amended to read as follows:

1 (k) QSSS. (1) [New York S corporation. In the case of a New York S
2 corporation which is the parent of a qualified subchapter S subsidiary
3 (QSSS) with respect to a taxable year:

4 (A) where the QSSS is not an excluded corporation,

5 (i) in determining the entire net income of such parent corporation,
6 all assets, liabilities, income and deductions of the QSSS shall be
7 treated as assets, liabilities, income and deductions of the parent
8 corporation, and

9 (ii) the QSSS shall be exempt from all taxes imposed by this article,
10 and

11 (B) where the QSSS is an excluded corporation, the entire net income
12 of the parent corporation shall be determined as if the federal QSSS
13 election had not been made.

14 (2)] New York C corporation. In the case of a federal S corporation
15 that is a New York C corporation [which is] under subsection (b) of
16 section six hundred sixty of this chapter and is the parent of a QSSS
17 with respect to a taxable year:

18 (A) where the QSSS is a taxpayer,

19 (i) in determining the entire net income of such parent corporation,
20 all assets, liabilities, income and deductions of the QSSS shall be
21 treated as assets, liabilities, income and deductions of the parent
22 corporation, and

23 (ii) the QSSS shall be exempt from all taxes imposed by this article,
24 and

25 (B) where the QSSS is not a taxpayer,

26 (i) if the QSSS is not an excluded corporation, the parent corporation
27 may make a QSSS inclusion election to include all assets, liabilities,

1 income and deductions of the QSSS as assets, liabilities, income and
2 deductions of the parent corporation, and

3 (ii) in the absence of such election, or where the QSSS is an excluded
4 corporation, the entire net income of the parent corporation shall be
5 determined as if the federal QSSS election had not been made.

6 [(3) Non-New York S corporation not excluded. In the case of an S
7 corporation which is not a taxpayer and not an excluded corporation, and
8 which is the parent of a QSSS which is a taxpayer, the shareholders of
9 the parent corporation shall be entitled to make the New York S election
10 under subsection (a) of section six hundred sixty of this chapter.

11 (A) For any taxable year for which such election is in effect, the
12 parent corporation shall be subject to tax under this article as a New
13 York S corporation, and the provisions of clause (A) of subparagraph one
14 of this paragraph shall apply.

15 (B) For any taxable year for which such election is not in effect, the
16 QSSS shall be a New York C corporation, and the entire net income of the
17 QSSS shall be determined as if the federal QSSS election had not been
18 made. For purposes of such determination, the taxable year of the parent
19 corporation shall constitute the taxable year of the QSSS, excluding,
20 however, any portion of such year during which the QSSS is not a taxpay-
21 er.

22 (4) S corporation excluded. In the case of an S corporation which is
23 an excluded corporation and which is the parent of a QSSS which is a
24 taxpayer, the QSSS shall be a New York C corporation and the provisions
25 of clause (B) of subparagraph three of this paragraph shall apply.

26 (5)] (2) Excluded corporation. The term "excluded corporation" means a
27 corporation subject to tax under sections one hundred eighty-three
28 through one hundred eighty-six, inclusive, or article thirty-three of

1 this chapter, or a foreign corporation not taxable by this state which,
2 if it were taxable, would be subject to tax under any of such sections
3 or article.

4 [(6)] (3) Taxpayer. For purposes of this paragraph, the term "taxpay-
5 er" means a parent corporation or QSSS subject to tax under this arti-
6 cle, determined without regard to the provisions of this paragraph.

7 [(7)] (4) QSSS inclusion election. The election under subclause (i) of
8 clause (B) of subparagraph [two] one of this paragraph shall be effec-
9 tive for the taxable year for which made and for all succeeding taxable
10 years of the corporation until such election is terminated. An election
11 or termination shall be made on such form and in such manner as the
12 commissioner may prescribe by regulation or instruction.

