

# STATE OF NEW YORK

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S. 3009--A

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## SENATE - ASSEMBLY

January 22, 2025

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IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to the inflation refund credit (Part A); to amend the tax law, in relation to providing for a middle-class tax cut and extending the temporary personal income tax high income surcharge (Part B); to amend the tax law, in relation to enhancing the empire state child credit for three years (Part C); to amend the public housing law, in relation to certain eligibility for the New York state low income housing tax credit program and increases to the aggregate amount of the allocable tax credit (Part D); to amend the tax law, in relation to credits for the rehabilitation of historic properties (Part E); to amend the real property law, in relation to the purchase of residential real property by certain purchasers (Subpart A); and to amend the tax law, in relation to depreciation and interest deduction adjustments for properties owned by institutional investors in residential properties (Subpart B) (Part F); to amend the economic development law and the tax law, in relation to establishing the CATALIST NY program (Part G); to amend the economic development law and the tax law, in relation to the excelsior jobs program; and to repeal article 22 of the economic development law relating to the employee training incentive program (Subpart A); and to amend the economic development law, in relation to the empire state jobs retention program (Subpart B) (Part H); to amend the tax law, in relation to film production and post-production credits (Part I); to amend the economic development law, in relation to the newspaper and broadcast media jobs program (Part J); to amend the tax law, in relation to the empire state digital gaming media production credit (Part K); 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 estab-

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [ ] is old law to be omitted.

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lishing 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 (Part L); to amend the tax law, in relation to clarifying the notices afforded protest rights (Part M); to amend the tax law, in relation to the filing of tax warrants and warrant-related records (Part N); to amend the real property tax law and the tax law, in relation to simplifying STAR income determinations; and repealing certain provisions of such laws relating thereto (Part O); to repeal certain provisions of the general municipal law and the public authorities law relating to certain reporting requirements of industrial development agencies (Part P); to amend the tax law, in relation to the pass-through entity tax and the New York city pass-through entity tax election deadline (Part Q); to amend the tax law, in relation to increasing the estimated tax threshold under article nine-A of the tax law (Part R); to amend the tax law, in relation to establishing a tax credit for organ donation (Part S); to amend the tax law, in relation to making the estate tax three-year gift addback rule permanent (Part T); to amend the tax law, in relation to expanding the credit for employment of persons with disabilities (Part U); to amend the tax law, in relation to reporting of federal partnership adjustments (Part V); to amend the tax law and the administrative code of the city of New York, in relation to establishing a credit against the tax on personal income of certain residents of a city having a population of one million or more inhabitants (Part W); to amend the general city law, chapter 772 of the laws of 1966, relating to enabling any city having a population of one million or more to raise tax revenue, and the administrative code of the city of New York, in relation to authorizing credits for relocation and employment assistance and making available relocation assistance credits per employees (Part X); to amend the tax law, in relation to extending the clean heating fuel credit for three years (Part Y); to amend the tax law, in relation to extending the alternative fuels and electric vehicle recharging property credit for three years (Part Z); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part AA); to amend the labor law, in relation to extending the workers with disabilities tax credit (Part BB); to amend the tax law, in relation to extending the hire a vet credit (Part CC); to amend chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, in relation to the effectiveness thereof (Part DD); to amend part U of chapter 59 of the laws of 2017, amending the tax law, relating to the financial institution data match system for state tax collection purposes, in relation to extending the effectiveness thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to simplifying the pari-mutuel tax rate system; and to repeal section 908 of the racing, pari-mutuel wagering and breeding law relating thereto (Subpart A); and 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, in relation to the effectiveness thereof; and 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 the effectiveness thereof (Subpart B) (Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to the tax on gaming revenues in certain regions; to amend part 000 of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law relating to the tax on gaming revenues, in relation to the effectiveness thereof; and providing for the repeal of such provisions of the racing, pari-mutuel wagering and breeding law relating thereto (Part GG); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital off-track betting corporations' capital acquisition funds (Part HH); and to amend the racing, pari-mutuel wagering and breeding law, in relation to enhancing the health and safety of thoroughbred horses; and providing for the repeal of such provisions upon expiration thereof (Part II)

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

1 Section 1. This act enacts into law major components of legislation  
2 which are necessary to implement the state fiscal plan for the 2025-2026  
3 state fiscal year. Each component is wholly contained within a Part  
4 identified as Parts A through II. The effective date for each particular  
5 provision contained within such Part is set forth in the last section of  
6 such Part. Any provision in any section contained within a Part,  
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. Section 606 of the tax law is amended by adding a new  
14 subsection (qqq) to read as follows:

15 (qqq) Inflation refund credit. (1) A taxpayer who meets the eligibil-  
16 ity standards in paragraph two of this subsection shall be allowed a  
17 credit against the taxes imposed by this article in the amount specified  
18 in paragraph three of this subsection for tax year two thousand twenty-  
19 five.

20 (2) To be eligible for the credit, the taxpayer (or taxpayers filing  
21 joint returns) (a) must have been a full-year resident in the state of  
22 New York in tax year two thousand twenty-three, and (b) (i) must have  
23 had New York adjusted gross income of three hundred thousand dollars or  
24 less in tax year two thousand twenty-three if they filed a New York  
25 state resident income tax return as married taxpayers filing jointly or  
26 a qualified surviving spouse, or (ii) must have had New York adjusted  
27 gross income of one hundred fifty thousand dollars or less in tax year  
28 two thousand twenty-three if they filed a New York state resident income  
29 tax return as a single taxpayer, married taxpayer filing a separate  
30 return, or head of household.

31 (3) Amount of credit. (a) For taxpayers who meet the eligibility stan-  
32 dards in paragraph two who filed a New York state resident income tax  
33 return as married taxpayers filing jointly or a qualified surviving

1 spouse, the credit amount shall be five hundred dollars, and (b) for  
 2 taxpayers who meet the eligibility standards in paragraph two who filed  
 3 a New York state resident income tax return as a single taxpayer,  
 4 married taxpayer filing a separate return, or head of household, the  
 5 credit amount shall be three hundred dollars.

6 (4) The amount of the credit shall be treated as an overpayment of tax  
 7 to be credited or refunded in accordance with the provisions of section  
 8 six hundred eighty-six of this article, provided, however, that no  
 9 interest shall be paid thereon. The commissioner shall determine the  
 10 taxpayer's eligibility for this credit utilizing the information avail-  
 11 able to the commissioner on the taxpayer's personal income tax return  
 12 filed for tax year two thousand twenty-three. For those taxpayers whom  
 13 the commissioner has determined eligible for this credit, the commis-  
 14 sioner shall advance a payment in the amount specified in paragraph  
 15 three of this subsection. A taxpayer who failed to receive an advance  
 16 payment that they believe was due, or who received an advance payment  
 17 that they believe is less than the amount that was due, may request  
 18 payment of the claimed deficiency in a manner prescribed by the commis-  
 19 sioner.

20 § 2. Notwithstanding any provision of law to the contrary, any credit  
 21 paid pursuant to this act, to the extent includible in gross income for  
 22 federal income tax purposes, shall not be subject to state or local  
 23 income tax.

24 § 3. This act shall take effect immediately.

25 PART B

26 Section 1. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1  
 27 of subsection (a) of section 601 of the tax law, as amended by section 1  
 28 of subpart A of part A of chapter 59 of the laws of 2022, are amended to  
 29 read as follows:

30 (vi) For taxable years beginning in two thousand twenty-three and  
 31 before two thousand [twenty-eight] twenty-five the following rates shall  
 32 apply:

33 If the New York taxable income is:	The tax is:
34 Not over \$17,150	4% of the New York taxable income
35 Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
36	\$17,150
37 Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
38	\$23,600
39 Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
40	\$27,900
41 Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
42	\$161,550
43 Over \$323,200 but not over	\$18,252 plus 6.85% of excess over
44 \$2,155,350	\$323,200
45 Over \$2,155,350 but not over	\$143,754 plus 9.65% of excess over
46 \$5,000,000	\$2,155,350
47 Over \$5,000,000 but not over	\$418,263 plus 10.30% of excess over
48 \$25,000,000	\$5,000,000
49 Over \$25,000,000	\$2,478,263 plus 10.90% of excess over
50	\$25,000,000

51 (vii) For taxable years beginning after two thousand [twenty-seven]  
 52 twenty-four and before two thousand twenty-six the following rates shall  
 53 apply:

1	[If the New York taxable income is:	The tax is:
2	Not over \$17,150	4% of the New York taxable income
3	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
4		\$17,150
5	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
6		\$23,600
7	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
8		\$27,900
9	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess
10		over \$161,550
11	Over \$323,200 but not over	\$18,252 plus 6.85% of excess
12	\$2,155,350	over \$323,200
13	Over \$2,155,350	\$143,754 plus 8.82% of excess
14		over \$2,155,350]
15	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
16	<u>Not over \$17,150</u>	<u>3.90% of the New York taxable</u>
17		<u>income</u>
18	<u>Over \$17,150 but not over \$23,600</u>	<u>\$669 plus 4.40% of excess over</u>
19		<u>\$17,150</u>
20	<u>Over \$23,600 but not over \$27,900</u>	<u>\$953 plus 5.15% of excess over</u>
21		<u>\$23,600</u>
22	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,174 plus 5.40% of excess over</u>
23		<u>\$27,900</u>
24	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,391 plus 5.90% of excess over</u>
25		<u>\$161,550</u>
26	<u>Over \$323,200 but not over</u>	<u>\$17,928 plus 6.85% of excess</u>
27	<u>\$2,155,350</u>	<u>over \$323,200</u>
28	<u>Over \$2,155,350 but not over</u>	<u>\$143,430 plus 9.65% of excess</u>
29	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
30	<u>Over \$5,000,000 but not over</u>	<u>\$417,939 plus 10.30% of excess</u>
31	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
32	<u>Over \$25,000,000</u>	<u>\$2,477,939 plus 10.90% of excess</u>
33		<u>over \$25,000,000</u>

34 § 2. Subparagraph (B) of paragraph 1 of subsection (a) of section 601  
 35 of the tax law is amended by adding two new clauses (viii) and (ix) to  
 36 read as follows:

37 (viii) For taxable years beginning after two thousand twenty-five and  
 38 before two thousand thirty-three the following rates shall apply:

39	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
40	<u>Not over \$17,150</u>	<u>3.80% of the New York taxable</u>
41		<u>income</u>
42	<u>Over \$17,150 but not over \$23,600</u>	<u>\$652 plus 4.30% of excess over</u>
43		<u>\$17,150</u>
44	<u>Over \$23,600 but not over \$27,900</u>	<u>\$929 plus 5.05% of excess over</u>
45		<u>\$23,600</u>
46	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,146 plus 5.30% of excess over</u>
47		<u>\$27,900</u>
48	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,229 plus 5.80% of excess</u>
49		<u>over \$161,550</u>
50	<u>Over \$323,200 but not over</u>	<u>\$17,605 plus 6.85% of excess</u>
51	<u>\$2,155,350</u>	<u>over \$323,200</u>
52	<u>Over \$2,155,350 but not over</u>	<u>\$143,107 plus 9.65% of excess</u>
53	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
54	<u>Over \$5,000,000 but not over</u>	<u>\$417,616 plus 10.30% of excess</u>



1	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
2	<u>Over \$25,000,000</u>	<u>\$2,477,616 plus 10.90% of excess</u>
3		<u>over \$25,000,000</u>

4 (ix) For taxable years beginning after two thousand thirty-two the  
5 following rates shall apply:

6	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
7	<u>Not over \$17,150</u>	<u>3.80% of the New York taxable</u>
8		<u>income</u>
9	<u>Over \$17,150 but not over \$23,600</u>	<u>\$652 plus 4.30% of excess over</u>
10		<u>\$17,150</u>
11	<u>Over \$23,600 but not over \$27,900</u>	<u>\$929 plus 5.05% of excess over</u>
12		<u>\$23,600</u>
13	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,146 plus 5.30% of excess over</u>
14		<u>\$27,900</u>
15	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,229 plus 5.80% of excess</u>
16		<u>over \$161,550</u>
17	<u>Over \$323,200 but not over</u>	<u>\$17,605 plus 6.85% of excess</u>
18	<u>\$2,155,350</u>	<u>over \$323,200</u>
19	<u>Over \$2,155,350</u>	<u>\$143,107 plus 8.82% of excess</u>
20		<u>over \$2,155,350</u>

21 § 3. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of  
22 subsection (b) of section 601 of the tax law, as amended by section 2 of  
23 subpart A of part A of chapter 59 of the laws of 2022, are amended to  
24 read as follows:

25 (vi) For taxable years beginning in two thousand twenty-three and  
26 before two thousand [twenty-eight] twenty-five the following rates shall  
27 apply:

28	If the New York taxable income is:	The tax is:
29	Not over \$12,800	4% of the New York taxable income
30	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
31		\$12,800
32	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
33		\$17,650
34	Over \$20,900 but not over \$107,650	\$901 plus 5.5% of excess over
35		\$20,900
36	Over \$107,650 but not over \$269,300	\$5,672 plus 6.00% of excess over
37		\$107,650
38	Over \$269,300 but not over	\$15,371 plus 6.85% of excess over
39	\$1,616,450	\$269,300
40	Over \$1,616,450 but not over	\$107,651 plus 9.65% of excess over
41	\$5,000,000	\$1,616,450
42	Over \$5,000,000 but not over	\$434,163 plus 10.30% of excess over
43	\$25,000,000	\$5,000,000
44	Over \$25,000,000	\$2,494,163 plus 10.90% of excess over
45		\$25,000,000

46 (vii) For taxable years beginning after two thousand [twenty-seven]  
47 twenty-four and before two thousand twenty-six the following rates shall  
48 apply:

49	[If the New York taxable income is:	The tax is:
50	Not over \$12,800	4% of the New York taxable income
51	Over \$12,800 but not over	\$512 plus 4.5% of excess over
52	\$17,650	\$12,800
53	Over \$17,650 but not over	\$730 plus 5.25% of excess over

1	\$20,900	\$17,650
2	Over \$20,900 but not over	\$901 plus 5.5% of excess over
3	\$107,650	\$20,900
4	Over \$107,650 but not over	\$5,672 plus 6.00% of excess
5	\$269,300	over \$107,650
6	Over \$269,300 but not over	\$15,371 plus 6.85% of excess
7	\$1,616,450	over \$269,300
8	Over \$1,616,450	\$107,651 plus 8.82% of excess
9		over \$1,616,450]

10	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
11	<u>Not over \$12,800</u>	<u>3.90% of the New York taxable</u>
12		<u>income</u>
13	<u>Over \$12,800 but not over</u>	<u>\$499 plus 4.40% of excess over</u>
14	<u>\$17,650</u>	<u>\$12,800</u>
15	<u>Over \$17,650 but not over</u>	<u>\$712 plus 5.15% of excess over</u>
16	<u>\$20,900</u>	<u>\$17,650</u>
17	<u>Over \$20,900 but not over</u>	<u>\$879 plus 5.40% of excess over</u>
18	<u>\$107,650</u>	<u>\$20,900</u>
19	<u>Over \$107,650 but not over</u>	<u>\$5,564 plus 5.90% of excess</u>
20	<u>\$269,300</u>	<u>over \$107,650</u>
21	<u>Over \$269,300 but not over</u>	<u>\$15,101 plus 6.85% of excess</u>
22	<u>\$1,616,450</u>	<u>over \$269,300</u>
23	<u>Over \$1,616,450 but not over</u>	<u>\$107,381 plus 9.65% of excess</u>
24	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
25	<u>Over \$5,000,000 but not over</u>	<u>\$433,894 plus 10.30% of excess</u>
26	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
27	<u>Over \$25,000,000</u>	<u>\$2,493,894 plus 10.90% of excess</u>
28		<u>over \$25,000,000</u>

29 § 4. Subparagraph (B) of paragraph 1 of subsection (b) of section 601  
30 of the tax law is amended by adding two new clauses (viii) and (ix) to  
31 read as follows:

32 (viii) For taxable years beginning after two thousand twenty-five and  
33 before two thousand thirty-three the following rates shall apply:

34	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
35	<u>Not over \$12,800</u>	<u>3.80% of the New York taxable</u>
36		<u>income</u>
37	<u>Over \$12,800 but not over</u>	<u>\$486 plus 4.30% of excess over</u>
38	<u>\$17,650</u>	<u>\$12,800</u>
39	<u>Over \$17,650 but not over</u>	<u>\$695 plus 5.05% of excess over</u>
40	<u>\$20,900</u>	<u>\$17,650</u>
41	<u>Over \$20,900 but not over</u>	<u>\$859 plus 5.30% of excess over</u>
42	<u>\$107,650</u>	<u>\$20,900</u>
43	<u>Over \$107,650 but not over</u>	<u>\$5,457 plus 5.80% of excess</u>
44	<u>\$269,300</u>	<u>over \$107,650</u>
45	<u>Over \$269,300 but not over</u>	<u>\$14,833 plus 6.85% of excess</u>
46	<u>\$1,616,450</u>	<u>over \$269,300</u>
47	<u>Over \$1,616,450 but not over</u>	<u>\$107,113 plus 9.65% of excess</u>
48	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
49	<u>Over \$5,000,000 but not over</u>	<u>\$433,626 plus 10.30% of excess</u>
50	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
51	<u>Over \$25,000,000</u>	<u>\$2,493,626 plus 10.90% of excess</u>
52		<u>over \$25,000,000</u>

1 (ix) For taxable years beginning after two thousand thirty-two the  
2 following rates shall apply:

3	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
4	<u>Not over \$12,800</u>	<u>3.80% of the New York taxable</u>
5		<u>income</u>
6	<u>Over \$12,800 but not over</u>	<u>\$486 plus 4.30% of excess over</u>
7	<u>\$17,650</u>	<u>\$12,800</u>
8	<u>Over \$17,650 but not over</u>	<u>\$695 plus 5.05% of excess over</u>
9	<u>\$20,900</u>	<u>\$17,650</u>
10	<u>Over \$20,900 but not over</u>	<u>\$859 plus 5.30% of excess over</u>
11	<u>\$107,650</u>	<u>\$20,900</u>
12	<u>Over \$107,650 but not over</u>	<u>\$5,457 plus 5.80% of excess</u>
13	<u>\$269,300</u>	<u>over \$107,650</u>
14	<u>Over \$269,300 but not over</u>	<u>\$14,833 plus 6.85% of excess</u>
15	<u>\$1,616,450</u>	<u>over \$269,300</u>
16	<u>Over \$1,616,450</u>	<u>\$107,113 plus 8.82% of excess</u>
17		<u>over \$1,616,450</u>

18 § 5. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of  
19 subsection (c) of section 601 of the tax law, as amended by section 3 of  
20 subpart A of part A of chapter 59 of the laws of 2022, are amended to  
21 read as follows:

22 (vi) For taxable years beginning in two thousand twenty-three and  
23 before two thousand [twenty-eight] twenty-five the following rates shall  
24 apply:

25	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
26	<u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
27	<u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
28		<u>\$8,500</u>
29	<u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
30		<u>\$11,700</u>
31	<u>Over \$13,900 but not over \$80,650</u>	<u>\$600 plus 5.50% of excess over</u>
32		<u>\$13,900</u>
33	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,271 plus 6.00% of excess over</u>
34		<u>\$80,650</u>
35	<u>Over \$215,400 but not over</u>	<u>\$12,356 plus 6.85% of excess over</u>
36	<u>\$1,077,550</u>	<u>\$215,400</u>
37	<u>Over \$1,077,550 but not over</u>	<u>\$71,413 plus 9.65% of excess over</u>
38	<u>\$5,000,000</u>	<u>\$1,077,550</u>
39	<u>Over \$5,000,000 but not over</u>	<u>\$449,929 plus 10.30% of excess over</u>
40	<u>\$25,000,000</u>	<u>\$5,000,000</u>
41	<u>Over \$25,000,000</u>	<u>\$2,509,929 plus 10.90% of excess over</u>
42		<u>\$25,000,000</u>

43 (vii) For taxable years beginning after two thousand [twenty-seven]  
44 twenty-four and before two thousand twenty-six the following rates shall  
45 apply:

46	<u>[If the New York taxable income is:</u>	<u>The tax is:</u>
47	<u>Not over \$8,500</u>	<u>4% of the New York taxable income</u>
48	<u>Over \$8,500 but not over \$11,700</u>	<u>\$340 plus 4.5% of excess over</u>
49		<u>\$8,500</u>
50	<u>Over \$11,700 but not over \$13,900</u>	<u>\$484 plus 5.25% of excess over</u>
51		<u>\$11,700</u>
52	<u>Over \$13,900 but not over \$80,650</u>	<u>\$600 plus 5.50% of excess over</u>
53		<u>\$13,900</u>
54	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,271 plus 6.00% of excess</u>



1		over \$80,650
2	Over \$215,400 but not over	\$12,356 plus 6.85% of excess
3	\$1,077,550	over \$215,400
4	Over \$1,077,550	\$71,413 plus 8.82% of excess
5		over \$1,077,550]
6	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
7	<u>Not over \$8,500</u>	<u>3.90% of the New York taxable income</u>
8	<u>Over \$8,500 but not over \$11,700</u>	<u>\$332 plus 4.40% of excess over</u>
9		<u>\$8,500</u>
10	<u>Over \$11,700 but not over \$13,900</u>	<u>\$473 plus 5.15% of excess over</u>
11		<u>\$11,700</u>
12	<u>Over \$13,900 but not over \$80,650</u>	<u>\$586 plus 5.40% of excess over</u>
13		<u>\$13,900</u>
14	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,191 plus 5.90% of excess</u>
15		<u>over \$80,650</u>
16	<u>Over \$215,400 but not over</u>	<u>\$12,141 plus 6.85% of excess</u>
17	<u>\$1,077,550</u>	<u>over \$215,400</u>
18	<u>Over \$1,077,550 but not over</u>	<u>\$71,198 plus 9.65% of excess</u>
19	<u>\$5,000,000</u>	<u>over \$1,077,550</u>
20	<u>Over \$5,000,000 but not over</u>	<u>\$449,714 plus 10.30% of excess</u>
21	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
22	<u>Over \$25,000,000</u>	<u>\$2,509,714 plus 10.90% of excess</u>
23		<u>over \$25,000,000</u>

24 § 6. Subparagraph (B) of paragraph 1 of subsection (c) of section 601  
 25 of the tax law is amended by adding two new clauses (viii) and (ix) to  
 26 read as follows:

27 (viii) For taxable years beginning after two thousand twenty-five and  
 28 before two thousand thirty-three the following rates shall apply:

29	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
30	<u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
31	<u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
32		<u>\$8,500</u>
33	<u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>
34		<u>\$11,700</u>
35	<u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>
36		<u>\$13,900</u>
37	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
38		<u>over \$80,650</u>
39	<u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>
40	<u>\$1,077,550</u>	<u>over \$215,400</u>
41	<u>Over \$1,077,550 but not over</u>	<u>\$70,983 plus 9.65% of excess</u>
42	<u>\$5,000,000</u>	<u>over \$1,077,550</u>
43	<u>Over \$5,000,000 but not over</u>	<u>\$449,499 plus 10.30% of excess</u>
44	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
45	<u>Over \$25,000,000</u>	<u>\$2,509,499 plus 10.90% of excess</u>
46		<u>over \$25,000,000</u>

47 (ix) For taxable years beginning after two thousand thirty-two the  
 48 following rates shall apply:

49	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
50	<u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
51	<u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
52		<u>\$8,500</u>
53	<u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>
54		<u>\$11,700</u>
55	<u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>

1		<u>\$13,900</u>
2	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
3		<u>over \$80,650</u>
4	<u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>
5	<u>\$1,077,550</u>	<u>over \$215,400</u>
6	<u>Over \$1,077,550</u>	<u>\$70,983 plus 8.82% of excess</u>
7		<u>over \$1,077,550</u>

8 § 7. The opening paragraph of subsection (d-4) of section 601 of the  
 9 tax law, as added by section 3 of subpart B of part A of chapter 59 of  
 10 the laws of 2022, is amended to read as follows:

11 Alternative tax table benefit recapture. Notwithstanding the  
 12 provisions of subsection (d), (d-1), (d-2) or (d-3) of this section, for  
 13 taxable years beginning on or after two thousand twenty-three and before  
 14 two thousand [twenty-eight] twenty-five, there is hereby imposed a  
 15 supplemental tax in addition to the tax imposed under subsections (a),  
 16 (b) and (c) of this section for the purpose of recapturing the benefit  
 17 of the tax tables contained in such subsections. During these taxable  
 18 years, any reference in this chapter to subsection (d), (d-1), (d-2) or  
 19 (d-3) of this section shall be read as a reference to this subsection.