13 § 4. Subparagraph (A) of paragraph 5 of subdivision (a) of section 292
14 of the tax law, as added by section 48 of part A of chapter 389 of the
15 laws of 1997, is amended to read as follows:

16 (A) In the case of a shareholder of an S corporation, (i) [where the
17 election provided for in] except for when such S corporation is treated
18 as a New York C corporation under subsection [(a)] (b) of section six
19 hundred sixty of this chapter [is in effect with respect to such corpo-
20 ration], there shall be added to federal unrelated business taxable
21 income an amount equal to the shareholder's pro rata share of the corpo-
22 ration's reductions for taxes described in paragraphs two and three of
23 subsection (f) of section thirteen hundred sixty-six of the internal
24 revenue code, and (ii) where such [election has not been made with
25 respect to such corporation] S corporation is treated as a New York C
26 corporation under subsection (b) of section six hundred sixty of this
27 chapter, there shall be subtracted from federal unrelated business taxa-
28 ble income any items of income of the corporation included therein, and

1 there shall be added to federal unrelated business taxable income any
2 items of loss or deduction included therein, and (iii) in the case of [a
3 New York] an S termination year, the amount of any such items of S
4 corporation income, loss, deduction and reductions for taxes shall be
5 adjusted in the manner provided in paragraph two or three of subsection
6 (s) of section six hundred twelve of this chapter.

7 § 5. Paragraph 18 of subsection (b) of section 612 of the tax law, as
8 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended
9 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by
10 chapter 190 of the laws of 1990, is amended to read as follows:

11 (18) In the case of a shareholder of an S corporation as described in
12 subsection (a) of section six hundred sixty of this article:

13 (A) [where the election provided for in subsection (a) of section six
14 hundred sixty is in effect with respect to such corporation,] an amount
15 equal to [his] such shareholder's pro rata share of the corporation's
16 reductions for taxes described in paragraphs two and three of subsection
17 (f) of section thirteen hundred sixty-six of the internal revenue code,
18 and

19 (B) in the case of [a New York] an S termination year, subparagraph
20 (A) of this paragraph shall apply to the amount of reductions for taxes
21 determined under subsection (s) of this section.

22 § 6. Paragraph 19 of subsection (b) of section 612 of the tax law, as
23 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended
24 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by
25 chapter 190 of the laws of 1990, is amended to read as follows:

26 (19) In the case of a shareholder of an S corporation (A) where [the
27 election provided for in] such S corporation is treated as a New York C
28 corporation under subsection [(a)] (b) of section six hundred sixty [has

1 not been made with respect to such corporation] of this article, any
2 item of loss or deduction of the corporation included in federal gross
3 income pursuant to section thirteen hundred sixty-six of the internal
4 revenue code, and (B) in the case of [a New York] an S termination year,
5 subparagraph (A) of this paragraph shall apply to the amounts of loss or
6 deduction determined under subsection (s) of this section.

7 § 7. Paragraph 20 of subsection (b) of section 612 of the tax law, as
8 amended by chapter 606 of the laws of 1984, is amended to read as
9 follows:

10 (20) S corporation distributions to the extent not included in federal
11 gross income for the taxable year because of the application of section
12 thirteen hundred sixty-eight, subsection (e) of section thirteen hundred
13 seventy-one or subsection (c) of section thirteen hundred seventy-nine
14 of the internal revenue code which represent income not previously
15 subject to tax under this article (a) for tax years beginning before
16 January first, two thousand twenty-four, because the election provided
17 for in subsection (a) of section six hundred sixty of this article had
18 not been made, or (b) for tax years beginning on or after January first,
19 two thousand twenty-four, because the S corporation filed a return under
20 article nine-A of this chapter pursuant to subsection (b) of section six
21 hundred sixty of this article. Any such distribution treated in the
22 manner described in paragraph two of subsection (b) of section thirteen
23 hundred sixty-eight of the internal revenue code for federal income tax
24 purposes shall be treated as ordinary income for purposes of this arti-
25 cle.

26 § 8. Paragraph 22 of subsection (c) of section 612 of the tax law, as
27 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended

1 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by
2 chapter 190 of the laws of 1990, is amended to read as follows:

3 (22) In the case of a shareholder of an S corporation (A) where [the
4 election provided for in] such S corporation is treated as a New York C
5 corporation under subsection [(a)] (b) of section six hundred sixty [has
6 not been made with respect to such corporation] of this article, any
7 item of income of the corporation included in federal gross income
8 pursuant to section thirteen hundred sixty-six of the internal revenue
9 code, and

10 (B) in the case of [a New York] an S termination year, subparagraph
11 (A) of this paragraph shall apply to the amounts of income determined
12 under subsection (s) of this section.

13 § 9. The section heading and paragraph 1 of subsection (s) of section
14 612 of the tax law, as amended by chapter 760 of the laws of 1992, is
15 amended to read as follows:

16 (s) [New York] S termination year. (1) General. In the case of [a New
17 York] an S termination year, the amount of any item of S corporation
18 income, loss and deduction included in the shareholder's federal
19 adjusted gross income and any reductions for taxes (as described in
20 paragraphs two and three of subsection (f) of section thirteen hundred
21 sixty-six of the internal revenue code) shall be adjusted in accordance
22 with the treatment provided in paragraph two or three of this
23 subsection.

24 § 10. Paragraph 6 of subsection (c) of section 615 of the tax law, as
25 added by chapter 606 of the laws of 1984, subparagraph (B) as amended by
26 chapter 190 of the laws of 1990, is amended to read as follows:

27 (6) in the case of a shareholder of an S corporation

1 (A) where [the election provided for in] such S corporation is treated
2 as a New York C corporation under subsection [(a)] (b) of section six
3 hundred sixty [has not been made] of this article, S corporation items
4 of deduction included in federal itemized deductions, and

5 (B) in the case of [a New York] an S termination year, [the portion of
6 such items assigned to the period beginning on the day the election
7 ceases to be effective, as] the modification under subparagraph (A) of
8 this paragraph shall be determined under subsection (s) of section six
9 hundred twelve of this part.

10 § 11. Subparagraph (C) of paragraph 1 of subsection (b) of section 631
11 of the tax law, as amended by chapter 586 of the laws of 1999, is
12 amended to read as follows:

13 (C) in the case of a shareholder of an S corporation [where the
14 election provided for in] subject to subsection (a) of section six
15 hundred sixty of this article [is in effect], the ownership of shares
16 issued by such corporation, to the extent determined under section six
17 hundred thirty-two of this [article] part; or

18 § 12. Subparagraph (E-1) of paragraph 1 of subsection (b) of section
19 631 of the tax law, as added by section 3 of part C of chapter 57 of the
20 laws of 2010, is amended to read as follows:

21 (E-1) in the case of an S corporation [for which an election is in
22 effect pursuant] subject to subsection (a) of section six hundred sixty
23 of this article that terminates its taxable status in New York, any
24 income or gain recognized on the receipt of payments from an installment
25 sale contract entered into when the S corporation was subject to tax in
26 New York, allocated in a manner consistent with the applicable methods
27 and rules for [allocation] apportionment under article nine-A or former

1 article thirty-two of this chapter, in the year that the S corporation
2 sold its assets.

3 § 13. The section heading and paragraph 2 of subsection (a) of section
4 632 of the tax law, the section heading as amended by chapter 606 of the
5 laws of 1984, and paragraph 2 of subsection (a) as amended by section 71
6 of part A of chapter 59 of the laws of 2014, are amended to read as
7 follows:

8 Nonresident partners and [electing] shareholders of S corporations.

9 (2) In determining New York source income of a nonresident shareholder
10 of [an] a New York S corporation [where the election provided for in
11 subsection (a) of section six hundred sixty] as defined in subdivision
12 one-A of section two hundred eight of [this article is in effect] this
13 chapter, there shall be included only the portion derived from or
14 connected with New York sources of such shareholder's pro rata share of
15 items of S corporation income, loss and deduction entering into [his]
16 such shareholder's federal adjusted gross income, increased by
17 reductions for taxes described in paragraphs two and three of subsection
18 (f) of section thirteen hundred sixty-six of the internal revenue code,
19 as such portion shall be determined under regulations of the commission-
20 er consistent with the applicable methods and rules for [allocation]
21 apportionment under article nine-A of this chapter[, regardless of
22 whether or not such item or reduction is included in entire net income
23 under article nine-A for the tax year]. If a nonresident is a sharehold-
24 er in [an] a New York S corporation [where the election provided for in
25 subsection (a) of section six hundred sixty] as defined in subdivision
26 one-A of section two hundred eight of [this article is in effect] this
27 chapter, and the S corporation has distributed an installment obligation
28 under section 453(h)(1)(A) of the Internal Revenue Code, then any gain

1 recognized on the receipt of payments from the installment obligation
2 for federal income tax purposes will be treated as New York source
3 income allocated in a manner consistent with the applicable methods and
4 rules for [allocation] apportionment under article nine-A of this chap-
5 ter in the year that the assets were sold. In addition, if the share-
6 holders of the S corporation have made an election under section
7 338(h)(10) of the Internal Revenue Code, then any gain recognized on the
8 deemed asset sale for federal income tax purposes will be treated as New
9 York source income allocated in a manner consistent with the applicable
10 methods and rules for [allocation] apportionment under article nine-A of
11 this chapter in the year that the shareholder made the section
12 338(h)(10) election. For purposes of a section 338(h)(10) election, when
13 a nonresident shareholder exchanges his or her S corporation stock as
14 part of the deemed liquidation, any gain or loss recognized shall be
15 treated as the disposition of an intangible asset and will not increase
16 or offset any gain recognized on the deemed assets sale as a result of
17 the section 338(h)(10) election.

18 § 14. Paragraph 2 and subparagraph (A) of paragraph 4 of subsection
19 (c) of section 658 of the tax law, paragraph 2 as amended by chapter 190
20 of the laws of 1990, and subparagraph (A) of paragraph 4 as amended by
21 section 72 of part A of chapter 59 of the laws of 2014, are amended to
22 read as follows:

23 (2) S corporations. Every S corporation [for which the election
24 provided for in subsection (a) of section six hundred sixty is in
25 effect] treated as a New York S corporation as defined in subdivision
26 one-A of section two hundred eight of this chapter shall make a return
27 for the taxable year setting forth all items of income, loss and
28 deduction and such other pertinent information as the commissioner of

1 taxation and finance may by regulations and instructions prescribe. Such
2 return shall be filed on or before the fifteenth day of the third month
3 following the close of each taxable year.

4 (A) General. Every entity which is a partnership, other than a public-
5 ly traded partnership as defined in section 7704 of the federal Internal
6 Revenue Code, subchapter K limited liability company or [an] a New York
7 S corporation [for which the election provided for in subsection (a) of
8 section six hundred sixty of this part is in effect] as defined in
9 subdivision one-A of section two hundred eight of this chapter, which
10 has partners, members or shareholders who are nonresident individuals,
11 as defined under subsection (b) of section six hundred five of this
12 article, or C corporations, and which has any income derived from New
13 York sources, determined in accordance with the applicable rules of
14 section six hundred thirty-one of this article as in the case of a
15 nonresident individual, shall pay estimated tax on such income on behalf
16 of such partners, members or shareholders in the manner and at the times
17 prescribed by subsection (c) of section six hundred eighty-five of this
18 article. For purposes of this paragraph, the term "estimated tax" shall
19 mean a partner's, member's or shareholder's distributive share or pro
20 rata share of the entity income derived from New York sources, multi-
21 plied by the highest rate of tax prescribed by section six hundred one
22 of this article for the taxable year of any partner, member or share-
23 holder who is an individual taxpayer, or paragraph (a) of subdivision
24 one of section two hundred ten of this chapter for the taxable year of
25 any partner, member or shareholder which is a C corporation, whether or
26 not such C corporation is subject to tax under article nine, nine-A or
27 thirty-three of this chapter, and reduced by the distributive share or
28 pro rata share of any credits determined under section one hundred

1 eighty-seven, one hundred eighty-seven-a, six hundred six or fifteen
2 hundred eleven of this chapter, whichever is applicable, derived from
3 the entity.