20 § 8. Section 601 of the tax law is amended by adding three new  
 21 subsections (d-5), (d-6) and (d-7) to read as follows:

22 (d-5) Alternative tax table benefit recapture. Notwithstanding the  
 23 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-6) or (d-7)  
 24 of this section, for taxable years beginning on or after two thousand  
 25 twenty-five and before two thousand twenty-six, there is hereby imposed  
 26 a supplemental tax in addition to the tax imposed under subsections (a),  
 27 (b) and (c) of this section for the purpose of recapturing the benefit  
 28 of the tax tables contained in such subsections. During these taxable  
 29 years, any reference in this chapter to subsection (d), (d-1), (d-2),  
 30 (d-3), (d-4), (d-6) or (d-7) of this section shall be read as a refer-  
 31 ence to this subsection.

32 (1) For resident married individuals filing joint returns and resident  
 33 surviving spouses:

34 (A) If New York adjusted gross income is greater than \$107,650, but  
 35 not over \$25,000,000:

36 (i) the recapture base and incremental benefit shall be determined by  
 37 New York taxable income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
38 <u>\$27,900</u>	39 <u>\$161,550</u>	40 <u>\$0</u>	41 <u>\$333</u>
42 <u>\$161,550</u>	43 <u>\$323,200</u>	44 <u>\$333</u>	45 <u>\$807</u>
46 <u>\$323,200</u>	47 <u>\$2,155,350</u>	48 <u>\$1,140</u>	49 <u>\$3,071</u>
50 <u>\$2,155,350</u>	51 <u>\$5,000,000</u>	52 <u>\$4,211</u>	53 <u>\$60,350</u>
54 <u>\$5,000,000</u>		55 <u>\$64,561</u>	56 <u>\$32,500</u>

57 (ii) the applicable amount shall be determined by New York taxable  
 58 income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
59 <u>\$27,900</u>	60 <u>\$161,550</u>	61 <u>New York adjusted gross income minus \$107,650</u>
62 <u>\$161,550</u>	63 <u>\$323,200</u>	64 <u>New York adjusted gross income minus \$161,550</u>
65 <u>\$323,200</u>	66 <u>\$2,155,350</u>	67 <u>New York adjusted gross income minus \$323,200</u>
68 <u>\$2,155,350</u>	69 <u>\$5,000,000</u>	70 <u>New York adjusted gross income minus \$2,155,350</u>
71 <u>\$5,000,000</u>	72 <u>\$25,000,000</u>	73 <u>New York adjusted gross income minus \$5,000,000</u>

74 (iii) the phase-in fraction shall be a fraction, the numerator of  
 75 which shall be the lesser of fifty thousand dollars or the applicable  
 76 amount and the denominator of which shall be fifty thousand dollars; and

1 (iv) the supplemental tax due shall equal the sum of the recapture  
 2 base and the product of (i) the incremental benefit and (ii) the phase-  
 3 in fraction. Provided, however, that if the New York taxable income of  
 4 the taxpayer is less than twenty-seven thousand nine hundred dollars,  
 5 the supplemental tax shall equal the difference between the product of  
 6 5.40 percent and New York taxable income and the tax table computation  
 7 on the New York taxable income set forth in paragraph one of subsection  
 8 (a) of this section, multiplied by a fraction, the numerator of which is  
 9 the lesser of fifty thousand dollars or New York adjusted gross income  
 10 minus one hundred seven thousand six hundred fifty dollars, and the  
 11 denominator of which is fifty thousand dollars.

12 (B) If New York adjusted gross income is greater than twenty-five  
 13 million dollars, the supplemental tax due shall equal the difference  
 14 between the product of 10.90 percent and New York taxable income and the  
 15 tax table computation on the New York taxable income set forth in para-  
 16 graph one of subsection (a) of this section.

17 (2) For resident heads of households:

18 (A) If New York adjusted gross income is greater than \$107,650, but  
 19 not over \$25,000,000:

20 (i) the recapture base and incremental benefit shall be determined by  
 21 New York taxable income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$107,650</u>	<u>\$269,300</u>	<u>\$0</u>	<u>\$787</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>\$787</u>	<u>\$2,559</u>
<u>\$1,616,450</u>	<u>\$5,000,000</u>	<u>\$3,346</u>	<u>\$45,260</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$48,606</u>	<u>\$32,500</u>

27 (ii) the applicable amount shall be determined by New York taxable  
 28 income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
<u>\$107,650</u>	<u>\$269,300</u>	<u>New York adjusted gross income minus \$107,650</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>New York adjusted gross income minus \$269,300</u>
<u>\$1,616,450</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income minus \$1,616,450</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus \$5,000,000</u>

34 (iii) the phase-in fraction shall be a fraction, the numerator of  
 35 which shall be the lesser of fifty thousand dollars or the applicable  
 36 amount and the denominator of which shall be fifty thousand dollars; and

37 (iv) the supplemental tax due shall equal the sum of the recapture  
 38 base and the product of (i) the incremental benefit and (ii) the phase-  
 39 in fraction. Provided, however, that if the New York taxable income of  
 40 the taxpayer is less than one hundred seven thousand six hundred fifty  
 41 dollars, the supplemental tax shall equal the difference between the  
 42 product of 5.90 percent and New York taxable income and the tax table  
 43 computation on the New York taxable income set forth in paragraph one of  
 44 subsection (b) of this section, multiplied by a fraction, the numerator  
 45 of which is the lesser of fifty thousand dollars or New York adjusted  
 46 gross income minus one hundred seven thousand six hundred fifty dollars,  
 47 and the denominator of which is fifty thousand dollars.

48 (B) If New York adjusted gross income is greater than twenty-five  
 49 million dollars, the supplemental tax due shall equal the difference  
 50 between the product of 10.90 percent and New York taxable income and the  
 51 tax table computation on the New York taxable income set forth in para-  
 52 graph one of subsection (b) of this section.

53 (3) For resident unmarried individuals, resident married individuals  
 54 filing separate returns and resident estates and trusts:

55 (A) If New York adjusted gross income is greater than \$107,650, but  
 56 not over \$25,000,000:

1 (i) the recapture base and incremental benefit shall be determined by  
2 New York taxable income as follows:

3 Greater than	Not over	Recapture Base	Incremental Benefit
4 \$80,650	\$215,400	\$0	\$567
5 \$215,400	\$1,077,550	\$567	\$2,047
6 \$1,077,550	\$5,000,000	\$2,614	\$30,172
7 \$5,000,000	\$25,000,000	\$32,786	\$32,500

8 (ii) the applicable amount shall be determined by New York taxable  
9 income as follows:

10 Greater than	Not over	Applicable Amount
11 \$80,650	\$215,400	New York adjusted gross income minus \$107,650
12 \$215,400	\$1,077,550	New York adjusted gross income minus \$215,400
13 \$1,077,550	\$5,000,000	New York adjusted gross income minus \$1,077,550
14 \$5,000,000	\$25,000,000	New York adjusted gross income minus \$5,000,000

15 (iii) the phase-in fraction shall be a fraction, the numerator of  
16 which shall be the lesser of fifty thousand dollars or the applicable  
17 amount and the denominator of which shall be fifty thousand dollars; and

18 (iv) the supplemental tax due shall equal the sum of the recapture  
19 base and the product of (i) the incremental benefit and (ii) the phase-  
20 in fraction. Provided, however, that if the New York taxable income of  
21 the taxpayer is less than eighty thousand six hundred fifty dollars, the  
22 supplemental tax shall equal the difference between the product of 5.90  
23 percent and New York taxable income and the tax table computation on the  
24 New York taxable income set forth in paragraph one of subsection (c) of  
25 this section, multiplied by a fraction, the numerator of which is the  
26 lesser of fifty thousand dollars or New York adjusted gross income minus  
27 one hundred seven thousand six hundred fifty dollars, and the denomina-  
28 tor of which is fifty thousand dollars.

29 (B) If New York adjusted gross income is greater than twenty-five  
30 million dollars, the supplemental tax due shall equal the difference  
31 between the product of 10.90 percent and New York taxable income and the  
32 tax table computation on the New York taxable income set forth in para-  
33 graph one of subsection (c) of this section.

34 (d-6) Alternative tax table benefit recapture. Notwithstanding the  
35 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-7)  
36 of this section, for taxable years beginning on or after two thousand  
37 twenty-six and before two thousand thirty-three, there is hereby imposed  
38 a supplemental tax in addition to the tax imposed under subsections (a),  
39 (b) and (c) of this section for the purpose of recapturing the benefit  
40 of the tax tables contained in such subsections. During these taxable  
41 years, any reference in this chapter to subsection (d), (d-1), (d-2),  
42 (d-3), (d-4), (d-5) or (d-7) of this section shall be read as a refer-  
43 ence to this subsection.

44 (1) For resident married individuals filing joint returns and resident  
45 surviving spouses:

46 (A) If New York adjusted gross income is greater than \$107,650, but  
47 not over \$25,000,000:

48 (i) the recapture base and incremental benefit shall be determined by  
49 New York taxable income as follows:

50 Greater than	Not over	Recapture Base	Incremental Benefit
51 \$27,900	\$161,550	\$0	\$333
52 \$161,550	\$323,200	\$333	\$808
53 \$323,200	\$2,155,350	\$1,141	\$3,393
54 \$2,155,350	\$5,000,000	\$4,534	\$60,350
55 \$5,000,000	\$25,000,000	\$64,884	\$32,500



1 (ii) the applicable amount shall be determined by New York taxable  
2 income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
\$27,900	\$161,550	New York adjusted gross income minus \$107,650
\$161,550	\$323,200	New York adjusted gross income minus \$161,550
\$323,200	\$2,155,350	New York adjusted gross income minus \$323,200
\$2,155,350	\$5,000,000	New York adjusted gross income minus \$2,155,350
\$5,000,000	\$25,000,000	New York adjusted gross income minus \$5,000,000

14 (iii) the phase-in fraction shall be a fraction, the numerator of  
15 which shall be the lesser of fifty thousand dollars or the applicable  
16 amount and the denominator of which shall be fifty thousand dollars; and

17 (iv) the supplemental tax due shall equal the sum of the recapture  
18 base and the product of (i) the incremental benefit and (ii) the phase-  
19 in fraction. Provided, however, that if the New York taxable income of  
20 the taxpayer is less than twenty-seven thousand nine hundred dollars,  
21 the supplemental tax shall equal the difference between the product of  
22 5.30 percent and New York taxable income and the tax table computation  
23 on the New York taxable income set forth in paragraph one of subsection  
24 (a) of this section, multiplied by a fraction, the numerator of which  
25 is the lesser of fifty thousand dollars or New York adjusted gross  
26 income minus one hundred seven thousand six hundred fifty dollars, and  
27 the denominator of which is fifty thousand dollars.

28 (B) If New York adjusted gross income is greater than twenty-five  
29 million dollars, the supplemental tax due shall equal the difference  
30 between the product of 10.90 percent and New York taxable income and the  
31 tax table computation on the New York taxable income set forth in para-  
32 graph one of subsection (a) of this section.

33 (2) For resident heads of households:

34 (A) If New York adjusted gross income is greater than \$107,650, but  
35 not over \$25,000,000:

36 (i) the recapture base and incremental benefit shall be determined by  
37 New York taxable income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
\$107,650	\$269,300	\$0	\$787
\$269,300	\$1,616,450	\$787	\$2,827
\$1,616,450	\$5,000,000	\$3,614	\$45,260
\$5,000,000	\$25,000,000	\$48,874	\$32,500

43 (ii) the applicable amount shall be determined by New York taxable  
44 income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
\$107,650	\$269,300	New York adjusted gross income minus \$107,650
\$269,300	\$1,616,450	New York adjusted gross income minus \$269,300
\$1,616,450	\$5,000,000	New York adjusted gross income minus \$1,616,450
\$5,000,000	\$25,000,000	New York adjusted gross income minus \$5,000,000

54 (iii) the phase-in fraction shall be a fraction, the numerator of  
55 which shall be the lesser of fifty thousand dollars or the applicable  
56 amount and the denominator of which shall be fifty thousand dollars; and

1 (iv) the supplemental tax due shall equal the sum of the recapture  
 2 base and the product of (i) the incremental benefit and (ii) the phase-  
 3 in fraction. Provided, however, that if the New York taxable income of  
 4 the taxpayer is less than one hundred seven thousand six hundred fifty  
 5 dollars, the supplemental tax shall equal the difference between the  
 6 product of 5.80 percent and New York taxable income and the tax table  
 7 computation on the New York taxable income set forth in paragraph one of  
 8 subsection (b) of this section, multiplied by a fraction, the numerator  
 9 of which is the lesser of fifty thousand dollars or New York adjusted  
 10 gross income minus one hundred seven thousand six hundred fifty dollars,  
 11 and the denominator of which is fifty thousand dollars.

12 (B) If New York adjusted gross income is greater than twenty-five  
 13 million dollars, the supplemental tax due shall equal the difference  
 14 between the product of 10.90 percent and New York taxable income and the  
 15 tax table computation on the New York taxable income set forth in para-  
 16 graph one of subsection (b) of this section.

17 (3) For resident unmarried individuals, resident married individuals  
 18 filing separate returns and resident estates and trusts:

19 (A) If New York adjusted gross income is greater than \$107,650, but  
 20 not over \$25,000,000:

21 (i) the recapture base and incremental benefit shall be determined by  
 22 New York taxable income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$568</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$568</u>	<u>\$2,261</u>
<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>\$2,829</u>	<u>\$30,172</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$33,001</u>	<u>\$32,500</u>

28 (ii) the applicable amount shall be determined by New York taxable  
 29 income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
<u>\$80,650</u>	<u>\$215,400</u>	<u>New York adjusted gross income</u> <u>minus \$107,650</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>New York adjusted gross income</u> <u>minus \$215,400</u>
<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income</u> <u>minus \$1,077,550</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income</u> <u>minus \$5,000,000</u>

39 (iii) the phase-in fraction shall be a fraction, the numerator of  
 40 which shall be the lesser of fifty thousand dollars or the applicable  
 41 amount and the denominator of which shall be fifty thousand dollars; and

42 (iv) the supplemental tax due shall equal the sum of the recapture  
 43 base and the product of (i) the incremental benefit and (ii) the phase-  
 44 in fraction. Provided, however, that if the New York taxable income of  
 45 the taxpayer is less than eighty thousand six hundred fifty dollars, the  
 46 supplemental tax shall equal the difference between the product of 5.80  
 47 percent and New York taxable income and the tax table computation on the  
 48 New York taxable income set forth in paragraph one of subsection (c) of  
 49 this section, multiplied by a fraction, the numerator of which is the  
 50 lesser of fifty thousand dollars or New York adjusted gross income minus  
 51 one hundred seven thousand six hundred fifty dollars, and the denomina-  
 52 tor of which is fifty thousand dollars.

53 (B) If New York adjusted gross income is greater than twenty-five  
 54 million dollars, the supplemental tax due shall equal the difference  
 55 between the product of 10.90 percent and New York taxable income and the

1 tax table computation on the New York taxable income set forth in para-  
 2 graph one of subsection (c) of this section.

3 (d-7) Alternative tax table benefit recapture. Notwithstanding the  
 4 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6)  
 5 of this section, for taxable years beginning on or after two thousand  
 6 thirty-three, there is hereby imposed a supplemental tax in addition to  
 7 the tax imposed under subsections (a), (b) and (c) of this section for  
 8 the purpose of recapturing the benefit of the tax tables contained in  
 9 such subsections. During these taxable years, any reference in this  
 10 chapter to subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6) of  
 11 this section shall be read as a reference to this subsection.

12 (1) For resident married individuals filing joint returns and resident  
 13 surviving spouses:

14 (A) If New York adjusted gross income is greater than \$107,650:

15 (i) the recapture base and incremental benefit shall be determined by  
 16 New York taxable income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
17 <u>\$27,900</u>	<u>\$161,550</u>	<u>\$0</u>	<u>\$333</u>
18 <u>\$161,550</u>	<u>\$323,200</u>	<u>\$333</u>	<u>\$808</u>
19 <u>\$323,200</u>	<u>\$2,155,350</u>	<u>\$1,141</u>	<u>\$3,393</u>
20 <u>\$2,155,350</u>		<u>\$4,534</u>	<u>\$42,461</u>

21 (ii) the applicable amount shall be determined by New York taxable  
 22 income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
23 <u>\$27,900</u>	<u>\$161,550</u>	<u>New York adjusted gross income minus \$107,650</u>
24 <u>\$161,550</u>	<u>\$323,200</u>	<u>New York adjusted gross income minus \$161,550</u>
25 <u>\$323,200</u>	<u>\$2,155,350</u>	<u>New York adjusted gross income minus \$323,200</u>
26 <u>\$2,155,350</u>		<u>New York adjusted gross income minus \$2,155,350</u>

27 (iii) the phase-in fraction shall be a fraction, the numerator of  
 28 which shall be the lesser of fifty thousand dollars or the applicable  
 29 amount and the denominator of which shall be fifty thousand dollars; and

30 (iv) the supplemental tax due shall equal the sum of the recapture  
 31 base and the product of (i) the incremental benefit and (ii) the phase-  
 32 in fraction. Provided, however, that if the New York taxable income of  
 33 the taxpayer is less than twenty-seven thousand nine hundred dollars,  
 34 the supplemental tax shall equal the difference between the product of  
 35 5.30 percent and New York taxable income and the tax table computation  
 36 on the New York taxable income set forth in paragraph one of subsection  
 37 (a) of this section, multiplied by a fraction, the numerator of which is  
 38 the lesser of fifty thousand dollars or New York adjusted gross income  
 39 minus one hundred seven thousand six hundred fifty dollars, and the  
 40 denominator of which is fifty thousand dollars.

41 (2) For resident heads of households:

42 (A) If New York adjusted gross income is greater than \$107,650:

43 (i) the recapture base and incremental benefit shall be determined by  
 44 New York taxable income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
45 <u>\$107,650</u>	<u>\$269,300</u>	<u>\$0</u>	<u>\$787</u>
46 <u>\$269,300</u>	<u>\$1,616,450</u>	<u>\$787</u>	<u>\$2,827</u>
47 <u>\$1,616,450</u>		<u>\$3,614</u>	<u>\$31,844</u>

48 (ii) the applicable amount shall be determined by New York taxable  
 49 income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
50 <u>\$107,650</u>	<u>\$269,300</u>	<u>New York adjusted gross income minus \$107,650</u>
51 <u>\$269,300</u>	<u>\$1,616,450</u>	<u>New York adjusted gross income minus \$269,300</u>
52 <u>\$1,616,450</u>		<u>New York adjusted gross income minus \$1,616,450</u>

1 (iii) the phase-in fraction shall be a fraction, the numerator of  
2 which shall be the lesser of fifty thousand dollars or the applicable  
3 amount and the denominator of which shall be fifty thousand dollars; and

4 (iv) the supplemental tax due shall equal the sum of the recapture  
5 base and the product of (i) the incremental benefit and (ii) the phase-  
6 in fraction. Provided, however, that if the New York taxable income of  
7 the taxpayer is less than one hundred seven thousand six hundred fifty  
8 dollars, the supplemental tax shall equal the difference between the  
9 product of 5.80 percent and New York taxable income and the tax table  
10 computation on the New York taxable income set forth in paragraph one of  
11 subsection (b) of this section, multiplied by a fraction, the numerator  
12 of which is the lesser of fifty thousand dollars or New York adjusted  
13 gross income minus one hundred seven thousand six hundred fifty dollars,  
14 and the denominator of which is fifty thousand dollars.

15 (3) For resident unmarried individuals, resident married individuals  
16 filing separate returns and resident estates and trusts:

17 (A) If New York adjusted gross income is greater than \$107,650:

18 (i) the recapture base and incremental benefit shall be determined by  
19 New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
\$80,650	\$215,400	\$0	\$568
\$215,400	\$1,077,550	\$568	\$2,261
\$1,077,550		\$2,829	\$21,228

24 (ii) the applicable amount shall be determined by New York taxable  
25 income as follows:

Greater than	Not over	Applicable Amount
\$80,650	\$215,400	New York adjusted gross income minus \$107,650
\$215,400	\$1,077,550	New York adjusted gross income minus \$215,400
\$1,077,550		New York adjusted gross income minus \$1,077,550

30 (iii) the phase-in fraction shall be a fraction, the numerator of  
31 which shall be the lesser of fifty thousand dollars or the applicable  
32 amount and the denominator of which shall be fifty thousand dollars; and

33 (iv) the supplemental tax due shall equal the sum of the recapture  
34 base and the product of (i) the incremental benefit and (ii) the phase-  
35 in fraction. Provided, however, that if the New York taxable income of  
36 the taxpayer is less than eighty thousand six hundred fifty dollars, the  
37 supplemental tax shall equal the difference between the product of 5.80  
38 percent and New York taxable income and the tax table computation on the  
39 New York taxable income set forth in paragraph one of subsection (c) of  
40 this section, multiplied by a fraction, the numerator of which is the  
41 lesser of fifty thousand dollars or New York adjusted gross income minus  
42 one hundred seven thousand six hundred fifty dollars, and the denomina-  
43 tor of which is fifty thousand dollars.

44 § 9. This act shall take effect immediately.

45 PART C

46 Section 1. Paragraph 1 of subsection c-1 of section 606 of the tax  
47 law, as amended by section 1 of part HH of chapter 56 of the laws of  
48 2023, is amended to read as follows:

49 (1) [A] For taxable years beginning before January first, two thousand  
50 twenty-five, and taxable years beginning on or after January first, two  
51 thousand twenty-eight, a resident taxpayer shall be allowed a credit as  
52 provided herein equal to the greater of one hundred dollars times the  
53 number of qualifying children of the taxpayer or the applicable percent-  
54 age of the child tax credit allowed the taxpayer under section twenty-



1 four of the internal revenue code for the same taxable year for each  
2 qualifying child. Provided, however, in the case of a taxpayer whose  
3 federal adjusted gross income exceeds the applicable threshold amount  
4 set forth by section 24(b)(2) of the Internal Revenue Code, the credit  
5 shall only be equal to the applicable percentage of the child tax credit  
6 allowed the taxpayer under section 24 of the Internal Revenue Code for  
7 each qualifying child. For the purposes of this subsection, a qualifying  
8 child shall be a child who meets the definition of qualified child under  
9 section 24(c) of the internal revenue code. The applicable percentage  
10 shall be thirty-three percent. For purposes of this subsection, any  
11 reference to section 24 of the Internal Revenue Code shall be a refer-  
12 ence to such section as it existed immediately prior to the enactment of  
13 Public Law 115-97.