4 § 15. Section 660 of the tax law, as amended by chapter 606 of the
5 laws of 1984, subsections (a) and (h) as amended by section 73 of part A
6 of chapter 59 of the laws of 2014, paragraph 3 of subsection (b) as
7 amended by section 51, paragraphs 4 and 5 of subsection (b) as added and
8 paragraph 6 of subsection (b) as renumbered by section 52 and
9 subsections (e) and (f) as added and subsection (g) as relettered by
10 section 53 of part A of chapter 389 of the laws of 1997, subsection (d)
11 as added by chapter 760 of the laws of 1992, subsection (i) as added by
12 section 1 of part L of chapter 60 of the laws of 2007 and paragraph 1 of
13 subsection (i) as amended by section 39 of part T of chapter 59 of the
14 laws of 2015, is amended to read as follows:

15 § 660. [Election by shareholders of S corporations] Tax treatment of
16 federal S corporations. (a) [Election.] If a corporation is an eligible
17 S corporation, except for eligible S corporations treated as New York C
18 corporations under subsection (b) of this section, the shareholders of
19 the corporation [may elect in the manner set forth in subsection (b) of
20 this section to] shall take into account, to the extent provided for in
21 this article (or in article thirteen of this chapter, in the case of a
22 shareholder which is a taxpayer under such article), the S corporation
23 items of income, loss, deduction and reductions for taxes described in
24 paragraphs two and three of subsection (f) of section thirteen hundred
25 sixty-six of the internal revenue code which are taken into account for
26 federal income tax purposes for the taxable year. [No election under
27 this subsection shall be effective unless all shareholders of the corpo-
28 ration have so elected.] An eligible S corporation is (i) [an S] a

1 corporation [which] that has elected to be an S corporation for federal
2 income tax purposes pursuant to section thirteen hundred sixty-two of
3 the internal revenue code that is subject to tax under article nine-A of
4 this chapter, or (ii) [an S] a corporation [which] that has elected to
5 be an S corporation for federal income tax purposes pursuant to section
6 thirteen hundred sixty-two of the internal revenue code that is not
7 subject to tax under article nine-A of this chapter, or an excluded
8 corporation, and is the parent of a qualified subchapter S subsidiary as
9 defined in subparagraph (B) of paragraph three of subsection (b) of
10 section thirteen hundred sixty-one of the internal revenue code subject
11 to tax under article nine-A[, where the shareholders of such parent
12 corporation are entitled to make the election under this subsection by
13 reason of subparagraph three of paragraph (k) of subdivision nine of
14 section two hundred eight] of this chapter. Except as provided in
15 subsection (b) of this section, an eligible S corporation is a New York
16 S corporation.

17 (b) [Requirements of election] Treatment of qualified New York
18 manufacturers as New York C corporations. [An election] An eligible S
19 corporation that meets the requirements of subparagraph (vi) of para-
20 graph (a) of subdivision one of section two hundred ten of this chapter
21 to be a qualified New York manufacturer may be treated as a New York C
22 corporation subject to tax under article nine-A of this chapter. Treat-
23 ment under this subsection [(a) of this section] as a New York C corpo-
24 ration shall be made on such form and in such manner as the [tax commis-
25 sion] commissioner may prescribe by regulation or instruction.

26 (1) [When made] Timing. [An election] To be treated under this
27 subsection [(a) of this section may be made at any time during the
28 preceding taxable year of the corporation or at any time during the

1 taxable year of the corporation and on or before the fifteenth day of
2 the third month of such taxable year.

3 (2) Certain elections made during first two and one-half months. If an
4 election made under subsection (a) of this section is made for any taxa-
5 ble year of the corporation during such year and on or before the
6 fifteenth day of the third month of such year, such election shall be
7 treated as made for the following taxable year if

8 (A) on one or more days in such taxable year before the day on which
9 the election was made the corporation did not meet the requirements of
10 subsection (b) of section thirteen hundred sixty-one of the internal
11 revenue code or

12 (B) one or more of the shareholders who held stock in the corporation
13 during such taxable year and before the election was made did not
14 consent to the election.

15 (3) Elections made after first two and one-half months. If an election
16 under subsection (a) of this section is made for any taxable year of the
17 corporation and such election is made after the fifteenth day of the
18 third month of such taxable year and on or before the fifteenth day of
19 the third month of the following taxable year, such election shall be
20 treated as made for the following taxable year.

21 (4) Taxable years of two and one-half months or less. For purposes of
22 this subsection, an election for a taxable year made not later than two
23 months and fifteen days after the first day of the taxable year shall be
24 treated as timely made during such year.

25 (5) Authority to treat late elections, etc., as timely. If (A) an
26 election under subsection (a) of this section is made for any taxable
27 year (determined without regard to paragraph three of this subsection)
28 after the date prescribed by this subsection for making such election

1 for such taxable year, or if no such election is made for any taxable
2 year, and

3 (B) the commissioner determines that there was reasonable cause for
4 failure to timely make such election, then

5 (C) the commissioner may treat such an election as timely made for
6 such taxable year (and paragraph three of this subsection shall not
7 apply).

8 (6) Years for which effective. An election under subsection (a) of
9 this section shall be effective for the taxable year of the corporation
10 for which it is made and for all succeeding taxable years of the corpo-
11 ration until such election is terminated under subsection (c) of this
12 section.] as a New York C corporation for a taxable year, the corpo-
13 ration shall file a report as a New York C corporation under article
14 nine-A of this chapter for such year. Such treatment shall be effective
15 as of the first day of the taxable year covered by such report.

16 (c) Termination. [An election] (1) Treatment of a federal S corpo-
17 ration as a New York S corporation under subsection (a) of this section,
18 and treatment of a federal S corporation as a New York C corporation
19 under subsection [(a)] (b) of this section shall cease to be effective

20 [(1)] on the day an election to be an S corporation ceases to be
21 effective for federal income tax purposes pursuant to subsection (d) of
22 section thirteen hundred sixty-two of the internal revenue code[, or

23 (2) if shareholders holding more than one-half of the shares of stock
24 of the corporation on the day on which the revocation is made revoke
25 such election in the manner the tax commission may prescribe by regu-
26 lation,

1 (A) on the first day of the taxable year of the corporation, if the
2 revocation is made during such taxable year and on or before the
3 fifteenth day of the third month thereof, or

4 (B) on the first day of the following taxable year of the corporation,
5 if the revocation is made during the taxable year but after the
6 fifteenth day of the third month thereof, or

7 (C) on and after the date so specified, if the revocation specifies a
8 date for revocation which is on or after the day on which the revocation
9 is made, or

10 (3) if any person who was not a shareholder of the corporation on the
11 day on which the election is made becomes a shareholder in the corpo-
12 ration and affirmatively refuses to consent to such election in the
13 manner the tax commission may prescribe by regulation, on the day such
14 person becomes a shareholder] and, in such case, the corporation shall
15 be treated as a New York C corporation subject to tax under article
16 nine-A of this chapter.

17 (2) Treatment of a federal S corporation as a New York C corporation
18 under subsection (b) of this section shall cease to be effective if the
19 corporation no longer meets the requirements to be considered a quali-
20 fied New York manufacturer under subparagraph (vi) of paragraph (a) of
21 subdivision one of section two hundred ten of this chapter for the taxa-
22 ble year, and in such case the corporation shall be treated as a New
23 York S corporation subject to subsection (a) of this section.