14 § 2. Subsection c-1 of section 606 of the tax law is amended by adding  
15 a new paragraph (1-a) to read as follows:

16 (1-a) (A) For taxable years beginning on and after January first, two  
17 thousand twenty-five, and before January first, two thousand twenty-six,  
18 a resident taxpayer shall be allowed a credit as provided herein, equal  
19 to the sum of:

20 (i) one thousand dollars times the number of qualifying children of  
21 the taxpayer aged three or younger, and

22 (ii) three hundred thirty dollars times the number of qualifying chil-  
23 dren of the taxpayer who have attained age four and not yet attained age  
24 seventeen.

25 (B) For taxable years beginning on and after January first, two thou-  
26 sand twenty-six, and before January first, two thousand twenty-eight, a  
27 resident taxpayer shall be allowed a credit as provided herein, equal to  
28 the sum of:

29 (i) one thousand dollars times the number of qualifying children of  
30 the taxpayer aged three or younger, and

31 (ii) five hundred dollars times the number of qualifying children of  
32 the taxpayer who have attained age four and not yet attained age seven-  
33 teen.

34 (C) The amount of the credit allowable under subparagraphs (A) and (B)  
35 of this paragraph shall be reduced (but not below zero) by sixteen  
36 dollars and fifty cents for each one thousand dollars by which the  
37 taxpayer's federal adjusted gross income exceeds the threshold amount.  
38 For the purposes of this subparagraph, the term "threshold amount" shall  
39 mean: (i) one hundred ten thousand dollars in the case of married  
40 taxpayers filing jointly; (ii) seventy-five thousand dollars in the case  
41 of a taxpayer filing as single, head of household, or qualified surviving  
42 spouse; and (iii) fifty-five thousand dollars in the case of a married  
43 taxpayer filing a separate return.

44 (D) For the purposes of this paragraph, a qualifying child shall be an  
45 individual who: (i) is a child, sibling, or stepsibling of the taxpayer,  
46 or a descendent of any such relative; (ii) has the same principal place  
47 of abode as the taxpayer for more than one-half of the taxable year;  
48 (iii) has not attained age seventeen; (iv) has not provided over one-  
49 half of such individual's own support for the calendar year in which the  
50 taxable year of the taxpayer begins; (v) has not filed a joint return  
51 (other than only for a claim of refund) with the individual's spouse  
52 under section six hundred fifty-one of this article for the taxable  
53 year; and (vi) is a citizen or national of the United States, or an  
54 individual with an individual taxpayer identification number issued by  
55 the internal revenue service.

1 (E) For the purposes of this paragraph, the term "child" shall mean an  
2 individual who is the offspring or stepchild of the taxpayer, or an  
3 eligible foster child of the taxpayer, or a legally adopted individual  
4 of the taxpayer, or an individual who is lawfully placed with the  
5 taxpayer for legal adoption by the taxpayer.

6 (F) (i) Except as provided in subparagraph (C) of this paragraph, if  
7 an individual may be claimed as a qualifying child by two or more  
8 taxpayers for a taxable year, such individual shall be treated as the  
9 qualifying child of the taxpayer who is: (I) a parent of the individual,  
10 or (II) if subclause (I) does not apply, the taxpayer with the highest  
11 federal adjusted gross income for such taxable year.

12 (ii) If the parents claiming any qualifying child do not file a joint  
13 return together, such child shall be treated as the qualifying child of:  
14 (I) the parent with whom the child resided for the longest period of  
15 time during the taxable year, or (II) if the child resides with both  
16 parents for the same amount of time during such taxable year, the parent  
17 with the highest federal adjusted gross income who files a return pursu-  
18 ant to section six hundred fifty-one of this article.

19 (iii) If the parents of an individual may claim such individual as a  
20 qualifying child but no parent so claims the individual, such individual  
21 may be claimed as the qualifying child of another taxpayer, but only if  
22 the federal adjusted gross income of such taxpayer is higher than the  
23 highest federal adjusted gross income of any parent of the individual,  
24 regardless of a requirement to file a return pursuant to section six  
25 hundred fifty-one of this article.

26 § 3. This act shall take effect immediately.

27 PART D

28 Section 1. Subdivision 3 of section 22 of the public housing law, as  
29 added by section 1 of part CC of chapter 63 of the laws of 2000, is  
30 amended to read as follows:

31 3. Amount of credit. Except as provided in subdivisions four and five  
32 of this section, the amount of low-income housing credit shall be the  
33 applicable percentage of the qualified basis of each eligible low-income  
34 building. Buildings financed by refunded bonds using the rules of  
35 section 146(i)(6) of the internal revenue code, shall be eligible for  
36 credit pursuant to the rules of section 42(b)(2) of the internal revenue  
37 code.

38 § 2. Subdivision 4 of section 22 of the public housing law, as amended  
39 by section 4 of part J of chapter 59 of the laws of 2022, is amended to  
40 read as follows:

41 4. Statewide limitation. The aggregate dollar amount of credit which  
42 the commissioner may allocate to eligible low-income buildings under  
43 this article shall be one hundred [seventy-two] eighty-seven million  
44 dollars. The limitation provided by this subdivision applies only to  
45 allocation of the aggregate dollar amount of credit by the commission-  
46 er[,] and does not apply to allowance to a taxpayer of the credit with  
47 respect to an eligible low-income building for each year of the credit  
48 period.

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

51 4. Statewide limitation. The aggregate dollar amount of credit which  
52 the commissioner may allocate to eligible low-income buildings under  
53 this article shall be [one] two hundred [eighty-seven] seventeen million  
54 dollars. The limitation provided by this subdivision applies only to

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

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

6 4. Statewide limitation. The aggregate dollar amount of credit which  
7 the commissioner may allocate to eligible low-income buildings under  
8 this article shall be two hundred [~~seventeen~~] forty-seven million  
9 dollars. The limitation provided by this subdivision applies only to  
10 allocation of the aggregate dollar amount of credit by the commissioner  
11 and does not apply to allowance to a taxpayer of the credit with respect  
12 to an eligible low-income building for each year of the credit period.

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

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

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

24 4. Statewide limitation. The aggregate dollar amount of credit which  
25 the commissioner may allocate to eligible low-income buildings under  
26 this article shall be [~~two~~] three hundred [~~seventy-seven~~] seven million  
27 dollars. The limitation provided by this subdivision applies only to  
28 allocation of the aggregate dollar amount of credit by the commissioner  
29 and does not apply to allowance to a taxpayer of the credit with respect  
30 to an eligible low-income building for each year of the credit period.

31 § 7. This act shall take effect immediately; provided, however,  
32 section two of this act shall take effect April 1, 2025; section three  
33 of this act shall take effect April 1, 2026; section four of this act  
34 shall take effect April 1, 2027; section five of this act shall take  
35 effect April 1, 2028; and section six of this act shall take effect  
36 April 1, 2029.

37

## PART E

38 Section 1. Subdivision 26 of section 210-B of the tax law, as added by  
39 section 17 of part A of chapter 59 of the laws of 2014, paragraphs (a)  
40 and (c) as amended by section 2 of part RR of chapter 59 of the laws of  
41 2018, subparagraph (i) of paragraph (a) as amended by section 2, subpar-  
42 agraph (ii) of paragraph (a) as amended by section 4 and paragraph (a-1)  
43 as amended by section 3 of subpart B of part I of chapter 59 of the laws  
44 of 2023, paragraph (e) as amended by section 1 of part U of chapter 59  
45 of the laws of 2019, paragraph (f) as added by section 2 of part CCC of  
46 chapter 59 of the laws of 2021, is amended to read as follows:

47 26. Credit for rehabilitation of historic properties. (a) Application  
48 of credit. (i) For taxable years beginning on or after January first,  
49 two thousand ten, and before January first, two thousand thirty, a  
50 taxpayer, or a transferee of such a taxpayer as described in paragraph  
51 (g) of this subdivision, shall be allowed a credit as hereinafter  
52 provided, against the tax imposed by this article, in an amount equal to  
53 one hundred percent of the amount of credit allowed the taxpayer for the  
54 same taxable year with respect to a certified historic structure, and

1 one hundred fifty percent of the amount of credit allowed the taxpayer  
2 with respect to a certified historic structure that is a small project,  
3 under internal revenue code section 47(c)(3), determined without regard  
4 to ratably allocating the credit over a five year period as required by  
5 subsection (a) of such section 47, with respect to a certified historic  
6 structure located within the state. Provided, however, the credit shall  
7 not exceed five million dollars.

8 (ii) For taxable years beginning on or after January first, two thou-  
9 sand thirty, a taxpayer, or a transferee of such a taxpayer as described  
10 in paragraph (g) of this subdivision, shall be allowed a credit as here-  
11 inafter provided, against the tax imposed by this article, in an amount  
12 equal to thirty percent of the amount of credit allowed the taxpayer for  
13 the same taxable year determined without regard to ratably allocating  
14 the credit over a five year period as required by subsection (a) of  
15 section 47 of the internal revenue code, with respect to a certified  
16 historic structure under subsection (c)(3) of section 47 of the internal  
17 revenue code with respect to a certified historic structure located  
18 within the state. Provided, however, the credit shall not exceed one  
19 hundred thousand dollars.

20 (a-1) If the taxpayer or transferee is a partner in a partnership or a  
21 shareholder in a New York S corporation, then the credit caps imposed in  
22 paragraph (a) of this subdivision shall be applied at the entity level,  
23 so that the aggregate credit allowed to all the partners or shareholders  
24 of each such entity in the taxable year does not exceed the credit cap  
25 that is applicable in that taxable year.

26 (b) Tax credits allowed pursuant to this subdivision shall be allowed  
27 in the taxable year that the qualified rehabilitation is placed in  
28 service under section 167 of the federal internal revenue code.

29 (c) If the taxpayer is allowed a credit pursuant to section 47 of the  
30 internal revenue code with respect to a qualified rehabilitation that is  
31 also the subject of the credit allowed by this subdivision and that  
32 credit pursuant to such section 47 is recaptured pursuant to subsection  
33 (a) of section 50 of the internal revenue code, a portion of the credit  
34 allowed under this subdivision must be added back by the taxpayer or  
35 transferee in the same taxable year and in the same proportion as the  
36 federal credit.

37 (d) The credit allowed under this subdivision for any taxable year  
38 shall not reduce the tax due for such year to less than the amount  
39 prescribed in paragraph (d) of subdivision one of section two hundred  
40 ten of this article. However, if the amount of the credit allowed under  
41 this subdivision for any taxable year reduces the tax to such amount or  
42 if the taxpayer otherwise pays tax based on the fixed dollar minimum  
43 amount, any amount of credit thus not deductible in such taxable year  
44 shall be treated as an overpayment of tax to be recredited or refunded  
45 in accordance with the provisions of section one thousand eighty-six of  
46 this chapter. Provided, however, the provisions of subsection (c) of  
47 section one thousand eighty-eight of this chapter notwithstanding, no  
48 interest shall be paid thereon.

49 (e) [Except in the case of a qualified rehabilitation project under-  
50 taken within a state park, state historic site, or other land owned by  
51 the state, that is under the jurisdiction of the office of parks, recre-  
52 ation and historic preservation, to] To be eligible for the credit  
53 allowable under this subdivision, the rehabilitation project shall be in  
54 whole or in part located within a census tract which is identified as  
55 being at or below one hundred percent of the state median family income  
56 as calculated as of April first of each year using the most recent five

1 year estimate from the American community survey published by the United  
2 States Census bureau. If there is a change in the most recent five year  
3 estimate, a census tract that qualified for eligibility under this  
4 program before information about the change was released will remain  
5 eligible for a credit under this subdivision for an additional two  
6 calendar years. The eligibility restrictions set forth in this paragraph  
7 shall not be applicable if:

8 (i) a qualified rehabilitation project is undertaken within a state  
9 park, state historic site, or other land owned by the state, that is  
10 under the jurisdiction of the office of parks, recreation and historic  
11 preservation; or

12 (ii) a qualified rehabilitation project is undertaken for the  
13 provision of affordable housing and the taxpayer has entered into a  
14 regulatory agreement with any state or federal agency or authority, or  
15 any other government entity that is authorized to engage in the financ-  
16 ing, construction or oversight of affordable housing within such enti-  
17 ty's jurisdiction, and where such regulatory agreement sets forth  
18 affordability requirements applicable for a period of not less than  
19 thirty years and that is binding on all successors of the taxpayer.

20 (f) For purposes of this subdivision "small project" means qualified  
21 rehabilitation expenditures totaling two million five hundred thousand  
22 dollars or less.

23 (g)(i) A taxpayer allowed a credit pursuant to this subdivision may  
24 transfer the credit, in whole or in part, to another person or entity,  
25 who shall be referred to as the transferee, without regard to how any  
26 tax credit authorized pursuant to section forty-seven of the internal  
27 revenue code with respect to a qualified rehabilitation project may be  
28 allocated and notwithstanding that such other person or entity owns no  
29 interest in the qualified rehabilitation project or in an entity with an  
30 ownership interest in the qualified rehabilitation project. A transferee  
31 may not transfer any credit, or portion thereof, acquired by transfer.

32 (ii) A taxpayer seeking to transfer a credit allowed pursuant to this  
33 subdivision must enter into a transfer contract with the transferee. The  
34 transfer contract must specify:

35 (A) the building identification numbers for all buildings in the  
36 project;

37 (B) the date each building was placed into service;

38 (C) the schedule of years for which the transfer credit may be claimed  
39 and the amount of credit previously claimed;

40 (D) the amount of consideration received by the taxpayer for the  
41 transfer credit; and

42 (E) the amount of credit being transferred.

43 (iii) No transfer shall be effective unless the taxpayer allowed a  
44 credit pursuant to this subdivision and seeking to transfer the credit  
45 files a transfer application with the commissioner of parks, recreation  
46 and historic preservation prior to the transfer and such transfer appli-  
47 cation is approved. The transfer application shall include the name and  
48 federal identification numbers of the taxpayer and each proposed trans-  
49 feree, the amount of credit proposed to be transferred to each proposed  
50 transferee, a copy of the transfer contract, and such other information  
51 as the commissioner or the commissioner of parks, recreation and histor-  
52 ic preservation may require. The commissioner of parks, recreation and  
53 historic preservation shall approve or deny each transfer application  
54 and, if an application is denied, shall issue a written determination to  
55 the taxpayer. If the transfer is approved, the commissioner of parks,  
56 recreation and historic preservation shall issue a transfer approval

1 certificate that provides the name of the transferor and all transfer-  
2 ees, the amount of credit being transferred and such other information  
3 as the commissioner of parks, recreation and historic preservation and  
4 the commissioner deem necessary. A copy of the transfer approval certif-  
5 icate must be attached to each transferee's tax return. The commissioner  
6 of parks, recreation and historic preservation, in consultation with the  
7 commissioner, may establish such other procedures and standards deemed  
8 necessary for the transferability of credits allowed under this subdivi-  
9 sion.

10 (iv) The commissioner of parks, recreation and historic preservation  
11 shall forward copies of all transfer applications and attachments there-  
12 to and approval certificates to the commissioner within thirty days  
13 after the transfer is approved.

14 (v) A taxpayer allowed a credit pursuant to section forty-seven of the  
15 internal revenue code with respect to a qualified rehabilitation that is  
16 also the subject of the credit allowed by this subdivision shall remain  
17 solely liable for all obligations and liabilities imposed on the taxpay-  
18 er with respect to the credit allowed by this subdivision, none of which  
19 shall apply to a party to whom the credit has been subsequently trans-  
20 ferred.

21 § 2. Subsection (oo) of section 606 of the tax law, as amended by  
22 chapter 239 of the laws of 2009, paragraph 1 as amended by chapter 472  
23 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by  
24 section 1 of subpart B of part I of chapter 59 of the laws of 2023,  
25 paragraph 3 as amended by section 1 of part RR of chapter 59 of the laws  
26 of 2018, paragraph 4 as amended by section 1 of part F of chapter 59 of  
27 the laws of 2013, paragraph 5 as amended by section 2 of part U of chap-  
28 ter 59 of the laws of 2019, paragraph 6 as added by section 1 of part  
29 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

30 (oo) Credit for rehabilitation of historic properties. (1) (A) For  
31 taxable years beginning on or after January first, two thousand ten and  
32 before January first, two thousand thirty, a taxpayer, or a transferee  
33 of such a taxpayer as described in paragraph seven of this subsection,  
34 shall be allowed a credit as hereinafter provided, against the tax  
35 imposed by this article, in an amount equal to one hundred percent of  
36 the amount of credit allowed the taxpayer with respect to a certified  
37 historic structure, and one hundred fifty percent of the amount of cred-  
38 it allowed the taxpayer with respect to a certified historic structure  
39 that is a small project, under internal revenue code section 47(c)(3),  
40 determined without regard to ratably allocating the credit over a five  
41 year period as required by subsection (a) of such section 47, with  
42 respect to a certified historic structure located within the state.  
43 Provided, however, the credit shall not exceed five million dollars. For  
44 taxable years beginning on or after January first, two thousand thirty,  
45 a taxpayer, or a transferee of such a taxpayer as described in paragraph  
46 seven of this subsection, shall be allowed a credit as hereinafter  
47 provided, against the tax imposed by this article, in an amount equal to  
48 thirty percent of the amount of credit allowed the taxpayer with respect  
49 to a certified historic structure under internal revenue code section  
50 47(c)(3), determined without regard to ratably allocating the credit  
51 over a five year period as required by subsection (a) of such section  
52 47, with respect to a certified historic structure located within the  
53 state; provided, however, the credit shall not exceed one hundred thou-  
54 sand dollars.

55 (B) If the taxpayer or transferee is a partner in a partnership or a  
56 shareholder of a New York S corporation, then the credit cap imposed in

1 subparagraph (A) of this paragraph shall be applied at the entity level,  
2 so that the aggregate credit allowed to all the partners or shareholders  
3 of each such entity in the taxable year does not exceed the credit cap  
4 that is applicable in that taxable year.

5 (2) Tax credits allowed pursuant to this subsection shall be allowed  
6 in the taxable year that the qualified rehabilitation is placed in  
7 service under section 167 of the federal internal revenue code.

8 (3) If the taxpayer is allowed a credit pursuant to section 47 of the  
9 internal revenue code with respect to a qualified rehabilitation that is  
10 also the subject of the credit allowed by this subsection and that cred-  
11 it pursuant to such section 47 is recaptured pursuant to subsection (a)  
12 of section 50 of the internal revenue code, a portion of the credit  
13 allowed under this subsection must be added back by the taxpayer or  
14 transferee in the same taxable year and in the same proportion as the  
15 federal recapture.

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

21 (5) [Except in the case of a qualified rehabilitation project under-  
22 taken within a state park, state historic site, or other land owned by  
23 the state, that is under the jurisdiction of the office of parks, recre-  
24 ation and historic preservation, to] To be eligible for the credit  
25 allowable under this subsection the rehabilitation project shall be in  
26 whole or in part located within a census tract which is identified as  
27 being at or below one hundred percent of the state median family income  
28 as calculated as of April first of each year using the most recent five  
29 year estimate from the American community survey published by the United  
30 States Census bureau. If there is a change in the most recent five year  
31 estimate, a census tract that qualified for eligibility under this  
32 program before information about the change was released will remain  
33 eligible for a credit under this subsection for an additional two calen-  
34 dar years. The eligibility restrictions set forth in this paragraph  
35 shall not be applicable if:

36 (A) a qualified rehabilitation project is undertaken within a state  
37 park, state historic site, or other land owned by the state, that is  
38 under the jurisdiction of the office of parks, recreation and historic  
39 preservation; or

40 (B) a qualified rehabilitation project is undertaken for the provision  
41 of affordable housing and the taxpayer has entered into a regulatory  
42 agreement with any state or federal agency or authority, or any other  
43 government entity that is authorized to engage in the financing,  
44 construction or oversight of affordable housing within such entity's  
45 jurisdiction, and where such regulatory agreement sets forth affordabil-  
46 ity requirements applicable for a period of not less than thirty years  
47 and that is binding on all successors of the taxpayer.

48 (6) For purposes of this subsection the term "small project" means  
49 qualified rehabilitation expenditures totaling two million five hundred  
50 thousand dollars or less.

51 (7) (A) A taxpayer allowed a credit pursuant to this subsection may  
52 transfer the credit, in whole or in part, to another person or entity,  
53 who shall be referred to as the transferee, without regard to how any  
54 tax credit authorized pursuant to section forty-seven of the internal  
55 revenue code with respect to a qualified rehabilitation project may be  
56 allocated and notwithstanding that such other person or entity owns no

1 interest in the qualified rehabilitation project or in an entity with an  
2 ownership interest in the qualified rehabilitation project. A transferee  
3 may not transfer any credit, or portion thereof, acquired by transfer.

4 (B) A taxpayer seeking to transfer a credit allowed pursuant to this  
5 subsection must enter into a transfer contract with the transferee. The  
6 transfer contract must specify:

7 (i) the building identification numbers for all buildings in the  
8 project;

9 (ii) the date each building was placed into service;

10 (iii) the schedule of years for which the transfer credit may be  
11 claimed and the amount of credit previously claimed;

12 (iv) the amount of consideration received by the taxpayer for the  
13 transfer credit; and

14 (v) the amount of credit being transferred.

15 (C) No transfer shall be effective unless the taxpayer allowed a cred-  
16 it pursuant to this subsection and seeking to transfer the credit files  
17 a transfer application with the commissioner of parks, recreation and  
18 historic preservation prior to the transfer and such transfer applica-  
19 tion is approved. The transfer application shall include the name and  
20 federal identification numbers of the taxpayer and each proposed trans-  
21 feree, the amount of credit proposed to be transferred to each proposed  
22 transferee, a copy of the transfer contract, and such other information  
23 as the commissioner or the commissioner of parks, recreation and histor-  
24 ic preservation may require. The commissioner of parks, recreation and  
25 historic preservation shall approve or deny each transfer application  
26 and, if an application is denied, shall issue a written determination to  
27 the taxpayer. If the transfer is approved, the commissioner of parks,  
28 recreation and historic preservation shall issue a transfer approval  
29 certificate that provides the name of the transferor and all transfer-  
30 ees, the amount of credit being transferred and such other information  
31 as the commissioner of parks, recreation and historic preservation and  
32 the commissioner deem necessary. A copy of the transfer approval certif-  
33 icate must be attached to each transferee's tax return. The commissioner  
34 of parks, recreation and historic preservation, in consultation with the  
35 commissioner, may establish such other procedures and standards deemed  
36 necessary for the transferability of credits allowed under this  
37 subsection.

38 (D) The commissioner of parks, recreation and historic preservation  
39 shall forward copies of all transfer applications and attachments there-  
40 to and approval certificates to the commissioner within thirty days  
41 after the transfer is approved.

42 (E) A taxpayer allowed a credit pursuant to section forty-seven of the  
43 internal revenue code with respect to a qualified rehabilitation that is  
44 also the subject of the credit allowed by this subsection shall remain  
45 solely liable for all obligations and liabilities imposed on the taxpay-  
46 er with respect to the credit allowed by this subsection, none of which  
47 shall apply to a party to whom the credit has been subsequently trans-  
48 ferred.

49 § 3. Subdivision (y) of section 1511 of the tax law, as added by chap-  
50 ter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended  
51 by section 5 of subpart B of part I of chapter 59 of the laws of 2023,  
52 paragraph 3 as amended by section 3 of part RR of chapter 59 of the laws  
53 of 2018, paragraph 4 as amended by section 4 of part F of chapter 59 of  
54 the laws of 2013, paragraph 5 as amended by section 3 of part U of chap-  
55 ter 59 of the laws of 2019, paragraph 6 as added by section 3 of part  
56 CCC of chapter 59 of the laws of 2021, is amended to read as follows:



1 (y) Credit for rehabilitation of historic properties. (1) (A) For  
2 taxable years beginning on or after January first, two thousand ten and  
3 before January first, two thousand thirty, a taxpayer, or a transferee  
4 of such a taxpayer as described in paragraph seven of this subdivision,  
5 shall be allowed a credit as hereinafter provided, against the tax  
6 imposed by this article, in an amount equal to one hundred percent of  
7 the amount of credit allowed the taxpayer with respect to a certified  
8 historic structure, and one hundred fifty percent of the amount of cred-  
9 it allowed the taxpayer with respect to a certified historic structure  
10 that is a small project, under internal revenue code section 47(c)(3),  
11 determined without regard to ratably allocating the credit over a five  
12 year period as required by subsection (a) of such section 47, with  
13 respect to a certified historic structure located within the state.  
14 Provided, however, the credit shall not exceed five million dollars. For  
15 taxable years beginning on or after January first, two thousand thirty,  
16 a taxpayer, or a transferee of such a taxpayer as described in paragraph  
17 seven of this subdivision, 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 (B) If the taxpayer or transferee is a partner in a partnership, then  
27 the cap imposed in subparagraph (A) of this paragraph shall be applied  
28 at the entity level, so that the aggregate credit allowed to all the  
29 partners of such partnership in the taxable year does not exceed the  
30 credit cap that is applicable in that taxable year.

31 (2) Tax credits allowed pursuant to this subsection shall be allowed  
32 in the taxable year that the qualified rehabilitation is placed in  
33 service under section 167 of the federal internal revenue code.

34 (3) If the taxpayer is allowed a credit pursuant to section 47 of the  
35 internal revenue code with respect to a qualified rehabilitation that is  
36 also the subject of the credit allowed by this subdivision and that  
37 credit pursuant to such section 47 is recaptured pursuant to subsection  
38 (a) of section 50 of the internal revenue code, a portion of the credit  
39 allowed under this subdivision in the taxable year the credit was  
40 claimed must be added back by the taxpayer or transferee in the same  
41 taxable year and in the same proportion as the federal recapture.

42 (4) The credit allowed under this subdivision for any taxable year  
43 shall not reduce the tax due for such year to less than the minimum  
44 fixed by paragraph four of subdivision (a) of section fifteen hundred  
45 two or section fifteen hundred two-a of this article, whichever is  
46 applicable. However, if the amount of credits allowed under this subdivi-  
47 sion for any taxable year reduces the tax to such amount, any amount  
48 of credit thus not deductible in such taxable year shall be treated as  
49 an overpayment of tax to be credited or refunded in accordance with the  
50 provisions of section one thousand eighty-six of this chapter. Provided,  
51 however, the provisions of subsection (c) of section one thousand eight-  
52 y-eight of this chapter notwithstanding, no interest shall be paid ther-  
53 eon.

54 (5) [Except in the case of a qualified rehabilitation project under-  
55 taken within a state park, state historic site, or other land owned by  
56 the state, that is under the jurisdiction of the office of parks, recre-

1 ation and historic preservation, to] To be eligible for the credit  
2 allowable under this subdivision, the rehabilitation project shall be in  
3 whole or in part located within a census tract which is identified as  
4 being at or below one hundred percent of the state median family income  
5 as calculated as of April first of each year using the most recent five  
6 year estimate from the American community survey published by the United  
7 States Census bureau. If there is a change in the most recent five year  
8 estimate, a census tract that qualified for eligibility under this  
9 program before information about the change was released will remain  
10 eligible for a credit under this subdivision for an additional two  
11 calendar years. The eligibility restrictions set forth in this paragraph  
12 shall not be applicable if:

13 (A) a qualified rehabilitation project is undertaken within a state  
14 park, state historic site, or other land owned by the state, that is  
15 under the jurisdiction of the office of parks, recreation and historic  
16 preservation; or

17 (B) a qualified rehabilitation project is undertaken for the provision  
18 of affordable housing and the taxpayer has entered into a regulatory  
19 agreement with any state or federal agency or authority, or any other  
20 government entity that is authorized to engage in the financing,  
21 construction or oversight of affordable housing within such entity's  
22 jurisdiction, and where such regulatory agreement sets forth affordabil-  
23 ity requirements applicable for a period of not less than thirty years  
24 and that is binding on all successors of the taxpayer.

25 (6) For purposes of this subdivision "small project" means qualified  
26 rehabilitation expenditures totaling two million five hundred thousand  
27 dollars or less.

28 (7) (A) A taxpayer allowed a credit pursuant to this subdivision may  
29 transfer the credit, in whole or in part, to another person or entity,  
30 who shall be referred to as the transferee, without regard to how any  
31 tax credit authorized pursuant to section forty-seven of the internal  
32 revenue code with respect to a qualified rehabilitation project may be  
33 allocated and notwithstanding that such other person or entity owns no  
34 interest in the qualified rehabilitation project or in an entity with an  
35 ownership interest in the qualified rehabilitation project. A transferee  
36 may not transfer any credit, or portion thereof, acquired by transfer.

37 (B) A taxpayer seeking to transfer a credit allowed pursuant to this  
38 subdivision must enter into a transfer contract with the transferee. The  
39 transfer contract must specify:

40 (i) the building identification numbers for all buildings in the  
41 project;

42 (ii) the date each building was placed into service;

43 (iii) the schedule of years for which the transfer credit may be  
44 claimed and the amount of credit previously claimed;

45 (iv) the amount of consideration received by the taxpayer for the  
46 transfer credit; and

47 (v) the amount of credit being transferred.

48 (C) No transfer shall be effective unless the taxpayer allowed a cred-  
49 it pursuant to this subdivision and seeking to transfer the credit files  
50 a transfer application with the commissioner of parks, recreation and  
51 historic preservation prior to the transfer and such transfer applica-  
52 tion is approved. The transfer application shall include the name and  
53 federal identification numbers of the taxpayer and each proposed trans-  
54 feree, the amount of credit proposed to be transferred to each proposed  
55 transferee, a copy of the transfer contract, and such other information  
56 as the commissioner or the commissioner of parks, recreation and histor-

1 ic preservation may require. The commissioner of parks, recreation and  
2 historic preservation shall approve or deny each transfer application  
3 and, if an application is denied, shall issue a written determination to  
4 the taxpayer. If the transfer is approved, the commissioner of parks,  
5 recreation and historic preservation shall issue a transfer approval  
6 certificate that provides the name of the transferor and all transfer-  
7 ees, the amount of credit being transferred and such other information  
8 as the commissioner of parks, recreation and historic preservation and  
9 the commissioner deem necessary. A copy of the transfer approval certif-  
10 icate must be attached to each transferee's tax return. The commissioner  
11 of parks, recreation and historic preservation, in consultation with the  
12 commissioner, may establish such other procedures and standards deemed  
13 necessary for the transferability of credits allowed under this subdivi-  
14 sion.

15 (D) The commissioner of parks, recreation and historic preservation  
16 shall forward copies of all transfer applications and attachments there-  
17 to and approval certificates to the commissioner within thirty days  
18 after the transfer is approved.

19 (E) A taxpayer allowed a credit pursuant to section forty-seven of the  
20 internal revenue code with respect to a qualified rehabilitation that is  
21 also the subject of the credit allowed by this subdivision shall remain  
22 solely liable for all obligations and liabilities imposed on the taxpay-  
23 er with respect to the credit allowed by this subdivision, none of which  
24 shall apply to a party to whom the credit has been subsequently trans-  
25 ferred.

26 § 4. This act shall take effect immediately and shall apply to taxable  
27 years beginning on and after January 1, 2026.

28 PART F

29 Section 1. This Part enacts into law major components of legislation  
30 relating to the purchase of residential real property by certain  
31 purchasers, and taxation relating thereto. Each component is wholly  
32 contained within a Subpart identified as Subpart A and Subpart B. The  
33 effective date for each particular provision contained within such  
34 Subpart is set forth in the last section of such Subpart. Any provision  
35 in any section contained within a Subpart, including the effective date  
36 of the Subpart, which makes a reference to a section "of this act", when  
37 used in connection with that particular component, shall be deemed to  
38 mean and refer to the corresponding section of the Subpart in which it  
39 is found. Section three of this Part sets forth the general effective  
40 date of this Part.

41 SUBPART A

42 Section 1. The real property law is amended by adding a new article 16  
43 to read as follows:

44 ARTICLE 16  
45 SEVENTY-FIVE-DAY WAITING PERIOD FOR SALE OF SINGLE-FAMILY AND TWO-FAMILY  
46 RESIDENCES TO CERTAIN PURCHASERS

47 Section 520. Definitions.

48 521. Seventy-five-day waiting period.

49 522. Enforcement.

50 § 520. Definitions. As used in this article, the following terms shall  
51 have the following meanings:

1 1. "Community land trust" shall mean a nonprofit organization exempt  
2 from certain taxes pursuant to section 501 (c) (3) or section 501(c) (4)  
3 of the United States internal revenue code and/or that is incorporated  
4 under the not-for-profit corporation law whose primary purpose is to  
5 provide affordable housing by owning land and leasing or selling resi-  
6 dential housing situated on that land to households that meet certain  
7 income requirements.

8 2. (a) "Covered entity" shall mean an institutional real estate inves-  
9 tor or an entity that receives funding from an institutional real estate  
10 investor for the purchase of a single-family residence or two-family  
11 residence. A loan provided in exchange for a mortgage of the residence  
12 that is being purchased shall not be considered funding for the purposes  
13 of this subdivision, provided that such mortgage must be of a type which  
14 members of the general public can apply.

15 (b) "Covered entity" shall not include:

16 (i) an organization which is described in section 501(c) (3) of the  
17 Internal Revenue Code and exempt from tax under section 501(a) of the  
18 Internal Revenue Code;

19 (ii) a land bank; or

20 (iii) a community land trust.

21 3.(a) "Institutional real estate investor" shall mean an entity or  
22 combined group that:

23 (i) owns ten or more single-family residences and/or two-family resi-  
24 dences;

25 (ii) manages or receives funds pooled from investors and acts as a  
26 fiduciary with respect to one or more investors; and

27 (iii) has fifty million dollars or more in net value or assets under  
28 management on any day during the taxable year.

29 (b) An entity is considered owning a single-family residence or two-  
30 family residence if it directly owns the single-family residence or  
31 two-family residence or indirectly owns ten percent or more of the  
32 single-family residence or two-family residence.

33 4. "Land bank" shall mean an entity created in accordance with article  
34 sixteen of the not-for-profit corporation law.

35 5. "Single-family residence" shall mean a residential property  
36 consisting of one dwelling unit; provided that such term shall not  
37 include:

38 (a) any single-family residence that is to be used as the principal  
39 residence of any person who has an ownership interest in the covered  
40 entity that seeks to purchase the single-family residence; or

41 (b) any single-family residence constructed, acquired, or operated  
42 with federal, state, or local appropriated funding sources.

43 6. "Two-family residence" shall mean a residential property consisting  
44 of two dwelling units; provided that such term shall not include:

45 (a) any two-family residence in which one of the dwelling units is to  
46 be used as the principal residence of any person who has an ownership  
47 interest in the covered entity that seeks to purchase the two-family  
48 residence; or

49 (b) any two-family residence constructed, acquired, or operated with  
50 federal, state, or local appropriated funding sources.

51 § 521. Seventy-five-day waiting period. 1. Notwithstanding any other  
52 provision of law, on and after July first, two thousand twenty-five, it  
53 shall be unlawful for a covered entity to purchase, acquire, or offer to  
54 purchase or acquire any interest in a single-family residence or two-fa-  
55 mily residence unless the single-family residence or two-family resi-

1 dence has been listed for sale to the general public for at least seven-  
2 ty-five days.

3 2. The seventy-five-day waiting period set forth in subdivision one of  
4 this section shall restart if the seller changes the asking price for  
5 the single-family residence or two-family residence, and a covered enti-  
6 ty shall be prohibited from purchasing, acquiring, or offering to  
7 purchase or acquire any interest in the single-family residence or two-  
8 family residence until it has been listed for sale to the general public  
9 at the new asking price for at least an additional seventy-five days.

10 3. A covered entity that violates this section may be subject to civil  
11 damages and penalties in an amount not to exceed two hundred fifty thou-  
12 sand dollars.

13 4. Before finalizing the sale of a single-family or two-family resi-  
14 dence, a covered entity purchasing such residence shall be required to  
15 submit to the seller or anyone acting as an agent for such seller, a  
16 form that has been signed by the covered entity purchaser, or an author-  
17 ized agent thereof, and notarized, stating that the purchaser is a  
18 covered entity. Any covered entity or covered entity's agent that  
19 violates this section may be subject to civil damages and penalties in  
20 an amount not to exceed ten thousand dollars.

21 5. The following form shall be completed by a covered entity purchas-  
22 ing a single-family residence or two-family residence:

23 "COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

24 Pursuant to Article 16 of the New York State Real Property Law,  
25 covered entities are required to wait at least 75 days after a single-  
26 family residence or two-family residence has been listed for sale to the  
27 general public to purchase, acquire, or offer to purchase or acquire any  
28 interest in the single-family residence or two-family residence. Prior  
29 to finalizing the sale, the covered entity or its agent is required to  
30 complete this form stating that the purchaser is a covered entity.

31 The buyer of this single-family residence or two-family residence is a  
32 covered entity as defined in New York State Real Property Law § 520. The  
33 buyer is subject to the statutory 75-day waiting period. Failure to  
34 comply with the 75-day waiting period may result in civil fines and  
35 penalties.

36 Any covered entity or covered entity's agent that does not complete  
37 and submit this form as required by statute, or abide by the statutory  
38 waiting period, may be liable for civil damages.

39 IDENTIFYING INFORMATION

40 BUYER OR BUYERS OF THIS RESIDENCE:

41 \_\_\_\_\_  
42 Printed Name and Mailing Address

43 \_\_\_\_\_  
44 Printed Name and Mailing Address

45 By signing this form, the buyer or its agent affirms that the statements  
46 herein are true under the penalties of perjury.

47 SIGNATURE OF BUYER(S) OR ITS AGENT OF THIS SINGLE-FAMILY RESIDENCE OR  
48 TWO-FAMILY RESIDENCE:

49 \_\_\_\_\_  
50 Signature Date

51 \_\_\_\_\_  
52 Signature Date

53 \_\_\_\_\_  
54 SIGNATURE OF WITNESSES

55 \_\_\_\_\_  
56 Signature Date

1 \_\_\_\_\_  
2 Signature Date  
3 \_\_\_\_\_

4 NOTARY ACKNOWLEDGEMENT  
5 (insert notary acknowledgement for this form here)"

6 § 522. Enforcement. Notwithstanding any other provision of law, the  
7 attorney general of the state of New York shall have the authority to  
8 enforce the provisions of section five hundred twenty-one of this arti-  
9 cle by applying, in the name of the people of the state of New York, to  
10 the supreme court of the state of New York, on notice of five days, for  
11 an order enjoining the continuance of such violative activity, including  
12 but not limited to by bringing an action for injunctive or declaratory  
13 relief if a single-family residence or two-family residence is in the  
14 process of being or has been sold in a manner that contravenes the  
15 requirements of section five hundred twenty-one of this article, and  
16 imposing civil damages and penalties pursuant to subdivisions three and  
17 four of section five hundred twenty-one of this article, as applicable.

18 § 2. Severability. If any provision of this act, or any application of  
19 any provision of this act, is held to be invalid, that shall not affect  
20 the validity or effectiveness of any other provision of this act, or of  
21 any other application of any provision of this act, which can be given  
22 effect without that provision or application; and to that end, the  
23 provisions and applications of this act are severable.

24 § 3. This act shall take effect on the one hundred twentieth day after  
25 it shall have become a law.

26 SUBPART B

27 Section 1. Subdivision 9 of section 208 of the tax law is amended by  
28 adding a new paragraph (c-4) to read as follows:

29 (c-4) Depreciation and interest deduction adjustments for covered  
30 properties owned by an institutional real estate investor. (1) Notwith-  
31 standing any other provision of this section, in the case of a corpo-  
32 ration or combined group that is an institutional real estate investor  
33 or a partner, member or shareholder of an entity that is an institu-  
34 tional real estate investor, entire net income shall be computed with  
35 the adjustments for depreciation and interest related to covered proper-  
36 ties as set forth in this paragraph.

37 (2) Definitions. (A) "Institutional real estate investor" means an  
38 entity or combined group that (i) owns ten or more covered properties,  
39 (ii) manages funds pooled from investors and acts as a fiduciary with  
40 respect to one or more investors, and (iii) has fifty million dollars or  
41 more in net value or assets under management on any day during the taxa-  
42 ble year. An entity is considered owning a covered property if it  
43 directly owns the covered property or indirectly owns ten percent or  
44 more of the covered property.

45 (B) "Covered property" means a residential property consisting of no  
46 more than two dwelling units located in New York state.

47 (3) Depreciation deductions. With respect to covered properties, no  
48 deduction for depreciation allowed under the internal revenue code or  
49 this section shall be allowed.

50 (4) Interest deductions. With respect to covered properties, the  
51 interest deduction for federal income tax purposes allowed under section  
52 one hundred sixty-three of the internal revenue code shall not be  
53 allowed and must be added back in the computation of entire net income,  
54 except with respect to interest paid or accrued in the taxable year when

1 such covered property is sold to an individual for use as the principal  
2 residence of such individual or sold to a nonprofit organization that  
3 has as its principal purpose the creation, development, or preservation  
4 of affordable housing. For purposes of this subparagraph, any amount of  
5 interest that would have been allowed under section one hundred sixty-  
6 three of the internal revenue code in connection with a covered property  
7 but for an election to treat such interest as chargeable to capital  
8 account shall be treated as an amount allowed under section one hundred  
9 sixty-three of the internal revenue code.

10 § 2. Section 612 of the tax law is amended by adding a new subsection  
11 (y) to read as follows:

12 (y) Depreciation and interest adjustments for covered properties owned  
13 by an institutional real estate investor. (1) Notwithstanding any other  
14 provision of this section, in the case of a taxpayer that is a partner,  
15 member or shareholder of an entity that is an institutional real estate  
16 investor as defined in paragraph (c-4) of subdivision nine of section  
17 two hundred eight of this chapter, New York adjusted gross income shall  
18 be computed with adjustments for depreciation and interest related to  
19 covered properties as set forth in this subsection.

20 (2) Depreciation deductions. With respect to covered properties, no  
21 deduction for depreciation allowed under the internal revenue code or  
22 this section shall be allowed.

23 (3) Federal interest deductions. With respect to covered properties,  
24 the interest deduction for federal income tax purposes allowed under  
25 section one hundred sixty-three of the internal revenue code shall not  
26 be allowed and must be added back in the computation of New York  
27 adjusted gross income, except with respect to interest paid or accrued  
28 in the taxable year when such covered property is sold to an individual  
29 for use as the principal residence of such individual or sold to a  
30 nonprofit organization that has as its principal purpose the creation,  
31 development, or preservation of affordable housing. For purposes of this  
32 paragraph, any amount of interest that would have been allowed under  
33 section one hundred sixty-three of the internal revenue code in  
34 connection with a covered property but for an election to treat such  
35 interest as chargeable to capital account shall be treated as an amount  
36 allowed under section one hundred sixty-three of the internal revenue  
37 code.

38 § 3. Subdivision (b) of section 1503 of the tax law is amended by  
39 adding a new paragraph 17 to read as follows:

40 (17) Depreciation and interest adjustments for covered properties  
41 owned by an institutional real estate investor. (A) Notwithstanding any  
42 other provision of this section, in the case of a taxpayer that is an  
43 institutional real estate investor or partner, member or shareholder of  
44 an entity that is an institutional real estate investor as defined in  
45 paragraph (c-4) of subdivision nine of section two hundred eight of this  
46 chapter, entire net income shall be computed with adjustments for depre-  
47 ciation and interest related to covered properties as set forth in this  
48 paragraph.

49 (B) Depreciation deductions. With respect to covered properties, no  
50 deduction for depreciation allowed under the internal revenue code or  
51 this section shall be allowed.

52 (C) Federal interest deductions. With respect to covered properties,  
53 the interest deduction for federal income tax purposes allowed under  
54 section one hundred sixty-three of the internal revenue code shall not  
55 be allowed and must be added back in the computation of entire net  
56 income, except with respect to interest paid or accrued in the taxable

1 year when such covered property is sold to an individual for use as the  
2 principal residence of such individual or sold to a nonprofit organiza-  
3 tion that has as its principal purpose the creation, development, or  
4 preservation of affordable housing. For purposes of this subparagraph,  
5 any amount of interest that would have been allowed under section one  
6 hundred sixty-three of the internal revenue code in connection with a  
7 covered property but for an election to treat such interest as chargea-  
8 ble to capital account shall be treated as an amount allowed under  
9 section one hundred sixty-three of the internal revenue code.

10 § 4. This act shall take effect immediately and shall apply to taxable  
11 years beginning on or after January 1, 2025.

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

21 § 3. This act shall take effect immediately, provided, however, that  
22 the applicable effective date of Subparts A through B of this act shall  
23 be as specifically set forth in the last section of such Subparts.

24

## PART G

25 Section 1. The economic development law is amended by adding a new  
26 article 30 to read as follows:

## ARTICLE 30

## CATALIST NY PROGRAM

27 Section 510. Short title.

30 511. Statement of legislative findings and declaration.

31 512. Definitions.

32 513. Eligibility criteria.

33 514. Application and approval process.

34 515. Tax benefits.

35 516. Powers and duties of the commissioner.

36 § 510. Short title. This article shall be known and may be cited as  
37 the "companies attracting talent to advance leading innovations and  
38 scale technologies in New York program", or the "CATALIST NY program".

39 § 511. Statement of legislative findings and declaration. It is hereby  
40 found and declared that New York state needs, as a matter of public  
41 policy, to grow the innovation economy in New York state and support  
42 early-stage innovation businesses during a critical phase of their  
43 growth.

44 § 512. Definitions. For the purposes of this article:

45 1. "CATALIST NY incubator" shall mean a New York state incubator that  
46 has been certified by the department as a CATALIST NY incubator.

47 2. "CATALIST NY small business" shall mean any business that qualifies  
48 as a small business under section one hundred thirty-one of this chapter  
49 that has been certified by the department as a CATALIST NY small busi-  
50 ness.

51 3. "Certificate of tax benefits" shall mean the document issued to a  
52 CATALIST NY small business by the department, after the department has  
53 verified that such business entity has met all applicable criteria in  
54 section five hundred thirteen of this article to be eligible for the





1 CATALIST NY tax benefits allowed under section five hundred fifteen of  
2 this article. The certificate shall be issued in each year in which the  
3 eligibility criteria are satisfied and shall specify (a) the number of  
4 CATALIST NY small business net new jobs that are eligible for the tax  
5 benefits pursuant to section five hundred fifteen of this article; and  
6 (b) the taxable year in which such tax benefits are applicable.

7 4. "Commissioner" shall mean the commissioner of economic development.

8 5. "Department" shall mean the department of economic development.

9 6. "New York state incubator" shall mean a business incubation program  
10 that (a) provides physical space to early-stage innovation-focused busi-  
11 nesses in New York state; (b) has been in operation for at least three  
12 years prior to the date of application to become a CATALIST NY incuba-  
13 tor; and (c) provides technical assistance, direct mentorship, entrepre-  
14 neurial education, and business development services to early-stage  
15 innovation-focused businesses.

16 7. "Net new job" shall mean a full-time job that: (a) is new to the  
17 state; and (b) has not been transferred from employment with another  
18 business located in this state through an acquisition, merger, consol-  
19 idation or other reorganization of businesses, or the acquisition of  
20 assets of another business, and has not been transferred from employment  
21 with a related person in this state. For purposes of this subdivision,  
22 full-time means at least thirty-five hours of gainful work a week.