24 (d) [New York] S termination year. In the case of [a New York] an S
25 termination year, the amount of any item of S corporation income, loss
26 and deduction and reductions for taxes (as described in paragraphs two
27 and three of subsection (f) of section thirteen hundred sixty-six of the
28 internal revenue code) required to be taken account of under this arti-

1 cle shall be adjusted in the same manner that the S corporation's items
2 which are included in the shareholder's federal adjusted gross income
3 are adjusted under subsection (s) of section six hundred twelve.

4 (e) [Inadvertent invalid elections. If (1) an election under
5 subsection (a) of this section was not effective for the taxable year
6 for which made (determined without regard to paragraph two of subsection
7 (b) of this section) by reason of a failure to obtain shareholder
8 consents,

9 (2) the commissioner determines that the circumstances resulting in
10 such ineffectiveness were inadvertent,

11 (3) no later than a reasonable period of time after discovery of the
12 circumstances resulting in such ineffectiveness, steps were taken to
13 acquire the required shareholder consents, and

14 (4) the corporation, and each person who was a shareholder in the
15 corporation at any time during the period specified pursuant to this
16 subsection, agrees to make such adjustments (consistent with the treat-
17 ment of the corporation as a New York S corporation) as may be required
18 by the commissioner with respect to such period,

19 (5) then, notwithstanding the circumstances resulting in such ineffec-
20 tiveness, such corporation shall be treated as a New York S corporation
21 during the period specified by the commissioner.] Qualified subchapter S
22 subsidiaries ("QSSS"). If a New York S corporation has elected to treat
23 its wholly owned subsidiary as a qualified subchapter S subsidiary for
24 federal income tax purposes under paragraph three of subsection (b) of
25 section thirteen hundred sixty-one of the internal revenue code, such
26 election shall be applicable for New York state tax purposes, and

27 (1) the assets, liabilities, income, deductions, property, payroll,
28 receipts, capital, credits, and all other tax attributes and elements of

1 economic activity of the subsidiary shall be deemed to be those of the
2 parent corporation,

3 (2) transactions between the parent corporation and the subsidiary,
4 including the payment of interest and dividends, shall not be taken into
5 account, and

6 (3) general executive officers of the subsidiary shall be deemed to be
7 general executive officers of the parent corporation.

8 (f) Validated federal elections. If [(1) an election under subsection
9 (a) of this section was made for a taxable year or years of a corpo-
10 ration, which years occur with or within the period for which] the
11 federal S election of [such] an eligible S corporation has been vali-
12 dated pursuant to the provisions of subsection (f) of section thirteen
13 hundred sixty-two of the internal revenue code, [and

14 (2) the corporation, and each person who was a shareholder in the
15 corporation at any time during such taxable year or years agrees to make
16 such adjustments (consistent with the treatment of the corporation as a
17 New York S corporation) as may be required by the commissioner with
18 respect to such year or years,

19 (3) then] such corporation shall be treated as a New York S corpo-
20 ration, subject to subsection (a) of this section, during [such] the
21 year or years for which such election has been validated except if the
22 eligible S corporation is treated as a New York C corporation under
23 subsection (b) of this section.

24 (g) [Transitional rule. Any election made under this section (as in
25 effect for taxable years beginning before January first, nineteen
26 hundred eighty-three) shall be treated as an election made under
27 subsection (a) of this section.

1 (h) Cross reference. For definitions relating to S corporations, see
2 subdivision one-A of section two hundred eight of this chapter.

3 (i) Mandated New York S corporation election. (1) Notwithstanding the
4 provisions in subsection (a) of this section, in the case of an eligible
5 S corporation for which the election under subsection (a) of this
6 section is not in effect for the current taxable year, the shareholders
7 of an eligible S corporation are deemed to have made that election
8 effective for the eligible S corporation's entire current taxable year,
9 if the eligible S corporation's investment income for the current tax-
10 able year is more than fifty percent of its federal gross income for such
11 year. In determining whether an eligible S corporation is deemed to have
12 made that election, the income of a qualified subchapter S subsidiary
13 owned directly or indirectly by the eligible S corporation shall be
14 included with the income of the eligible S corporation.