23 § 513. Eligibility criteria. 1. To qualify as a CATALIST NY incubator,  
24 a New York state incubator shall be a New York state certified incubator  
25 or innovation hot spot under section sixteen-v of the New York state  
26 urban development corporation act or meet all of the following require-  
27 ments: (a) has been in operation in New York state for at least three  
28 years, prior to submission of an application to the department for  
29 certification as a CATALIST NY incubator, with a demonstrated track  
30 record of supporting high growth start-up companies; (b) provide techni-  
31 cal assistance, direct mentorship, entrepreneurial education, and access  
32 to investment and business development services, including providing  
33 assistance in the development of business plans, to incubator clients;  
34 and (c) provide physical space under a written agreement for any indi-  
35 vidual incubator client. Priority shall be given to entities that  
36 support businesses within the following sectors: clean energy and  
37 climate technology; life sciences; computing and cybersecurity; agricul-  
38 tural technology; advanced manufacturing; materials; and microelectron-  
39 ics.

40 2. A CATALIST NY incubator shall nominate, for certification by the  
41 department as a CATALIST NY small business, small businesses that have  
42 completed a program with the CATALIST NY incubator, or otherwise have a  
43 direct and sustained engagement with the CATALIST NY incubator, to  
44 receive tax benefits pursuant to section five hundred fifteen of this  
45 article, and paragraph forty-eight of subdivision (c) of section six  
46 hundred twelve of the tax law for up to a period of five taxable years  
47 commencing with the taxable year during which the CATALIST NY small  
48 business is certified by the department.

49 3. To be eligible to be nominated by a CATALIST NY incubator and  
50 subsequently certified by the department to receive tax benefits as a  
51 CATALIST NY small business, such business entity shall satisfy each of  
52 the following conditions: (a) such business shall graduate from, or have  
53 otherwise completed, such CATALIST NY incubator's services within the  
54 previous twenty-four months and engaged with the CATALIST NY incubator  
55 for at least twelve months; (b) such business shall be headquartered in  
56 New York state and one or more of the persons employed as chief execu-

1 tive officer, chief technology officer, or chief operating officer shall  
2 perform services in New York state; (c) at the time such business is  
3 nominated, it shall have fewer than twenty full-time employees; (d) such  
4 business shall demonstrate a sound financial plan and, if approved to  
5 receive the tax benefits allowed under this program, such business shall  
6 create at least two additional permanent full-time, New York state based  
7 jobs; (e) during the taxable year immediately preceding the taxable year  
8 in which such business would be eligible for the tax benefits pursuant  
9 to this program, the small business shall not exceed two million dollars  
10 in gross receipts, as determined in accordance with generally accepted  
11 accounting principles; and (f) any other conditions as determined by the  
12 department through regulations or guidelines promulgated pursuant to  
13 paragraph two of section five hundred sixteen of this article.

14 4. Such nominations and determinations shall be made in conformance  
15 with program guidelines issued by the department.

16 § 514. Application and approval process. 1. New York state incubators  
17 shall submit a complete application as prescribed by the commissioner to  
18 be certified as a CATALIST NY incubator.

19 2. The commissioner shall establish procedures and a timeframe for the  
20 New York state incubators to submit applications to be certified as  
21 CATALIST NY incubators and for nominations of small businesses for  
22 certification as CATALIST NY small businesses.

23 3. To nominate a small business for certification as a CATALIST NY  
24 small business, a CATALIST NY incubator shall:

25 (a) provide evidence in a form and manner prescribed by the commis-  
26 sioner of the eligibility of the small business being nominated pursuant  
27 to paragraphs two and three of section five hundred thirteen of this  
28 article for the tax benefits pursuant to section five hundred fifteen of  
29 this article and paragraph forty-eight of subdivision (c) of section six  
30 hundred twelve of the tax law;

31 (b) allow the department and its agents access to any and all books  
32 and records the department may require to monitor compliance; and

33 (c) agree to provide any additional information required by the  
34 department relevant to this article.

35 4. After reviewing a CATALIST NY incubator's nomination and determin-  
36 ing that the nominated small business meets the eligibility criteria as  
37 set forth in this article, the department may issue to such small busi-  
38 ness a certificate of tax benefit as a CATALIST NY small business.

39 § 515. Tax benefits. 1. A CATALIST NY small business certified by the  
40 department shall be eligible for an allocation by the department of  
41 personal income tax benefits pursuant to paragraph forty-eight of  
42 subsection (c) of section six hundred twelve of the tax law for up to  
43 eight net new jobs. The tax benefits shall be available for a period of  
44 five taxable years commencing with the taxable year during which the  
45 department issues the certificate of tax benefits to the CATALIST NY  
46 small business.

47 2. To be eligible for the tax benefits allocated pursuant to this  
48 program, (a) the CATALIST NY small business employees shall be employed  
49 by and work exclusively for the CATALIST NY small business in a net new  
50 job during the taxable year; (b) the CATALIST NY small business employee  
51 shall be engaged in work for the CATALIST NY small business for at least  
52 one-half of the taxable year; and (c) the CATALIST NY small business  
53 shall be in compliance with the requirements set forth in this article.

54 3. If the certified CATALIST NY small business creates more net new  
55 jobs than for which it has been allocated personal income tax benefits,  
56 the allocated personal income tax benefits shall be provided to eligible

1 CATALIST NY small business employees based on the employees' dates of  
2 hiring.

3 4. The CATALIST NY small business shall identify to the department,  
4 through the submission of a CATALIST Jobs Plan, the titles that shall  
5 receive personal income tax benefits pursuant to this section for inclu-  
6 sion in the certificate of tax benefits provided to such CATALIST NY  
7 small business and such titles shall be included on the certificate of  
8 tax benefits provided to such business. CATALIST NY small businesses  
9 shall annually identify to the department of taxation and finance, in  
10 the form and matter established by such department, the CATALIST NY  
11 small business employees who are eligible to receive the personal income  
12 tax benefits allocated to such business. The CATALIST NY small business  
13 shall provide a copy of the certificate of tax benefits issued by the  
14 department to each such employee.

15 5. For taxable years beginning on or after January first, two thousand  
16 twenty-five and before January first, two thousand thirty, the aggregate  
17 number of CATALIST NY small business employees allowed the tax benefits  
18 under this article in any taxable year shall be four thousand five  
19 hundred, the funds for which benefits shall be allotted from the funds  
20 available for tax credits under article seventeen of this chapter. Such  
21 aggregate number of eligible CATALIST NY small business employees shall  
22 be allocated by the department among CATALIST NY small businesses in  
23 order of priority based upon the date of certification under this arti-  
24 cle.

25 6. No tax benefit shall be allowed for taxable years beginning on or  
26 after January first, two thousand thirty-five.

27 § 516. Powers and duties of the commissioner. 1. The commissioner is  
28 authorized to accept applications from New York state incubators for  
29 designation as "CATALIST NY incubators", to accept nominations by CATAL-  
30 IST NY incubators of small businesses for designation as CATALIST NY  
31 small businesses, and to issue certificates of tax benefits under this  
32 article.

33 2. The commissioner shall promulgate guidelines or regulations estab-  
34 lishing a nomination process for small businesses and eligibility crite-  
35 ria that will be applied consistent with the provisions of this article,  
36 so as not to exceed the annual cap set forth in section five hundred  
37 fifteen of this article which, notwithstanding any provisions to the  
38 contrary in the state administrative procedure act, may be adopted on an  
39 emergency basis.

40 3. The commissioner shall, in consultation with the department of  
41 taxation and finance, develop a certificate of tax benefits that shall  
42 be issued by the commissioner to eligible CATALIST NY small businesses.  
43 Such certificate shall contain such information as required by the  
44 department of taxation and finance.

45 4. The commissioner shall solely determine the eligibility of any  
46 applicant applying to be a CATALIST NY incubator and designation as a  
47 CATALIST NY small business and shall remove any such entities from the  
48 program for failing to meet any of the requirements set forth in section  
49 five hundred thirteen of this article, or for failing to meet the  
50 requirement set forth in subdivision one of section five hundred four-  
51 teen of this article.

52 5. The commissioner shall promulgate regulations or guidelines to  
53 establish an application process to become certified as a CATALIST NY  
54 incubator and shall include in such regulations or guidelines the  
55 requirements that all nominated small businesses shall adhere to in  
56 order to be considered for the tax benefits under this article.

1 § 2. Subsection (c) of section 612 of the tax law is amended by adding  
2 a new paragraph 48 to read as follows:

3 (48) The amount of any wages received during the taxable year by an  
4 employee specified in a certificate of tax benefits issued to a CATALIST  
5 NY small business pursuant to article thirty of the economic development  
6 law, to the extent included in federal adjusted gross income. Notwith-  
7 standing any provision of this chapter to the contrary, the commissioner  
8 may assist the commissioner of economic development in determining  
9 whether a CATALIST NY small business, or an employee of such business,  
10 is entitled to such tax benefits pursuant to article thirty of the  
11 economic development law, and may utilize and, if necessary, disclose to  
12 the commissioner of economic development, information derived from the  
13 tax returns of such employee, such business, or related persons of such  
14 business and wage reporting information relating to any employees of  
15 such business or its related persons.

16 § 3. This act shall take effect immediately and shall apply to taxable  
17 years beginning on or after January 1, 2025.

18

## PART H

19 Section 1. This Part enacts into law major components of legislation  
20 relating to the excelsior jobs program and the empire state jobs  
21 retention program. Each component is wholly contained within a Subpart  
22 identified as Subpart A and Subpart B. The effective date for each  
23 particular provision contained within such Subpart is set forth in the  
24 last section of such Subpart. Any provision in any section contained  
25 within a Subpart, including the effective date of the Subpart, which  
26 makes a reference to a section "of this act", when used in connection  
27 with that particular component, shall be deemed to mean and refer to the  
28 corresponding section of the Subpart in which it is found. Section three  
29 of this Part sets forth the general effective date of this Part.

30

## SUBPART A

31 Section 1. Section 352 of the economic development law is amended by  
32 adding a new subdivision 25 to read as follows:

33 25. "Semiconductor supply chain project" means a project deemed by the  
34 commissioner to make products or develop technologies that are primarily  
35 aimed at supporting the growth of the semiconductor manufacturing and  
36 related equipment and material supplier sector. "Semiconductor supply  
37 chain project" shall include, but need not be limited to, semiconductor  
38 device manufacturing, producers of component parts, direct input materi-  
39 als and equipment necessary for the manufacture of semiconductor chips,  
40 machinery, equipment, and materials necessary for the operational effi-  
41 ciency of semiconductor manufacturing facilities, other such inputs  
42 directly supportive of the domestic production of semiconductor chips,  
43 and companies engaged in the assembly, testing, packaging and advanced  
44 packaging semiconductor value chain. "Semiconductor supply chain  
45 project" shall not include a project primarily composed of: (i) machin-  
46 ery, equipment, or materials that are inputs to manufacturing generally,  
47 but are not direct inputs to semiconductor manufacturing in specific;  
48 (ii) the production of products or development of technologies that  
49 would produce only marginal and incremental benefits to the semiconduc-  
50 tor manufacturing sector; (iii) projects that would otherwise qualify as  
51 a Green CHIPS project as defined in section twenty-four of this section.



1 § 2. Paragraphs (m) and (n) of subdivision 1 of section 353 of the  
2 economic development law, as amended by chapter 494 of the laws of 2022,  
3 are amended and a new paragraph (o) is added to read as follows:

4 (m) as a participant operating in one of the industries listed in  
5 paragraphs (a) through (k) of this subdivision and operating or sponsor-  
6 ing child care services to its employees as defined in section three  
7 hundred fifty-two of this article; [or]

8 (n) as a Green CHIPS project[.]; or

9 (o) as a company operating in one of the industries listed in para-  
10 graphs (a) through (k) of this subdivision and engaging in a semiconduc-  
11 tor supply chain project as defined in section three hundred fifty-two  
12 of this article.

13 § 3. Subdivisions 1, 2 and 3 of section 355 of the economic develop-  
14 ment law, as amended by chapter 494 of the laws of 2022, are amended to  
15 read as follows:

16 1. Excelsior jobs tax credit component. A participant in the excelsior  
17 jobs program shall be eligible to claim a credit for each net new job it  
18 creates in New York state. In a project that is not a green project, the  
19 amount of such credit per job shall be equal to the product of the gross  
20 wages paid and up to 6.85 percent. In a green project, or a Green CHIPS  
21 project, the amount of such credit per job shall be equal to the product  
22 of the gross wages paid and up to 7.5 percent. Provided, however, given  
23 the transformational nature of Green CHIPS projects, only the first two  
24 hundred thousand dollars of gross wages per job shall be eligible for  
25 this credit. The maximum amount of gross wages per job for a Green CHIPS  
26 project may be adjusted for inflation at an annual amount determined by  
27 the commissioner in a manner substantially similar to the cost of living  
28 adjustments calculated by the United States Social Security Adminis-  
29 tration based on changes in consumer price indices or a rate of four  
30 percent per year, whichever is higher. In a semiconductor supply chain  
31 project, the amount of such credit per job shall be equal to the product  
32 of the gross wages paid and up to seven percent.

33 2. Excelsior investment tax credit component. A participant in the  
34 excelsior jobs program shall be eligible to claim a credit on qualified  
35 investments. In a project that is not a green project, the credit shall  
36 be equal to two percent of the cost or other basis for federal income  
37 tax purposes of the qualified investment. In a green project, the credit  
38 shall be equal to five percent of the cost or other basis for federal  
39 income tax purposes of the qualified investment. In a project for child  
40 care services or a Green CHIPS project, the credit shall be up to five  
41 percent of the cost or other basis for federal income tax purposes of  
42 the qualified investment in child care services or in the Green CHIPS  
43 project as applicable. In a semiconductor supply chain project, the  
44 credit shall be up to three percent of the cost or other basis for  
45 federal income tax purposes of the qualified investment. A participant  
46 may not claim both the excelsior investment tax credit component and the  
47 investment tax credit set forth in subdivision one of section two  
48 hundred ten-B, subsection (a) of section six hundred six, the former  
49 subsection (i) of section fourteen hundred fifty-six, or subdivision (q)  
50 of section fifteen hundred eleven of the tax law for the same property  
51 in any taxable year, except that a participant may claim both the  
52 excelsior investment tax credit component and the investment tax credit  
53 for research and development property. In addition, a taxpayer who or  
54 which is qualified to claim the excelsior investment tax credit compo-  
55 nent and is also qualified to claim the brownfield tangible property  
56 credit component under section twenty-one of the tax law may claim

1 either the excelsior investment tax credit component or such tangible  
 2 property credit component, but not both with regard to a particular  
 3 piece of property. A credit may not be claimed until a business enter-  
 4 prise has received a certificate of tax credit, provided that qualified  
 5 investments made on or after the issuance of the certificate of eligi-  
 6 bility but before the issuance of the certificate of tax credit to the  
 7 business enterprise, may be claimed in the first taxable year for which  
 8 the business enterprise is allowed to claim the credit. Expenses  
 9 incurred prior to the date the certificate of eligibility is issued are  
 10 not eligible to be included in the calculation of the credit.

11 3. Excelsior research and development tax credit component. A partic-  
 12 ipant in the excelsior jobs program shall be eligible to claim a credit  
 13 equal to fifty percent of the portion of the participant's federal  
 14 research and development tax credit that relates to the participant's  
 15 research and development expenditures in New York state during the taxa-  
 16 ble year; provided however, if not a green project, the excelsior  
 17 research and development tax credit shall not exceed six percent of the  
 18 qualified research and development expenditures attributable to activi-  
 19 ties conducted in New York state, or, if a green project or a Green  
 20 CHIPS project, the excelsior research and development tax credit shall  
 21 not exceed eight percent of the research and development expenditures  
 22 attributable to activities conducted in New York state, or if a semicon-  
 23 ductor supply chain project, the excelsior research and development tax  
 24 credit shall not exceed seven percent of the qualified research and  
 25 development expenditures attributable to activities conducted in New  
 26 York state. If the federal research and development credit has expired,  
 27 then the research and development expenditures relating to the federal  
 28 research and development credit shall be calculated as if the federal  
 29 research and development credit structure and definition in effect in  
 30 two thousand nine were still in effect. Notwithstanding any other  
 31 provision of this chapter to the contrary, research and development  
 32 expenditures in this state, including salary or wage expenses for jobs  
 33 related to research and development activities in this state, may be  
 34 used as the basis for the excelsior research and development tax credit  
 35 component and the qualified emerging technology company facilities,  
 36 operations and training credit under the tax law.

37 § 4. Section 359 of the economic development law, as amended by chap-  
 38 ter 494 of the laws of 2022, is amended to read as follows:

39 § 359. Cap on tax credit. 1. Except with respect to tax credits issued  
 40 to Green CHIPS projects as articulated in subdivision four of this  
 41 section, the total amount of tax credits issued by the commissioner for  
 42 any taxable year may not exceed the limitations set forth in this subdivi-  
 43 sion. Except with respect to tax credits issued to Green CHIPS  
 44 projects as articulated in subdivision four of this section, one-half of  
 45 any amount of tax credits not awarded for a particular taxable year may  
 46 be used by the commissioner to award tax credits in another taxable  
 47 year.

48	Credit components in the aggregate	With respect to taxable
49	shall not exceed:	years beginning in:
50	\$ 50 million	2011
51	\$ 100 million	2012
52	\$ 150 million	2013
53	\$ 200 million	2014
54	\$ 250 million	2015

1	\$ 183 million	2016
2	\$ 183 million	2017
3	\$ 183 million	2018
4	\$ 183 million	2019
5	\$ 183 million	2020
6	\$ 183 million	2021
7	\$ 133 million	2022
8	\$ 83 million	2023
9	\$ 36 million	2024
10	\$ 200 million	2025
11	\$ 200 million	2026
12	\$ 200 million	2027
13	\$ 200 million	2028
14	\$ 200 million	2029
15	<u>\$ 200 million</u>	<u>2030</u>
16	<u>\$ 200 million</u>	<u>2031</u>
17	<u>\$ 200 million</u>	<u>2032</u>
18	<u>\$ 200 million</u>	<u>2033</u>
19	<u>\$ 200 million</u>	<u>2034</u>
20	<u>\$ 200 million</u>	<u>2035</u>
21	<u>\$ 200 million</u>	<u>2036</u>
22	<u>\$ 200 million</u>	<u>2037</u>
23	<u>\$ 200 million</u>	<u>2038</u>
24	<u>\$ 200 million</u>	<u>2039</u>

25 2. Twenty-five percent of tax credits shall be allocated to businesses  
 26 accepted into the program under subdivision four of section three  
 27 hundred fifty-three of this article and seventy-five percent of tax  
 28 credits shall be allocated to businesses accepted into the program under  
 29 subdivision three of section three hundred fifty-three of this article.

30 3. Provided, however, if by September thirtieth of a calendar year,  
 31 the department has not allocated the full amount of credits available in  
 32 that year to either: (i) businesses accepted into the program under  
 33 subdivision four of section three hundred fifty-three of this article or  
 34 (ii) businesses accepted into the program under subdivision three of  
 35 section three hundred fifty-three of this article, the commissioner may  
 36 allocate any remaining tax credits to businesses referenced in this  
 37 paragraph as needed; provided, however, that under no circumstances may  
 38 the aggregate statutory cap for all program years be exceeded. One  
 39 hundred percent of the unawarded amounts remaining at the end of two  
 40 thousand twenty-nine may be allocated in subsequent years, notwithstand-  
 41 ing the fifty percent limitation on any amounts of tax credits not  
 42 awarded in taxable years two thousand eleven through two thousand twen-  
 43 ty-nine. Provided, however, no tax credits may be allowed for taxable  
 44 years beginning on or after January first, two thousand [forty] fifty.

45 4. The total amount of tax credits issued by the commissioner for the  
 46 taxable years two thousand twenty-two to two thousand forty-one for  
 47 Green CHIPS projects shall not exceed five hundred million per year. One  
 48 hundred percent of any amount of tax credits not awarded for a partic-  
 49 ular taxable year may be used by the commissioner to award tax credits  
 50 in another taxable year. Notwithstanding the foregoing, Green CHIPS  
 51 projects may be allowed to claim credits for taxable years up to January  
 52 first, two thousand fifty.

53 § 5. Article 22 of the economic development law is REPEALED.

1 § 6. Paragraph (a) of subdivision 50 of section 210-B of the tax law,  
2 as added by section 2 of part 0 of chapter 59 of the laws of 2015, is  
3 amended to read as follows:

4 (a) [A] For taxable years beginning before January first, two thousand  
5 twenty-nine, a taxpayer that has been approved by the commissioner of  
6 economic development to participate in the employee training incentive  
7 program and has been issued a certificate of tax credit pursuant to  
8 section four hundred forty-three of the economic development law shall  
9 be allowed to claim a credit against the tax imposed by this article.  
10 The credit shall equal fifty percent of a taxpayer's eligible training  
11 costs, up to a credit of ten thousand dollars per employee completing  
12 eligible training pursuant to paragraph (a) of subdivision three of  
13 section four hundred forty-one of the economic development law. The  
14 credit shall equal fifty percent of the stipend paid to an intern, up to  
15 a credit of three thousand dollars per intern completing eligible train-  
16 ing pursuant to paragraph (b) of subdivision three of section four  
17 hundred forty-one of the economic development law. In no event shall a  
18 taxpayer be allowed a credit greater than the amount of credit listed on  
19 the certificate of tax credit issued by the commissioner of economic  
20 development. The credit will be allowed in the taxable year in which the  
21 eligible training is completed.

22 § 7. Paragraph 1 of subsection (ddd) of section 606 of the tax law, as  
23 added by section 3 of part 0 of chapter 59 of the laws of 2015, is  
24 amended to read as follows:

25 (1) [A] For taxable years beginning before January first, two thousand  
26 twenty-nine, a taxpayer that has been approved by the commissioner of  
27 economic development to participate in the employee training incentive  
28 program and has been issued a certificate of tax credit pursuant to  
29 section four hundred forty-three of the economic development law shall  
30 be allowed to claim a credit against the tax imposed by this article.  
31 The credit shall equal fifty percent of a taxpayer's eligible training  
32 costs, up to a credit of ten thousand dollars per employee completing  
33 eligible training pursuant to paragraph (a) of subdivision three of  
34 section four hundred forty-one of the economic development law. The  
35 credit shall equal fifty percent of the stipend paid to an intern, up to  
36 a credit of three thousand dollars per intern completing eligible train-  
37 ing pursuant to paragraph (b) of subdivision three of section four  
38 hundred forty-one of the economic development law. In no event shall a  
39 taxpayer be allowed a credit greater than the amount listed on the  
40 certificate of tax credit issued by the commissioner of economic devel-  
41 opment. In the case of a taxpayer who is a partner in a partnership,  
42 member of a limited liability company or shareholder in an S corpo-  
43 ration, the taxpayer shall be allowed its pro rata share of the credit  
44 earned by the partnership, limited liability company or S corporation.  
45 The credit will be allowed in the taxable year in which the eligible  
46 training is completed.

47 § 8. The economic development law is amended by adding a new article  
48 17-A to read as follows:

49 ARTICLE 17-A

50 SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

51 Section 359-a. Short title.

52 359-b. Statement of legislative findings and declaration.

53 359-c. Definitions.

54 359-d. Eligibility criteria.





1           359-e. Application and approval process.

2           359-f. Powers and duties of the commissioner.

3           359-g. Semiconductor research and development tax credit.

4       § 359-a. Short title. This article shall be known and may be cited as  
5 the "semiconductor research and development project act".

6       § 359-b. Statement of legislative findings and declaration. It is  
7 hereby found and declared that New York state needs, as a matter of  
8 public policy, to create competitive financial incentives to attract  
9 large scale semiconductor research and development projects to New York  
10 state, and to position New York state to be at the center of cutting  
11 edge innovations in the semiconductor industry.

12       § 359-c. Definitions. For the purposes of this article:

13       1. "Certificate of eligibility" means the document issued by the  
14 department to an applicant that has completed an application to be  
15 admitted into the semiconductor research and development project program  
16 and has been accepted into the program by the department. Possession of  
17 a certificate of eligibility does not by itself guarantee the eligibil-  
18 ity to claim the tax credit.

19       2. "Certificate of tax credit" means the document issued to a partic-  
20 ipant by the department, after the department has verified that the  
21 participant has met all applicable eligibility criteria in this article.  
22 The certificate shall be issued annually if such criteria are satisfied  
23 and shall specify the exact amount of the tax credit under this article  
24 that a participant may claim and shall specify the taxable year in which  
25 such credit may be claimed.

26       3. "Participant" means a business entity that:

27       (a) has completed an application prescribed by the department to be  
28 admitted into the program;

29       (b) has been issued a certificate of eligibility by the department;

30       (c) has demonstrated that it meets the eligibility criteria in section  
31 three hundred fifty-nine-d and subdivision two of section three hundred  
32 fifty-nine-e of this article; and

33       (d) has been certified as a participant by the commissioner.

34       4. "Preliminary schedule of benefits" means the aggregate amount of  
35 the tax credit that a participant in the semiconductor research and  
36 development project program may be eligible to receive pursuant to this  
37 article. The schedule shall indicate the annual amount of the credit a  
38 participant may claim in each of its ten years of eligibility. The  
39 preliminary schedule of benefits shall be issued by the department when  
40 the department approves the application for admission into the program.

41       5. "Qualified investment" means an investment in tangible property  
42 (including a building or a structural component of a building) owned by  
43 a business enterprise which:

44       (a) is depreciable pursuant to section one hundred sixty-seven of the  
45 internal revenue code;

46       (b) has a useful life of four years or more;

47       (c) is acquired by purchase as defined in section one hundred seven-  
48 ty-nine (d) of the internal revenue code;

49       (d) has a situs in this state; and

50       (e) is placed in service in the state on or after the date the certif-  
51 icate of eligibility is issued to the business enterprise.

52       6. "Semiconductor research and development project" means a project  
53 for a physical research and development facility, deemed by the commis-  
54 sioner as being primarily aimed at supporting research and development  
55 within the semiconductor manufacturing and related equipment and materi-  
56 al supplier sector. Such project shall incur at least one hundred

1 million dollars in qualified investment in New York state. Such project  
2 must lead to the establishment and operation of a research and develop-  
3 ment facility separate and apart from new or existing semiconductor or  
4 semiconductor supply chain manufacturing facilities.

5 § 359-d. Eligibility criteria. 1. To be a participant in the semicon-  
6 ductor research and development project program, a business entity shall  
7 operate in New York state and be undertaking a semiconductor research  
8 and development project as defined in section three hundred fifty-nine-c  
9 of this article.

10 2. A business entity must be in compliance with all worker protection  
11 and environmental laws and regulations. In addition, a business entity  
12 may not owe past due state taxes or local property taxes unless the  
13 business entity is making payments and complying with an approved bind-  
14 ing payment agreement entered into with the taxing authority.

15 § 359-e. Application and approval process. 1. A business enterprise  
16 must submit a completed application as prescribed by the commissioner.

17 2. As part of such application, each business enterprise must:

18 (a) Agree to allow the department of taxation and finance to share the  
19 business enterprise's tax information with the department. However, any  
20 information shared as a result of this agreement shall not be available  
21 for disclosure or inspection under the state freedom of information law;

22 (b) Agree to allow the department of labor to share its employer  
23 information with the department. However, any information shared as a  
24 result of this agreement shall not be available for disclosure or  
25 inspection under the state freedom of information law;

26 (c) Allow the department and its agents access to any and all books  
27 and records the department may require to monitor compliance;

28 (d) Provide to the department, upon request, a plan outlining the  
29 schedule for meeting the investment requirements as set forth in subdi-  
30 vision six of section three hundred fifty-nine-c of this article. Such  
31 plan must include the amount and description of projected qualified  
32 investments for which it plans to claim the semiconductor research and  
33 development tax credit;

34 (e) Agree to allow the department and the department of taxation and  
35 finance to share and exchange information contained in or derived from  
36 the applications for admission into the semiconductor research and  
37 development project program and the credit claim forms submitted to the  
38 department of taxation and finance. However, any information shared as a  
39 result of this agreement shall not be available for disclosure or  
40 inspection under the state freedom of information law.

41 (f) Certify, under penalty of perjury, that it is in substantial  
42 compliance with all environmental, worker protection, and local, state,  
43 and federal tax laws.

44 3. After reviewing a business enterprise's completed application and  
45 determining that the business enterprise will meet the condition set  
46 forth in subdivision six of section three hundred fifty-nine-c of this  
47 article, the department may admit the applicant into the program and  
48 provide the applicant with a certificate of eligibility and a prelimi-  
49 nary schedule of benefits by year based on the applicant's projections  
50 as set forth in its application. This preliminary schedule of benefits  
51 delineates the maximum possible benefits an applicant may receive.

52 4. In order to become a participant in the program, an applicant must  
53 submit evidence that it satisfies the eligibility criteria specified in  
54 section three hundred fifty-nine-d of this article and subdivision two  
55 of this section in such form as the commissioner may prescribe. After  
56 reviewing such evidence and finding it sufficient, the department shall

1 certify the applicant as a participant and issue to that participant a  
2 certificate of tax credit for one taxable year. To receive a certificate  
3 of tax credit for subsequent taxable years, the participant must submit  
4 to the department a performance report demonstrating that the partic-  
5 ipant continues to satisfy the eligibility criteria specified in this  
6 article.

7 5. A participant may claim tax benefits commencing in the first taxa-  
8 ble year that the business enterprise receives a certificate of tax  
9 credit. A participant may claim such benefits for the next nine consec-  
10 utive taxable years, provided that the participant demonstrates to the  
11 department that it continues to satisfy the eligibility criteria speci-  
12 fied in section three hundred fifty-nine-d of this article and subdivi-  
13 sion two of this section in each of those taxable years.

14 § 359-f. Powers and duties of the commissioner. 1. The commissioner  
15 may promulgate regulations establishing an application process and  
16 eligibility criteria, that will be applied consistent with the purposes  
17 of this article, so as not to exceed the annual cap on tax credits set  
18 forth in section three hundred fifty-nine-g of this article which,  
19 notwithstanding any provisions to the contrary in the state administra-  
20 tive procedure act, may be adopted on an emergency basis.

21 2. The commissioner shall, in consultation with the department of  
22 taxation and finance, develop a certificate of tax credit that shall be  
23 issued by the commissioner to participants. Participants must include  
24 the certificate of tax credit with their tax return to receive any tax  
25 benefits under this article.

26 3. The commissioner shall solely determine the eligibility of any  
27 applicant applying for entry into the program and shall remove any  
28 participant from the program for failing to meet any of the requirements  
29 set forth in subdivision six of section three hundred fifty-nine-c of  
30 this article and section three hundred fifty-nine-d of this article.

31 § 359-g. Semiconductor research and development tax credit. 1. A  
32 participant in the semiconductor research and development project  
33 program shall be eligible to claim a credit on qualified investments in  
34 semiconductor research and development projects in New York state. The  
35 amount of such credit shall be equal to fifteen percent of the cost or  
36 other basis for federal income tax purposes of the qualified investment.

37 2. The total amount of tax credits listed on certificates of tax cred-  
38 it issued by the commissioner shall be allotted from the funds available  
39 for Green CHIPS tax credits as provided under subdivision four of  
40 section three hundred fifty-nine of this chapter.

41 § 9. Section 210-B of the tax law is amended by adding a new subdivi-  
42 sion 61 to read as follows:

43 61. Semiconductor research and development tax credit. (a) Allowance  
44 of credit. A taxpayer that has been approved by the commissioner of  
45 economic development to participate in the semiconductor research and  
46 development program and has been issued a certificate of tax credit  
47 pursuant to section three hundred fifty-nine-e of the economic develop-  
48 ment law shall be allowed to claim a credit against the tax imposed by  
49 this article. The credit shall equal up to fifteen percent of the cost  
50 or other basis for federal income tax purposes of the qualified invest-  
51 ment and shall be allowable in each taxable year for which the commis-  
52 sioner of economic development has issued a certificate of tax credit,  
53 for up to ten consecutive taxable years. In no event shall a taxpayer be  
54 allowed a credit greater than the amount of credit listed on the certif-  
55 icate of tax credit issued by the commissioner of economic development.  
56 No cost or expense paid or incurred by the taxpayer that is the basis

1 for this credit shall be the basis for any other tax credit provided by  
2 this chapter.

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

15 (c) Reporting. The taxpayer shall attach to its tax return its certif-  
16 icate of tax credit issued by the commissioner of economic development  
17 pursuant to section three hundred fifty-nine-e of the economic develop-  
18 ment law. In no event shall the taxpayer be allowed a credit greater  
19 than the amount of the credit listed on the certificate of tax credit,  
20 or in the case of a taxpayer who is a partner in a partnership, a member  
21 of a limited liability company, or shareholder in an S corporation, its  
22 pro rata share of the amount of credit listed on the certificate of tax  
23 credit.

24 (d) Credit recapture. If a certificate of eligibility or a certificate  
25 of tax credit issued by the department of economic development under  
26 article seventeen-A of the economic development law is revoked by such  
27 department because the taxpayer does not meet the eligibility require-  
28 ment set forth in subdivision six of section three hundred fifty-nine-c  
29 of the economic development law, the amount of credit described in this  
30 subdivision and claimed by the taxpayer prior to that revocation shall  
31 be added back to tax in the taxable year in which any such revocation  
32 becomes final.

33 § 10. Section 606 of the tax law is amended by adding a new subsection  
34 (qqq) to read as follows:

35 (qqq) Semiconductor research and development tax credit. (1) Allowance  
36 of credit. A taxpayer that has been approved by the commissioner of  
37 economic development to participate in the semiconductor research and  
38 development tax credit program and has been issued a certificate of tax  
39 credit pursuant to section three hundred fifty-nine-e of the economic  
40 development law shall be allowed to claim a credit against the tax  
41 imposed by this article. The credit shall equal up to fifteen percent of  
42 the cost or other basis for federal income tax purposes of the qualified  
43 investment and shall be allowable in each taxable year for which the  
44 commissioner of economic development has issued a certificate of tax  
45 credit, for up to ten consecutive taxable years. In no event shall a  
46 taxpayer be allowed a credit greater than the amount listed on the  
47 certificate of tax credit issued by the commissioner of economic devel-  
48 opment. In the case of a taxpayer who is a partner in a partnership,  
49 member of a limited liability company or shareholder in an S corpo-  
50 ration, the taxpayer shall be allowed its pro rata share of the credit  
51 earned by the partnership, limited liability company or S corporation.  
52 No cost or expense paid or incurred by the taxpayer that is the basis  
53 for this credit shall be the basis for any other tax credit provided by  
54 this chapter.

55 (2) Application of credit. If the amount of the credit allowed under  
56 this subsection for any taxable year exceeds the taxpayer's tax for the

1 taxable year, the excess shall be treated as an overpayment of tax to be  
2 credited or refunded in accordance with the provisions of section six  
3 hundred eighty-six of this article, provided, however, no interest will  
4 be paid thereon.

5 (3) Reporting. The taxpayer shall attach to its tax return its certifi-  
6 cate of tax credit issued by the commissioner of economic development  
7 pursuant to section three hundred fifty-nine-e of the economic develop-  
8 ment law. In no event shall the taxpayer be allowed a credit greater  
9 than the amount of the credit listed on the certificate of tax credit,  
10 or in the case of a taxpayer who is a partner in a partnership, a member  
11 of a limited liability company, or shareholder in an S corporation, its  
12 pro rata share of the amount of credit listed on the certificate of tax  
13 credit.

14 (4) Credit recapture. If a certificate of eligibility or a certificate  
15 of tax credit issued by the department of economic development under  
16 article seventeen-A of the economic development law is revoked by such  
17 department because the taxpayer does not meet the eligibility require-  
18 ment set forth in subdivision six of section three hundred fifty-nine-c  
19 of economic development law, the amount of credit described in this  
20 subdivision and claimed by the taxpayer prior to that revocation shall  
21 be added back to tax in the taxable year in which any such revocation  
22 becomes final.

23 § 11. The economic development law is amended by adding a new article  
24 28 to read as follows:

#### ARTICLE 28

##### SEMICONDUCTOR MANUFACTURING WORKFORCE TRAINING INCENTIVE PROGRAM

##### Section 501. Definitions.

28 502. Eligibility criteria.

29 503. Application and approval process.

30 504. Powers and duties of the commissioner.

31 505. Recordkeeping requirements.

32 506. Cap on tax credit.

33 § 501. Definitions. As used in this article, the following terms shall  
34 have the following meanings:

35 1. "Approved provider" means an entity approved by the commissioner  
36 that may provide eligible training to employees of a business entity  
37 participating in the semiconductor manufacturing workforce training  
38 incentive program. Such criteria shall ensure that any approved provider  
39 possesses adequate credentials to provide the training described in an  
40 application by a business entity to the commissioner to participate in  
41 the semiconductor manufacturing workforce training incentive program.

42 2. "Eligible training" means training provided to an employee hired  
43 within twelve months of the business entity applying for this program by  
44 the business entity or an approved provider that is:

45 (a) to upgrade, retrain or improve the productivity of employees;

46 (b) determined by the commissioner to satisfy a business need on the  
47 part of a participating business entity; and

48 (c) not designed to train or upgrade skills as required by a federal  
49 or state entity.

50 3. "Manufacturing business" means a business that is engaged in the  
51 process of working raw materials into products suitable for use or which  
52 gives new shapes, new quality or new combinations to matter which has  
53 already gone through some artificial process by the use of machinery,  
54 tools, appliances, or other similar equipment. "Manufacturing" does not  
55 include an operation that involves only the assembly of components,

1 provided, however, that the assembly of motor vehicles or other high  
2 value-added products shall be considered manufacturing.

3 4. "Semiconductor manufacturing business" means a business deemed by  
4 the commissioner to make products or develop technologies that are  
5 primarily aimed at supporting the growth of the semiconductor manufac-  
6 turing and related equipment and material supplier sector. This shall  
7 include, but need not be limited to, semiconductor device manufacturing,  
8 producers of component parts, direct input materials and equipment  
9 necessary for the manufacture of semiconductor chips, machinery, equip-  
10 ment, and materials necessary for the operational efficiency of semicon-  
11 ductor manufacturing facilities, other such inputs directly supportive  
12 of the domestic production of semiconductor chips, and companies engaged  
13 in the assembly, testing, packaging and advanced packaging semiconductor  
14 value chain. The "semiconductor and supply chain" tier shall not  
15 include a project primarily composed of: (a) machinery, equipment, or  
16 materials that are inputs to manufacturing generally, but are not direct  
17 inputs to semiconductor manufacturing in specific; or (b) the production  
18 of products or development of technologies that would produce only  
19 marginal and incremental benefits to the semiconductor manufacturing  
20 sector.

21 5. "Wrap around services" means transportation, childcare, case  
22 management and other services designed to maximize the economic impact  
23 of workforce development training for participants, and to provide the  
24 support services necessary to ensure trainees can access training.

25 § 502. Eligibility criteria. In order to participate in the manufac-  
26 turing workforce training incentive program, a business entity must  
27 satisfy the following criteria:

28 1. The business entity must operate in the state as a semiconductor  
29 manufacturing business or a manufacturing business as defined in this  
30 article;

31 2. The business entity must demonstrate that it is conducting eligible  
32 training or obtaining eligible training from an approved provider; and

33 3. The business entity must be in compliance with all worker  
34 protection and environmental laws and regulations. In addition, the  
35 business entity may not owe past due state taxes or local property  
36 taxes.

37 § 503. Application and approval process. 1. A business entity must  
38 submit a completed application in such form and with such information as  
39 prescribed by the commissioner.

40 2. As part of such application, each business entity must:

41 (a) provide such documentation as the commissioner may require in  
42 order for the commissioner to determine that the business entity intends  
43 to conduct eligible training or procure eligible training for its  
44 employees from an approved provider;

45 (b) agree to allow the department of taxation and finance to share its  
46 tax information with the department. However, any information shared as  
47 a result of this agreement shall not be available for disclosure or  
48 inspection under the state freedom of information law;

49 (c) agree to allow the department of labor to share its tax and  
50 employer information with the department. However, any information  
51 shared as a result of this agreement shall not be available for disclo-  
52 sure or inspection under the state freedom of information law;

53 (d) allow the department and its agents access to any and all books  
54 and records the department may require to monitor compliance; and

55 (e) agree to allow the department and the department of taxation and  
56 finance to share and exchange information contained in or derived from

1 the applications for admission into the semiconductor manufacturing  
2 workforce training incentive program and the credit claim forms submit-  
3 ted to the department of taxation and finance. However, any information  
4 shared as a result of this agreement shall not be available for disclo-  
5 sure or inspection under the state freedom of information law.

6 3. The commissioner may approve an application from a business entity  
7 upon determining that such business entity meets the eligibility crite-  
8 ria established in section five hundred two of this article. Following  
9 approval by the commissioner of an application by a business entity to  
10 participate in the semiconductor manufacturing workforce training incen-  
11 tive program, the commissioner shall issue a certificate of tax credit  
12 to the business entity upon its demonstrating successful completion of  
13 such eligible training to the satisfaction of the commissioner. For  
14 eligible training as defined by subdivision two of section five hundred  
15 one of this article the amount of the credit shall be equal to seventy-  
16 five percent of wages, salaries or other compensation, training costs,  
17 and wrap around services, up to a credit of twenty-five thousand dollars  
18 per employee receiving eligible training, up to one million dollars per  
19 eligible non-semiconductor manufacturing business and up to five million  
20 dollars per eligible semiconductor manufacturing business. The tax cred-  
21 its shall be claimed by the qualified employer as specified in subdivi-  
22 sion sixty-two of section two hundred ten-B and subsection (rrr) of  
23 section six hundred six of the tax law.

24 § 504. Powers and duties of the commissioner. 1. The commissioner  
25 shall promulgate regulations consistent with the purposes of this arti-  
26 cle that, notwithstanding any provisions to the contrary in the state  
27 administrative procedure act, may be adopted on an emergency basis. Such  
28 regulations shall include, but not be limited to, eligibility criteria  
29 for business entities desiring to participate in the semiconductor manu-  
30 facturing workforce training incentive program, procedures for the  
31 receipt and evaluation of applications from business entities to partic-  
32 ipate in the program, and such other provisions as the commissioner  
33 deems to be appropriate in order to implement the provisions of this  
34 article.

35 2. The commissioner shall, in consultation with the department of  
36 taxation and finance, develop a certificate of tax credit that shall be  
37 issued by the commissioner to participating business entities. Partic-  
38 ipants may be required by the commissioner of taxation and finance to  
39 include the certificate of tax credit with their tax return to receive  
40 any tax benefits under this article.

41 3. The commissioner shall solely determine the eligibility of any  
42 applicant applying for entry into the program and shall remove any  
43 participant from the program for failing to meet any of the requirements  
44 set forth in section five hundred two of this article or for making a  
45 material misrepresentation with respect to its participation in the  
46 program.

47 § 505. Recordkeeping requirements. Each business entity participating  
48 in the program shall maintain all relevant records for the duration of  
49 its program participation plus three years.

50 § 506. Cap on tax credit. The total amount of tax credits listed on  
51 certificates of tax credit issued by the commissioner for any taxable  
52 year may not exceed twenty million dollars, and shall be allotted from  
53 the funds available for tax credits under the excelsior jobs program act  
54 pursuant to section three hundred fifty-nine of this chapter.

55 § 12. Section 210-B of the tax law is amended by adding a new subdivi-  
56 sion 62 to read as follows:

1 62. Semiconductor manufacturing workforce training program tax credit.  
2 (a) Allowance of tax credit. A taxpayer that has been approved by the  
3 commissioner of economic development to participate in the semiconductor  
4 manufacturing workforce training program and has been issued a certif-  
5 icate of tax credit pursuant to section five hundred three of the  
6 economic development law shall be allowed to claim a credit against the  
7 tax imposed by this article. The credit shall equal seventy-five percent  
8 of wages, salaries or other compensation, training costs, and wrap  
9 around services, up to a credit of twenty-five thousand dollars per  
10 employee receiving eligible training, up to one million dollars per  
11 eligible non-semiconductor manufacturing business and up to five million  
12 dollars per eligible semiconductor manufacturing business pursuant to  
13 subdivision three of section five hundred three of the economic develop-  
14 ment law. In no event shall a taxpayer be allowed a credit greater than  
15 the amount of credit listed on the certificate of tax credit issued by  
16 the commissioner of economic development. The credit shall be allowed in  
17 the taxable year in which the eligible training is completed. No cost or  
18 other expense paid or incurred by the taxpayer that is the basis for  
19 this credit shall be the basis for any other tax credit provided by this  
20 chapter.

21 (b) Application of credit. The credit allowed under this subdivision  
22 for any taxable year may not reduce the tax due for such year to less  
23 than the amount prescribed in paragraph (d) of subdivision one of  
24 section two hundred ten of this article. However, if the amount of cred-  
25 it allowed under this subdivision for any taxable year reduces the tax  
26 to such amount, or if the taxpayer otherwise pays tax based on the fixed  
27 dollar minimum amount, any amount of credit thus not deductible in that  
28 taxable year will be treated as an overpayment of tax to be credited or  
29 refunded in accordance with the provisions of section one thousand  
30 eighty-six of this chapter. Provided, however, the provisions of  
31 subsection (c) of section one thousand eighty-eight of this chapter  
32 notwithstanding, no interest will be paid thereon.

33 (c) Reporting. The taxpayer shall attach to its tax return its certif-  
34 icate of tax credit issued by the commissioner of economic development  
35 pursuant to section five hundred three of the economic development law.  
36 In no event shall the taxpayer be allowed a credit greater than the  
37 amount of the credit listed on the certificate of tax credit, or in the  
38 case of a taxpayer who is a partner in a partnership, a member of a  
39 limited liability company, or shareholder in an S corporation, its pro  
40 rata share of the amount of credit listed in the certificate of tax  
41 credit.

42 (d) Credit recapture. If a certificate of eligibility or a certificate  
43 of tax credit issued by the department of the economic development under  
44 article twenty-eight of the economic development law is revoked by such  
45 department because the taxpayer does not meet the eligibility require-  
46 ment set forth in subdivision three of section five hundred three of the  
47 economic development law, the amount of credit described in this subdi-  
48 vision and claimed by the taxpayer prior to that revocation shall be  
49 added back to tax in the taxable year in which any such revocation  
50 becomes final.

51 § 13. Section 606 of the tax law is amended by adding a new subsection  
52 (rrr) to read as follows:

53 (rrr) Semiconductor workforce training program tax credit. (1) Allow-  
54 ance of tax credit. A taxpayer that has been approved by the commission-  
55 er of economic development to participate in the semiconductor workforce  
56 training program and has been issued a certificate of tax credit pursu-



1 ant to section five hundred three of the economic development law shall  
2 be allowed to claim a credit against the tax imposed by this article.  
3 The credit shall equal seventy-five percent of wages, salaries or other  
4 compensation, training costs, and wrap around services, up to a credit  
5 of twenty-five thousand dollars per employee receiving eligible train-  
6 ing, up to one million dollars per eligible non-semiconductor manufac-  
7 turing business and up to five million dollars per eligible semiconduc-  
8 tor manufacturing business pursuant to subdivision three of section five  
9 hundred three of the economic development law. In no event shall a  
10 taxpayer be allowed a credit greater than the amount listed on the  
11 certificate of tax credit issued by the commissioner of economic devel-  
12 opment. In the case of a taxpayer who is a partner in a partnership,  
13 member of a limited liability company or shareholder in an S corpo-  
14 ration, the taxpayer shall be allowed its pro rata share of the credit  
15 earned by the partnership, limited liability company or S corporation.  
16 The credit shall be allowed in the taxable year in which the eligible  
17 training is completed. No cost or expense paid or incurred by the  
18 taxpayer that is the basis for this credit shall be the basis for any  
19 other tax credit provided by this chapter.