15 (2) For the purposes of this subsection, the term "eligible S corpo-
16 ration" has the same definition as in subsection (a) of this section.

17 (3) For the purposes of this subsection, the term "investment income"
18 means the sum of an eligible S corporation's gross income from interest,
19 dividends, royalties, annuities, rents and gains derived from dealings
20 in property, including the corporation's share of such items from a
21 partnership, estate or trust, to the extent such items would be includa-
22 ble in federal gross income for the taxable year.

23 (4) Rules related to change in status. (1) Net operating losses. Any
24 net operating loss carryforward that otherwise would have been allowed
25 under subparagraph (ix) of paragraph (a) of subdivision one of section
26 two hundred ten of this chapter for a New York C corporation that
27 becomes a New York S corporation shall be held in abeyance and be avail-
28 able to such taxpayer if such taxpayer is treated as a New York C corpo-

1 ration because its election to be a federal S corporation is terminated
2 or by operation of subsection (b) of this section. However, the taxpay-
3 er's years as a New York S corporation shall be counted for purposes of
4 computing any time period applicable to the allowance of any net operat-
5 ing loss.

6 (2) Credit carryforwards. Any carryforwards of credits allowed under
7 section two hundred ten-B of this chapter for a New York C corporation
8 that becomes a New York S corporation shall be held in abeyance and be
9 available to such taxpayer if such taxpayer is treated as a New York C
10 corporation because its election to be a federal S corporation is termi-
11 nated or by operation of subsection (b) of this section. However, the
12 taxpayer's years as a New York S corporation shall be counted for
13 purposes of computing any time period applicable to the allowance of any
14 credit carryforward.

15 (3) Estimated tax payments. When making estimated tax payments
16 required to be made under this chapter in the current tax year, the
17 eligible S corporation and its shareholders may rely on the eligible S
18 corporation's filing status for the prior year. If the eligible S corpo-
19 ration's filing status changes from the prior tax year the corporation
20 or the shareholders, as the case may be, which made the payments shall
21 be entitled to a refund of such estimated tax payments. No additions to
22 tax with respect to any required declarations or payments of estimated
23 tax imposed under this chapter shall be imposed on the corporation or
24 shareholders, whichever is the taxpayer for the current taxable year, if
25 the corporation or the shareholders file such declarations and make such
26 estimated tax payments by January fifteenth of the following calendar
27 year, regardless of whether the taxpayer's tax year is a calendar or a
28 fiscal year.

1 (h) Excluded corporation. For purposes of this section an excluded
2 corporation shall be as defined in paragraph (k) of subdivision nine of
3 section two hundred eight of this chapter.

4 § 16. Transition rules. Any prior net operating loss conversion
5 subtraction that otherwise would have been allowed under subparagraph
6 (viii) of paragraph (a) of subdivision one of section two hundred ten of
7 the tax law for the taxable years beginning on or after January 1, 2024,
8 to any taxpayer that was a New York C corporation for a taxable year
9 beginning on or after January 1, 2023, and before January 1, 2024, and
10 that becomes a New York S corporation for a taxable year beginning on or
11 after January 1, 2024, as a result of the amendments made by this act,
12 shall be held in abeyance and be available to such taxpayer if such
13 taxpayer is treated as a New York C corporation because its election to
14 be a federal S corporation is terminated or by operation of subsection
15 (b) of section six hundred sixty of the tax law. However, the taxpay-
16 er's years as a New York S corporation shall be counted for purposes of
17 computing the twenty-year time period specified in subclause four of
18 clause (B) of subparagraph (viii) of paragraph (a) of subdivision one of
19 section two hundred ten of the tax law applicable to the allowance of
20 the prior net operating loss conversion subtraction.

21 § 17. This act shall take effect immediately and shall apply to taxa-
22 ble years beginning on or after January 1, 2024.

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

1 ment shall have been rendered. It is hereby declared to be the intent of
2 the legislature that this act would have been enacted even if such
3 invalid provisions had not been included herein.

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