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

26 (3) Reporting. The taxpayer shall attach to its tax return its certifi-  
27 cate of tax credit issued by the commissioner of economic development  
28 pursuant to section five hundred three of the economic development law.  
29 In no event shall the taxpayer be allowed a credit greater than the  
30 amount of the credit listed on the certificate of tax credit, or in the  
31 case of a taxpayer who is a partner in a partnership, a member of a  
32 limited liability company, or shareholder in an S corporation, its pro  
33 rata share of the amount of credit listed on the certificate of tax  
34 credit.

35 (4) Credit recapture. If a certificate of eligibility or a certificate  
36 of tax credit issued by the department of economic development under  
37 article twenty-eight of the economic development law is revoked by such  
38 department because the taxpayer does not meet the eligibility require-  
39 ment set forth in subdivision three of section five hundred three of the  
40 economic development law, the amount of credit described in this  
41 subsection and claimed by the taxpayer prior to that revocation shall be  
42 added back to tax in the taxable year in which any such revocation  
43 becomes final.

44 § 14. This act shall take effect immediately and apply to taxable  
45 years beginning on or after January 1, 2025; provided, however, that  
46 section five of this act shall take effect December 31, 2028.

47

## SUBPART B

48 Section 1. Section 421 of the economic development law, as added by  
49 section 1 of part E of chapter 56 of the laws of 2011, is amended to  
50 read as follows:

51 § 421. Statement of legislative findings and declaration. It is hereby  
52 found and declared that New York state needs, as a matter of public  
53 policy, to create competitive financial incentives to retain [strategic]  
54 businesses, including small businesses and jobs that are at risk of

1 leaving the state or closing operations due to the impact on its busi-  
2 ness operations of an event leading to an emergency declaration by the  
3 governor. The empire state jobs retention program is created to support  
4 the retention of the state's [most strategic] businesses, including  
5 small businesses in the event of an emergency.

6 This legislation creates a jobs tax credit for each job of a [strate-  
7 gic] business, including a small business directly impacted by an emer-  
8 gency and protects state taxpayers' dollars by ensuring that New York  
9 provides tax benefits only to businesses that can demonstrate substan-  
10 tial physical damage and economic harm resulting from an event leading  
11 to an emergency declaration by the governor.

12 § 2. Section 422 of the economic development law, as added by section  
13 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
14 follows:

15 § 422. Definitions. For the purposes of this article:

16 1. ["Agriculture" means both agricultural production (establishments  
17 performing the complete farm or ranch operation, such as farm owner-op-  
18 erators, tenant farm operators, and sharecroppers) and agricultural  
19 support (establishments that perform one or more activities associated  
20 with farm operation, such as soil preparation, planting, harvesting, and  
21 management, on a contract or fee basis).

22 2. "Back office operations" means a business function that may include  
23 one or more of the following activities: customer service, information  
24 technology and data processing, human resources, accounting and related  
25 administrative functions.

26 3.] "Certificate of eligibility" means the document issued by the  
27 department to an applicant that has completed an application to be  
28 admitted into the empire state jobs retention program and has been  
29 accepted into the program by the department. Possession of a certificate  
30 of eligibility does not by itself guarantee the eligibility to claim the  
31 tax credit.

32 [4.] 2. "Certificate of tax credit" means the document issued to a  
33 participant by the department, after the department has verified that  
34 the participant has met all applicable eligibility criteria in this  
35 article. The certificate shall be issued annually if such criteria are  
36 satisfied and shall specify the exact amount of each tax credit under  
37 this article that a participant may claim, pursuant to section four  
38 hundred twenty-five of this article, and shall specify the taxable year  
39 in which such credit may be claimed.

40 [5. "Distribution center" means a large scale facility involving proc-  
41 essing, repackaging and/or movement of finished or semi-finished goods  
42 to retail locations across a multi-state area.

43 6. "Financial services data centers" or "financial services customer  
44 back office operations" means operations that manage the data or  
45 accounts of existing customers or provide product or service information  
46 and support to customers of financial services companies, including  
47 banks, other lenders, securities and commodities brokers and dealers,  
48 investment banks, portfolio managers, trust offices, and insurance  
49 companies.

50 7.] 3. "Impacted jobs" means jobs [existing] at a business enterprise  
51 [at a location or locations within the county declared an emergency by  
52 the governor on the day immediately preceding the day on which the event  
53 leading to the emergency declaration by the governor occurred] existing  
54 the day before an event leading to an emergency declaration by the  
55 governor at a location or locations which demonstrate substantial phys-

1 ical damage and economic harm caused by the event for which the emergen-  
2 cy declaration was made.

3 [8. "Manufacturing" means the process of working raw materials into  
4 products suitable for use or which gives new shapes, new quality or new  
5 combinations to matter which has already gone through some artificial  
6 process by the use of machinery, tools, appliances, or other similar  
7 equipment. "Manufacturing" does not include an operation that involves  
8 only the assembly of components, provided, however, the assembly of  
9 motor vehicles or other high value-added products shall be considered  
10 manufacturing.

11 9.] 4. "Participant" means a business entity that:

12 (a) has completed an application prescribed by the department to be  
13 admitted into the program;

14 (b) has been issued a certificate of eligibility by the department;

15 (c) has demonstrated that it meets the eligibility criteria in section  
16 four hundred twenty-three and subdivision two of section four hundred  
17 twenty-four of this article; and

18 (d) has been certified as a participant by the commissioner.

19 [10.] 5. "Preliminary schedule of benefits" means the maximum aggre-  
20 gate amount of the tax credit that a participant in the empire state  
21 jobs retention program is eligible to receive pursuant to this article.  
22 The schedule shall indicate the annual amount of the credit a partic-  
23 ipant may claim in [each of] its [ten years] six months of eligibility.  
24 The preliminary schedule of benefits shall be issued by the department  
25 when the department approves the application for admission into the  
26 program. The commissioner may amend that schedule, provided that the  
27 commissioner complies with the credit caps in section three hundred  
28 fifty-nine of this chapter.

29 [11.] 6. "Related person" means a related person pursuant to subpara-  
30 graph (c) of paragraph three of subsection (b) of section four hundred  
31 sixty-five of the internal revenue code.

32 [12. "Scientific research and development" means conducting research  
33 and experimental development in the physical, engineering, and life  
34 sciences, including but not limited to agriculture, electronics, envi-  
35 ronmental, biology, botany, biotechnology, computers, chemistry, food,  
36 fisheries, forests, geology, health, mathematics, medicine, oceanogra-  
37 phy, pharmacy, physics, veterinary, and other allied subjects. For the  
38 purposes of this article, scientific research and development does not  
39 include medical or veterinary laboratory testing facilities.

40 13. "Software development" means the creation of coded computer  
41 instructions and includes new media as defined by the commissioner in  
42 regulations.]

43 7. "Business entity" means a for profit business duly authorized to do  
44 business in and in good standing in the state of New York.

45 § 3. Section 423 of the economic development law, as added by section  
46 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
47 follows:

48 § 423. Eligibility criteria. 1. [To be a participant in the empire  
49 state jobs retention program, a business entity shall operate in New  
50 York state predominantly:

51 (a) as a financial services data center or a financial services back  
52 office operation;

53 (b) in manufacturing;

54 (c) in software development and new media;

55 (d) in scientific research and development;

56 (e) in agriculture;

1 (f) in the creation or expansion of back office operations in the  
2 state; or

3 (g) in a distribution center.

4 2. When determining whether an applicant is operating predominantly in  
5 one of the industries listed in subdivision one of this section, the  
6 commissioner will examine the nature of the business activity at the  
7 location for the proposed project and will make eligibility determi-  
8 nations based on such activity.

9 3.] For the purposes of this article, in order to participate in the  
10 empire state jobs retention program[, a business entity operating in one  
11 of the strategic industries listed in subdivision one of this section  
12 (a) must be located in a county in which an emergency has been declared  
13 by the governor] on or after [January] June first, two thousand [eleven]  
14 twenty-five, [(b)] a business entity must demonstrate substantial phys-  
15 ical damage and economic harm at a location or locations within an area  
16 for which the governor has issued an emergency declaration and resulting  
17 from the event leading to the emergency declaration by the governor[,  
18 and (c) must have had at least one hundred full-time equivalent jobs in  
19 the county in which an emergency has been declared by the governor on  
20 the day immediately preceding the day on which the event leading to the  
21 emergency declaration by the governor occurred, and must retain or  
22 exceed that number of jobs in New York state.

23 4. A not-for-profit business entity, a business entity whose primary  
24 function is the provision of services including personal services, busi-  
25 ness services, or the provision of utilities, a business entity engaged  
26 predominantly in the retail or entertainment industry, or a company  
27 engaged in the generation or distribution of electricity, the distrib-  
28 ution of natural gas, or the production of steam associated with the  
29 generation of electricity are not eligible to receive the tax credit  
30 described in this article].

31 [5.] 2. A business entity must be in compliance with all worker  
32 protection and environmental laws and regulations. In addition, a busi-  
33 ness entity may not owe past due state taxes. In addition, a business  
34 entity must not owe local property taxes for any year prior to the year  
35 in which it applies to participate in the empire state jobs retention  
36 program.

37 § 4. Section 424 of the economic development law, as added by section  
38 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
39 follows:

40 § 424. Application and approval process. 1. A business [enterprise]  
41 entity must submit a completed application as prescribed by the commis-  
42 sioner. Such completed application must be submitted to the commissioner  
43 within [(a)] one hundred eighty days of the declaration of an emergency  
44 by the governor in the county in which the business enterprise is  
45 located [or (b) one hundred eighty days of the enactment of this arti-  
46 cle, if such date is later than the date specified in paragraph (a) of  
47 this subdivision]; provided, however, that the eligibility period for  
48 the credit shall begin upon the date of declaration of an emergency by  
49 the governor covering the county in which the business entity is  
50 located.

51 2. As part of such application, each business [enterprise] entity  
52 must:

53 (a) agree to allow the department of taxation and finance to share its  
54 tax information with the department. However, any information shared as  
55 a result of this agreement shall not be available for disclosure or  
56 inspection under the state freedom of information law.

1 (b) agree to allow the department of labor to share its tax and  
2 employer information with the department. However, any information  
3 shared as a result of this agreement shall not be available for disclo-  
4 sure or inspection under the state freedom of information law.

5 (c) allow the department and its agents access to any and all books  
6 and records the department may require to monitor compliance.

7 (d) agree to be permanently disqualified for empire zone tax benefits  
8 at any location or locations that qualify for empire state jobs  
9 retention program benefits if admitted into the empire state jobs  
10 retention program.

11 (e) provide the following information to the department upon request:

12 (i) a plan outlining the schedule for meeting the jobs retention  
13 requirements as set forth in subdivision [three] one of section four  
14 hundred twenty-three of this article. Such plan must include details on  
15 jobs titles and expected salaries;

16 (ii) the prior three years of federal and state income or franchise  
17 tax returns, unemployment insurance quarterly returns, real property tax  
18 bills and audited financial statements; and

19 (iii) the employer identification or social security numbers for all  
20 related persons to the applicant, including those of any members of a  
21 limited liability company or partners in a partnership.

22 (f) provide a clear and detailed presentation of all related persons  
23 to the applicant to assure the department that jobs are not being shift-  
24 ed within the state.

25 (g) certify, under penalty of perjury, that it is in substantial  
26 compliance with all environmental, worker protection, and local, state,  
27 and federal tax laws.

28 3. After reviewing a business enterprise's completed application and  
29 determining that the business enterprise will meet the conditions set  
30 forth in subdivision [three] one of section four hundred twenty-three of  
31 this article, the department may admit the applicant into the program  
32 and provide the applicant with a certificate of eligibility and a  
33 preliminary schedule of benefits by year based on the applicant's  
34 projections as set forth in its application. This preliminary schedule  
35 of benefits delineates the maximum possible benefits an applicant may  
36 receive.

37 4. In order to become a participant in the program, an applicant must  
38 submit evidence that it satisfies the eligibility criteria specified in  
39 section four hundred twenty-three of this article and subdivision two of  
40 this section in such form as the commissioner may prescribe. After  
41 reviewing such evidence and finding it sufficient, the department shall  
42 certify the applicant as a participant and issue to that participant a  
43 certificate of tax credit [for one taxable year. To receive a certif-  
44 icate of tax credit for subsequent taxable years, the participant must  
45 submit to the department a performance report demonstrating that the  
46 participant continues to satisfy the eligibility criteria specified in  
47 section four hundred twenty-three of this article and subdivision two of  
48 this section].

49 5. A participant may claim tax benefits commencing in the first taxa-  
50 ble year that the business enterprise receives a certificate of tax  
51 credit or the first taxable year listed on its preliminary schedule of  
52 benefits, whichever is later. [A participant may claim such benefits for  
53 the next nine consecutive taxable years, provided that the participant  
54 demonstrates to the department that it continues to satisfy the eligi-  
55 bility criteria specified in section four hundred twenty-three of this

1 article and subdivision two of this section in each of those taxable  
2 years.]

3 § 5. Section 425 of the economic development law, as added by section  
4 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
5 follows:

6 § 425. Empire state jobs retention program credit. 1. A participant in  
7 the empire state jobs retention program shall be eligible to claim a  
8 credit for the impacted jobs. [The] For a business entity that employes  
9 three to forty-nine employees, the amount of such credit shall be equal  
10 to the product of the gross wages paid for the impacted jobs and [6.85]  
11 up to 15 percent. For a business entity that employs fifty to one  
12 hundred employees, the amount of such credit shall be equal to the prod-  
13 uct of the gross wages paid for the impacted jobs and up to 7.5 percent.  
14 For a business entity that employs greater than one hundred employees,  
15 the amount of such credit shall be equal to the product of the gross  
16 wages paid for the impacted jobs and up to 3.75 percent. An eligible  
17 business entity may only receive up to \$500,000 in tax credits per event  
18 triggering an emergency declaration by the governor.

19 2. The tax credit established in this section shall be refundable as  
20 provided in the tax law. If a participant fails to satisfy the eligibil-  
21 ity criteria [in any one year], it will lose the ability to claim credit  
22 [for that year]. The event of such failure shall not extend the original  
23 [ten-year] six-month eligibility period.

24 3. The business enterprise shall be allowed to claim the credit as  
25 prescribed in section thirty-six of the tax law[; provided, however, a  
26 business enterprise shall not be allowed to claim the credit prior to  
27 tax year two thousand twelve].

28 4. A participant may be eligible for benefits under this article as  
29 well as article seventeen of this chapter, provided the participant can  
30 only receive benefits pursuant to subdivision two of section three  
31 hundred fifty-five of this chapter for costs in excess of costs recov-  
32 ered by insurance.

33 § 6. Section 426 of the economic development law, as added by section  
34 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
35 follows:

36 § 426. Powers and duties of the commissioner. 1. The commissioner  
37 shall promulgate regulations establishing [an] the type of application  
38 process and the eligibility criteria, that will be applied consistent  
39 with the purposes of this article, so as not to exceed thirty million  
40 dollars from the annual cap on tax credits set forth in section three  
41 hundred fifty-nine of this chapter which, notwithstanding any provisions  
42 to the contrary in the state administrative procedure act, may be  
43 adopted on an emergency basis. Such regulations shall include, but not  
44 be limited to, criteria for determining whether a business entity demon-  
45 strates substantial physical damage and economic harm from the event  
46 leading to an emergency declaration by the governor.

47 2. The commissioner shall, in consultation with the department of  
48 taxation and finance, develop a certificate of tax credit that shall be  
49 issued by the commissioner to participants. Participants may be required  
50 by the commissioner of taxation and finance to include the certificate  
51 of tax credit with their tax return to receive any tax benefits under  
52 this article.

53 3. The commissioner shall solely determine the eligibility of any  
54 applicant applying for entry into the program and shall remove any  
55 participant from the program for failing to meet any of the requirements  
56 set forth in subdivision two of section four hundred twenty-four of this

1 article, or for failing to meet the [job retention] requirements set  
2 forth in [subdivision three of] section four hundred twenty-three of  
3 this article[, or for failing to meet the requirements of subdivision  
4 five of section four hundred twenty-three of this article].

5 § 7. This act shall take effect immediately.

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

15 § 3. This act shall take effect immediately, provided, however, that  
16 the applicable effective date of Subparts A and B of this act shall be  
17 as specifically set forth in the last section of such Subparts.

18

## PART I

19 Section 1. Paragraphs 2 and 5 of subdivision (a) of section 24 of the  
20 tax law, paragraph 2 as amended by section 1 and paragraph 5 as amended  
21 by section 2 of part D of chapter 59 of the laws of 2023, are amended  
22 and a new paragraph 6 is added to read as follows:

23 (2) The amount of the credit shall be the product (or pro rata share  
24 of the product, in the case of a member of a partnership) of thirty  
25 percent and the qualified production costs paid or incurred in the  
26 production of a qualified film, provided that: (i) the qualified  
27 production costs (excluding post production costs) paid or incurred  
28 which are attributable to the use of tangible property or the perform-  
29 ance of services at a qualified film production facility in the  
30 production of such qualified film equal or exceed seventy-five percent  
31 of the production costs (excluding post production costs) paid or  
32 incurred which are attributable to the use of tangible property or the  
33 performance of services at any film production facility within and with-  
34 out the state in the production of such qualified film, and (ii) except  
35 with respect to a qualified independent film production company or  
36 pilot, at least ten percent of the total principal photography shooting  
37 days spent in the production of such qualified film must be spent at a  
38 qualified film production facility. However, if the qualified production  
39 costs (excluding post production costs) which are attributable to the  
40 use of tangible property or the performance of services at a qualified  
41 film production facility in the production of such qualified film is  
42 less than three million dollars, then the portion of the qualified  
43 production costs attributable to the use of tangible property or the  
44 performance of services in the production of such qualified film outside  
45 of a qualified film production facility shall be allowed only if the  
46 shooting days spent in New York outside of a film production facility in  
47 the production of such qualified film equal or exceed seventy-five  
48 percent of the total shooting days spent within and without New York  
49 outside of a film production facility in the production of such quali-  
50 fied film. The credit shall be allowed for the taxable year in which the  
51 production of such qualified film is completed. However, in the case of  
52 a qualified film that receives funds from additional pool 2, no credit  
53 shall be claimed before the later of (1) the taxable year the production  
54 of the qualified film is complete, or (2) the taxable year that includes

1 the last day of the allocation year for which the film has been allo-  
2 cated credit by the department of economic development. If the amount of  
3 the credit is at least one million dollars but less than five million  
4 dollars, the credit shall be claimed over a two year period beginning in  
5 the first taxable year in which the credit may be claimed and in the  
6 next succeeding taxable year, with one-half of the amount of credit  
7 allowed being claimed in each year. If the amount of the credit is at  
8 least five million dollars, the credit shall be claimed over a three  
9 year period beginning in the first taxable year in which the credit may  
10 be claimed and in the next two succeeding taxable years, with one-third  
11 of the amount of the credit allowed being claimed in each year.  
12 Provided, however, in the case of a qualified film for which the credit  
13 application was received on or after January first, two thousand twen-  
14 ty-five, the credit shall be claimed in the taxable year that includes  
15 the last day of the allocation year for which the film has been allo-  
16 cated a credit by the department of economic development.

17 (5) For the period two thousand fifteen through two thousand [thirty-  
18 four] thirty-six, in addition to the amount of credit established in  
19 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
20 equal to (i) the product (or pro rata share of the product, in the case  
21 of a member of a partnership) of ten percent and the wages, salaries or  
22 other compensation constituting qualified production costs as defined in  
23 paragraph two of subdivision (b) of this section, paid to individuals  
24 directly employed by a qualified film production company or a qualified  
25 independent film production company for services performed by those  
26 individuals in one of the counties specified in this paragraph in  
27 connection with a qualified film with a minimum budget of five hundred  
28 thousand dollars, and (ii) the product (or pro rata share of the prod-  
29 uct, in the case of a member of a partnership) of ten percent and the  
30 qualified production costs (excluding wages, salaries or other compen-  
31 sation) paid or incurred in the production of a qualified film where the  
32 property constituting such qualified production costs was used, and the  
33 services constituting such qualified production costs were performed in  
34 any of the counties specified in this paragraph in connection with a  
35 qualified film with a minimum budget of five hundred thousand dollars  
36 where the majority of principal photography shooting days in the  
37 production of such film were shot in any of the counties specified in  
38 this paragraph. Provided, however, that the aggregate total eligible  
39 qualified production costs constituting wages, salaries or other compen-  
40 sation, for writers, directors, composers, producers, and performers  
41 shall not exceed forty percent of the aggregate sum total of all other  
42 qualified production costs. For purposes of the credit, the services  
43 must be performed and the property must be used in one or more of the  
44 following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chau-  
45 tauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutch-  
46 ess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer,  
47 Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara,  
48 Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam,  
49 Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St.  
50 Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washing-  
51 ton, Wayne, Wyoming, or Yates.

52 (6) Production plus program. (i) A taxpayer who is a qualified inde-  
53 pendent film production company or a qualified film production company  
54 engaging in the production of a qualified film that undertakes multiple  
55 productions in New York state may be eligible for a tax credit in addi-  
56 tion to the credit pursuant to paragraph two of this subdivision.



1 Production companies that submit at least two initial applications to  
2 the empire state film production tax credit program after January first,  
3 two thousand twenty-five the sum of which total at least one hundred  
4 million dollars in qualified production costs in New York state may be  
5 eligible to receive an additional tax credit equal to the product of ten  
6 percent and the qualified production costs incurred on all subsequent  
7 films or television series applied for.

8 (ii) A taxpayer who is a qualified independent film production company  
9 engaging in the production of a feature length film, television film or  
10 television series as defined in the regulations promulgated for this  
11 program that undertakes multiple productions in New York state may be  
12 eligible for a tax credit in addition to the credit pursuant to para-  
13 graph two of this subdivision. Production companies that submit at least  
14 two applications to the empire state film production tax credit program  
15 after January first, two thousand twenty-five the sum of which total at  
16 least twenty million in qualified production costs in New York state may  
17 receive an additional tax credit equal to the product of five percent  
18 and the qualified production costs incurred on all subsequent films or  
19 series applied for.

20 (iii) Initial applications for feature length films and new television  
21 series submitted after December thirty-first, two thousand twenty-eight  
22 shall not be eligible for the program pursuant to this paragraph;  
23 provided, however, a television series that enters the program pursuant  
24 to this paragraph before January first, two thousand twenty-nine shall  
25 continue to be eligible.

26 § 2. Paragraphs 1, 2 and 7 of subdivision (b) of section 24 of the  
27 tax law, paragraph 1 as amended by section 2-a and paragraph 2 as  
28 amended by section 3 of part D of chapter 59 of the laws of 2023, para-  
29 graph 7 as added by section 9 of part Q of chapter 57 of the laws of  
30 2010, are amended and a new paragraph 11 is added to read as follows:

31 (1) "Qualified production costs" means production costs only to the  
32 extent such costs are attributable to the use of tangible property or  
33 the performance of services within the state directly and predominantly  
34 in the production (including pre-production and post production) of a  
35 qualified film. In the case of an eligible relocated television series,  
36 the term "qualified production costs" shall include, in the first season  
37 that the eligible relocated television series is produced in New York  
38 after relocation, qualified relocation costs. Provided, however, that  
39 the aggregate total eligible qualified production costs for producers,  
40 writers, directors, performers (other than background actors with no  
41 scripted lines), and composers shall not exceed forty percent of the  
42 aggregate sum total of all other qualified production costs. Provided,  
43 further, that qualified production costs shall not include any payments  
44 to a loan-out company for the provision of specific individual person-  
45 nel, such as artists, crew, actors, producers, or directors, for the  
46 performance of services used directly in a production unless the taxpay-  
47 er has satisfied the withholding requirement pursuant to subdivision (g)  
48 of this section.

49 (2) "Production costs" means any costs for tangible property used and  
50 services performed directly and predominantly in the production (includ-  
51 ing pre-production and post production) of a qualified film.  
52 "Production costs" shall not include [(i)] costs for a story, script or  
53 scenario to be used for a qualified film [and (ii) wages or salaries or  
54 other compensation for writers, directors, composers, and performers  
55 (other than background actors with no scripted lines) to the extent  
56 those wages or salaries or other compensation exceed five hundred thou-

1 sand dollars per individual]. "Production costs" generally include the  
2 wages or salaries or other compensation for writers, directors, compos-  
3 ers and performers, technical and crew production costs, such as expend-  
4 itures for film production facilities, or any part thereof, props, make-  
5 up, wardrobe, film processing, camera, sound recording, set  
6 construction, lighting, shooting, editing and meals, and shall include  
7 the wages, salaries or other compensation of no more than two producers  
8 per qualified film[, not to exceed five hundred thousand dollars per  
9 producer, where only one of whom is the principal individual responsible  
10 for overseeing the creative and managerial process of production of the  
11 qualified film and only one of whom is the principal individual respon-  
12 sible for the day-to-day operational management of production of the  
13 qualified film; provided, however, that such producers are not compen-  
14 sated for any other position on the qualified film by a qualified film  
15 production company or a qualified independent film production company  
16 for services performed].

17 (7) "Qualified independent film production company" is a corporation,  
18 partnership, limited partnership, or other entity or individual, that or  
19 who (i) is principally engaged in the production of a qualified film  
20 [with a maximum budget of fifteen million dollars], [and] (ii) [controls  
21 the qualified film during production] is not publicly traded, and (iii)  
22 [either is not a publicly traded entity, or no more than five percent of  
23 the beneficial ownership of which is owned, directly or indirectly, by a  
24 publicly traded entity]is not majority owned, fifty-one percent or more,  
25 by a company publicly traded on a United States stock exchange.

26 (11) "Loan-out company" means a personal service corporation or other  
27 entity with which a qualified film production company or a qualified  
28 independent film production company contracts for the provision of spec-  
29 ified individual personnel, such as artists, crew, actors, producers, or  
30 directors for the performance of services used directly in a production.  
31 "Loan-out company" shall not include entities that contracted with a  
32 qualified film production company or a qualified independent film  
33 production company to provide goods or ancillary contractor services  
34 such as catering, construction, trailers, equipment, or transportation.

35 § 3. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
36 amended by section 2 of chapter 606 of the laws of 2023, is amended to  
37 read as follows:

38 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
39 subdivision (a) of this section shall be increased by an additional four  
40 hundred twenty million dollars in each year starting in two thousand ten  
41 through two thousand twenty-three and seven hundred million dollars in  
42 each year starting in two thousand twenty-four through two thousand  
43 [thirty-four] thirty-six, provided however, seven million dollars of the  
44 annual allocation shall be available for the empire state film post  
45 production credit pursuant to section thirty-one of this article in two  
46 thousand thirteen and two thousand fourteen, twenty-five million dollars  
47 of the annual allocation shall be available for the empire state film  
48 post production credit pursuant to section thirty-one of this article in  
49 each year starting in two thousand fifteen through two thousand twenty-  
50 three, and forty-five million dollars of the annual allocation shall be  
51 available for the empire state film post production credit pursuant to  
52 section thirty-one of this article in each year starting in two thousand  
53 twenty-four through two thousand [thirty-four] thirty-six. Provided  
54 further, five million dollars of the annual allocation shall be made  
55 available for the television writers' and directors' fees and salaries  
56 credit pursuant to section twenty-four-b of this article in each year

1 starting in two thousand twenty through two thousand [thirty-four] thir-  
2 ty-six. This amount shall be allocated by the department of economic  
3 development among taxpayers in accordance with subdivision (a) of this  
4 section. If the commissioner of economic development determines that the  
5 aggregate amount of tax credits available from additional pool 2 for the  
6 empire state film production tax credit have been previously allocated,  
7 and determines that the pending applications from eligible applicants  
8 for the empire state film post production tax credit pursuant to section  
9 thirty-one of this article is insufficient to utilize the balance of  
10 unallocated empire state film post production tax credits from such  
11 pool, the remainder, after such pending applications are considered,  
12 shall be made available for allocation in the empire state film tax  
13 credit pursuant to this section, subdivision twenty of section two  
14 hundred ten-B and subsection (gg) of section six hundred six of this  
15 chapter. Also, if the commissioner of economic development determines  
16 that the aggregate amount of tax credits available from additional pool  
17 2 for the empire state film post production tax credit have been previ-  
18 ously allocated, and determines that the pending applications from  
19 eligible applicants for the empire state film production tax credit  
20 pursuant to this section is insufficient to utilize the balance of unal-  
21 located film production tax credits from such pool, then all or part of  
22 the remainder, after such pending applications are considered, shall be  
23 made available for allocation for the empire state film post production  
24 credit pursuant to this section, subdivision thirty-two of section two  
25 hundred ten-B and subsection (qq) of section six hundred six of this  
26 chapter. The department of economic development must notify taxpayers of  
27 their allocation year and include the allocation year on the certificate  
28 of tax credit. Taxpayers eligible to claim a credit must report the  
29 allocation year directly on their empire state film production credit  
30 tax form for each year a credit is claimed and include a copy of the  
31 certificate with their tax return. In the case of a qualified film that  
32 receives funds from additional pool 2 where the taxpayer filed an  
33 initial application before April first, two thousand twenty-three and  
34 before January first, two thousand twenty-five, no empire state film  
35 production credit shall be claimed before the later of (1) the taxable  
36 year the production of the qualified film is complete, or (2) the taxa-  
37 ble year immediately following the allocation year for which the film  
38 has been allocated credit by the department of economic development. In  
39 the case of a qualified film that receives funds from additional pool 2  
40 where the taxpayer filed an initial application on or after April first,  
41 two thousand twenty-three and before January first, two thousand twen-  
42 ty-five, no empire state film production credit shall be claimed before  
43 the later of (1) the taxable year the production of the qualified film  
44 is complete, or (2) the taxable year that includes the last day of the  
45 allocation year for which the film has been allocated credit by the  
46 department of economic development. In the case of a qualified film for  
47 which the taxpayer filed an initial application on or after January  
48 first, two thousand twenty-five, the credit shall be claimed in the  
49 taxable year that includes the last day of the allocation year for which  
50 the production of such qualified film has been allocated a credit by the  
51 department of economic development.

52 § 4. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
53 amended by section 3 of chapter 606 of the laws of 2023, is amended to  
54 read as follows:

55 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
56 subdivision (a) of this section shall be increased by an additional four

1 hundred twenty million dollars in each year starting in two thousand ten  
2 through two thousand twenty-three and seven hundred million dollars each  
3 year starting in two thousand twenty-four through two thousand [thirty-  
4 four] thirty-six, provided however, seven million dollars of the annual  
5 allocation shall be available for the empire state film post production  
6 credit pursuant to section thirty-one of this article in two thousand  
7 thirteen and two thousand fourteen, twenty-five million dollars of the  
8 annual allocation shall be available for the empire state film post  
9 production credit pursuant to section thirty-one of this article in each  
10 year starting in two thousand fifteen through two thousand twenty-three,  
11 and forty-five million dollars of the annual allocation shall be avail-  
12 able for the empire state film post production credit pursuant to  
13 section thirty-one of this article in each year starting in two thousand  
14 twenty-four through two thousand [thirty-four] thirty-six. This amount  
15 shall be allocated by the department of economic development among  
16 taxpayers in accordance with subdivision (a) of this section. If the  
17 commissioner of economic development determines that the aggregate  
18 amount of tax credits available from additional pool 2 for the empire  
19 state film production tax credit have been previously allocated, and  
20 determines that the pending applications from eligible applicants for  
21 the empire state film post production tax credit pursuant to section  
22 thirty-one of this article is insufficient to utilize the balance of  
23 unallocated empire state film post production tax credits from such  
24 pool, the remainder, after such pending applications are considered,  
25 shall be made available for allocation in the empire state film tax  
26 credit pursuant to this section, subdivision twenty of section two  
27 hundred ten-B and subsection (gg) of section six hundred six of this  
28 chapter. Also, if the commissioner of economic development determines  
29 that the aggregate amount of tax credits available from additional pool  
30 2 for the empire state film post production tax credit have been previ-  
31 ously allocated, and determines that the pending applications from  
32 eligible applicants for the empire state film production tax credit  
33 pursuant to this section is insufficient to utilize the balance of unal-  
34 located film production tax credits from such pool, then all or part of  
35 the remainder, after such pending applications are considered, shall be  
36 made available for allocation for the empire state film post production  
37 credit pursuant to this section, subdivision thirty-two of section two  
38 hundred ten-B and subsection (qq) of section six hundred six of this  
39 chapter. The department of economic development must notify taxpayers of  
40 their allocation year and include the allocation year on the certificate  
41 of tax credit. Taxpayers eligible to claim a credit must report the  
42 allocation year directly on their empire state film production credit  
43 tax form for each year a credit is claimed and include a copy of the  
44 certificate with their tax return. In the case of a qualified film that  
45 receives funds from additional pool 2 where the taxpayer filed an  
46 initial application before April first, two thousand twenty-three, no  
47 empire state film production credit shall be claimed before the later of  
48 (1) the taxable year the production of the qualified film is complete,  
49 or (2) the taxable year immediately following the allocation year for  
50 which the film has been allocated credit by the department of economic  
51 development. In the case of a qualified film that receives funds from  
52 additional pool 2 where the taxpayer filed an initial application on or  
53 after April first, two thousand twenty-three and before January first,  
54 two thousand twenty-five, no empire state film production credit shall  
55 be claimed before the later of (1) the taxable year the production of  
56 the qualified film is complete, or (2) the taxable year that includes



1 the last day of the allocation year for which the film has been allo-  
2 cated credit by the department of economic development. Provided, howev-  
3 er, in the case of a qualified film for which the credit application was  
4 received on or after January first, two thousand twenty-five, the credit  
5 shall be claimed in the taxable year that includes the last day of the  
6 allocation year for which the film has been allocated a credit by the  
7 department of economic development.

8 § 5. Section 24 of the tax law is amended by adding two new subdivi-  
9 sions (g) and (h) to read as follows:

10 (g) A taxpayer shall withhold from each payment to a loan-out company  
11 an amount equal to six and eighty-five one hundredths (6.85) percent of  
12 the payment otherwise due. The amounts withheld shall be deemed to be  
13 withholding pursuant to part five of article twenty-two of this chapter,  
14 and the taxpayer shall be deemed to have the rights, duties, and respon-  
15 sibilities pursuant to such part of an employer of the individuals to  
16 whom the loan-out company made payments for services performed in the  
17 state. The amounts so withheld shall be allocated to the loan-out compa-  
18 ny's employees in proportion to payments made to the loan-out company's  
19 employees for services performed in the state. Notwithstanding any  
20 other provisions of this chapter, loan-out company nonresident employees  
21 performing services in the state shall be considered taxable nonresi-  
22 dents and the loan-out company shall be subject to income taxation in  
23 the taxable year in which the loan-out company's employees perform  
24 services in the state. Such withholding liability shall be subject to  
25 penalties and interest in the same manner as the employee withholding  
26 taxes imposed by part five of article twenty-two of this chapter.

27 (h) Credit recapture. If a certificate of tax credit issued by the  
28 department of economic development pursuant to this section is revoked  
29 by such department because the taxpayer does not meet the eligibility  
30 requirements of this section, the amount of credit described in this  
31 section and claimed by the taxpayer prior to that revocation shall be  
32 added back to tax in the taxable year in which any such revocation  
33 becomes final.

34 § 6. Paragraphs 3, 5 and 6 of subdivision (a) of section 31 of the  
35 tax law, paragraph 3 as amended by section 5 and paragraph 5 as added by  
36 section 5-a of part B of chapter 59 of the laws of 2013, and paragraph 6  
37 as amended by section 9 of part D of chapter 59 of the laws of 2023, are  
38 amended to read as follows:

39 (3) (i) A taxpayer shall not be eligible for the credit established by  
40 this section for qualified post production costs, excluding the costs  
41 for visual effects and animation, unless the qualified post production  
42 costs, excluding the costs for visual effects and animation, at a quali-  
43 fied post production facility meet or exceed one million dollars seven-  
44 ty-five percent of the total post production costs, excluding the costs  
45 for visual effects and animation, paid or incurred in the post  
46 production of the qualified film at any post production facility. (ii) A  
47 taxpayer shall not be eligible for the credit established by this  
48 section for qualified post production costs which are costs for visual  
49 effects or animation unless the qualified post production costs for  
50 visual effects or animation at a qualified post production facility meet  
51 or exceed [three million] five hundred thousand dollars or [twenty] ten  
52 percent of the total post production costs for visual effects or  
53 animation paid or incurred in the post production of a qualified film at  
54 any post production facility, whichever is less. (iii) A taxpayer may  
55 claim a credit for qualified post production costs excluding the costs  
56 for visual effects and animation, and for qualified post production

1 costs of visual effects and animation, provided that the criteria in  
2 subparagraphs (i) and (ii) of this paragraph are both satisfied. The  
3 credit shall be allowed for the taxable year in which the production of  
4 such qualified film is completed.

5 (5) If the amount of the credit is at least one million dollars but  
6 less than five million dollars, the credit shall be claimed over a two  
7 year period beginning in the first taxable year in which the credit may  
8 be claimed and in the next succeeding taxable year, with one-half of the  
9 amount of credit allowed being claimed in each year. If the amount of  
10 the credit is at least five million dollars, the credit shall be claimed  
11 over a three year period beginning in the first taxable year in which  
12 the credit may be claimed and in the next two succeeding taxable years,  
13 with one-third of the amount of the credit allowed being claimed in each  
14 year. Provided, however, in the case of a qualified film for which the  
15 taxpayer filed an initial application on or after January first, two  
16 thousand twenty-five, the credit shall be claimed for the taxable year  
17 in which such qualified film is completed.

18 (6) For the period two thousand fifteen through two thousand [thirty-  
19 four] thirty-six, in addition to the amount of credit established in  
20 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
21 equal to the product (or pro rata share of the product, in the case of a  
22 member of a partnership) of ten percent and the amount of wages or sala-  
23 ries paid to individuals directly employed (excluding those employed as  
24 writers, directors, composers, producers and performers, other than  
25 background actors with no scripted lines) for services performed by  
26 those individuals in one of the counties specified in this paragraph in  
27 connection with the post production work on a qualified film with a  
28 minimum budget of five hundred thousand dollars at a qualified post  
29 production facility in one of the counties listed in this paragraph. For  
30 purposes of this additional credit, the services must be performed in  
31 one or more of the following counties: Albany, Allegany, Broome, Catta-  
32 raugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cort-  
33 land, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee,  
34 Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison,  
35 Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans,  
36 Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie,  
37 Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins,  
38 Ulster, Warren, Washington, Wayne, Wyoming, or Yates.

39 § 7. Paragraph 2 of subdivision b of section 31 of the tax law, as  
40 added by section 12 of part Q of chapter 57 of the laws of 2010, is  
41 amended and a new paragraph 5 is added to read as follows:

42 (2) "[Post] Qualified production costs" means production of original  
43 content for a qualified film employing traditional, emerging and new  
44 workflow techniques used in post-production for picture, sound and music  
45 editorial, rerecording and mixing, visual effects, graphic design,  
46 [original scoring,] animation, and musical composition in the state; but  
47 shall not include the editing of previously produced content for a qual-  
48 ified film. Provided, however, that the aggregate total eligible post  
49 production costs for the wages, salaries or other compensation of writ-  
50 ers, directors, performers (other than background actors with no script-  
51 ed lines), composers, and no more than two producers, shall not exceed  
52 forty percent of the aggregate sum total of all other qualified post  
53 production costs. Provided, further, that qualified post production  
54 costs shall not include any payments to a loan-out company for the  
55 provision of specific individual personnel, such as artists, crew,  
56 actors, producers, or directors, for the performance of services used



1 directly in a production unless the taxpayer has satisfied the withhold-  
2 ing requirement pursuant to subdivision (f) of this section.

3 (5) "Loan-out company" means a personal service corporation or other  
4 entity with which a qualified film production company or a qualified  
5 independent film production company contracts for the provision of spec-  
6 ified individual personnel, such as artists, crew, actors, producers, or  
7 directors for the performance of services used directly in a production.  
8 "Loan-out company" shall not include entities that contracted with a  
9 qualified film production company or a qualified independent film  
10 production company to provide goods or ancillary contractor services  
11 such as catering, construction, trailers, equipment, or transportation.

12 § 8. Section 31 of the tax law is amended by adding two new subdivi-  
13 sions (f) and (g) to read as follows:

14 (f) A taxpayer shall withhold from each payment to a loan-out company  
15 an amount equal to 6.85 percent of the payment otherwise due. The  
16 amounts withheld shall be deemed to be withholding pursuant to part five  
17 of article twenty-two of this chapter, and the taxpayer shall be deemed  
18 to have the rights, duties, and responsibilities pursuant to such part  
19 of an employer of the individuals to whom the loan-out company made  
20 payments for services performed in the state. The amounts so withheld  
21 shall be allocated to the loan-out company's employees in proportion to  
22 payments made to the loan-out company's employees for services performed  
23 in the state. Notwithstanding any other provisions of this chapter,  
24 loan-out company nonresident employees performing services in the state  
25 shall be considered taxable nonresidents and the loan-out company shall  
26 be subject to income taxation in the taxable year in which the loan-out  
27 company's employees perform services in the state. Such withholding  
28 liability shall be subject to penalties and interest in the same manner  
29 as the employee withholding taxes imposed by part five of article twen-  
30 ty-two of this chapter.

31 (g) Credit recapture. If a certificate of tax credit issued by the  
32 department of economic development pursuant to this section is revoked  
33 by such department because the taxpayer does not meet the eligibility  
34 requirements of this section, the amount of credit described in this  
35 section and claimed by the taxpayer prior to that revocation shall be  
36 added back to tax in the taxable year in which any such revocation  
37 becomes final.

38 § 9. The tax law is amended by adding a new section 24-d to read as  
39 follows:

40 § 24-d. Empire state independent film production credit. (a) (1)  
41 Allowance of credit. A taxpayer which is a qualified independent film  
42 production company, or which is a sole proprietor of or a member of a  
43 partnership which is a qualified independent film production company,  
44 and which is subject to tax under articles nine-A or twenty-two of this  
45 chapter, shall be allowed a credit against such tax, pursuant to the  
46 provisions referenced in subdivision (c) of this section, to be computed  
47 as hereinafter provided.

48 (2) (i) The amount of the credit shall be the product (or pro rata  
49 share of the product, in the case of a member of a partnership) of thir-  
50 ty percent and the qualified production costs paid or incurred in the  
51 production of a qualified film, provided that the qualified production  
52 costs (excluding post production costs) paid or incurred which are  
53 attributable to the use of tangible property or the performance of  
54 services at a qualified film production facility in the production of  
55 such qualified film equal or exceed seventy-five percent of the  
56 production costs (excluding post production costs) paid or incurred

1 which are attributable to the use of tangible property or the perform-  
2 ance of services at any film production facility within and without the  
3 state in the production of such qualified film. However, if the quali-  
4 fied production costs (excluding post production costs) which are  
5 attributable to the use of tangible property or the performance of  
6 services at a qualified film production facility in the production of  
7 such qualified film is less than three million dollars, then the portion  
8 of the qualified production costs attributable to the use of tangible  
9 property or the performance of services in the production of such quali-  
10 fied film outside of a qualified film production facility shall be  
11 allowed only if the shooting days spent in New York outside of a film  
12 production facility in the production of such qualified film equal or  
13 exceed seventy-five percent of the total shooting days spent within and  
14 without the state outside of a film production facility in the  
15 production of such qualified film. The credit shall be allowed for the  
16 taxable year in which the production of such qualified film is  
17 completed. A taxpayer shall not be eligible for a tax credit established  
18 by this section for the production of more than two qualified films per  
19 calendar year.

20 (ii) In addition to the amount of credit established in subparagraph  
21 (i) of this paragraph, a taxpayer shall be allowed a credit equal to (A)  
22 the product (or pro rata share of the product, in the case of a member  
23 of a partnership) of ten percent and the wages, salaries or other  
24 compensation constituting qualified production costs as defined in para-  
25 graph one of subdivision (b) of this section, paid to individuals  
26 directly employed by a qualified independent film production company for  
27 services performed by those individuals in one of the counties specified  
28 in this subparagraph in connection with a qualified independent film  
29 with a minimum budget of five hundred thousand dollars, and (B) the  
30 product (or pro rata share of the product, in the case of a member of a  
31 partnership) of ten percent and the qualified production costs (exclud-  
32 ing wages, salaries or other compensation) paid or incurred in the  
33 production of a qualified film where the property constituting such  
34 qualified production costs was used, and the services constituting such  
35 qualified production costs were performed in any of the counties speci-  
36 fied in this subparagraph in connection with a qualified film with a  
37 minimum budget of five hundred thousand dollars where the majority of  
38 principal photography shooting days in the production of such film  
39 were shot in any of the counties specified in this paragraph. Provided,  
40 however, that the aggregate total eligible qualified production costs  
41 constituting wages, salaries or other compensation, for writers,  
42 directors, composers, producers, and performers shall not exceed forty  
43 percent of the aggregate sum total of all other qualified production  
44 costs. For purposes of the credit, the services must be performed and  
45 the property must be used in one or more of the following counties:  
46 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,  
47 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,  
48 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,  
49 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,  
50 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,  
51 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-  
52 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or  
53 Yates.

54 (3) No qualified production costs used by a taxpayer either as the  
55 basis for the allowance of the credit provided for under this section or  
56 used in the calculation of the credit provided for under this section



1 shall be used by such taxpayer to claim any other credit allowed pursu-  
2 ant to this chapter.

3 (4) Notwithstanding the foregoing provisions of this subdivision, a  
4 qualified independent film production company that has applied for cred-  
5 it under the provisions of this section, agrees as a condition for the  
6 granting of the credit: (i) to include in each qualified film distrib-  
7 uted by DVD, or other media for the secondary market, a New York promo-  
8 tional video approved by the governor's office of motion picture and  
9 television development or to include in the end credits of each quali-  
10 fied film "Filmed With the Support of the New York State Governor's  
11 Office of Motion Picture and Television Development" and a logo provided  
12 by the governor's office of motion picture and television development,  
13 and (ii) to certify that it will purchase taxable tangible property and  
14 services, defined as qualified production costs pursuant to paragraph  
15 one of subdivision (b) of this section, only from companies registered  
16 to collect and remit state and local sales and use taxes pursuant to  
17 articles twenty-eight and twenty-nine of this chapter.

18 (b) Definitions. As used in this section, the following terms shall  
19 have the following meanings:

20 (1) "Qualified production costs" means production costs only to the  
21 extent such costs, excluding labor costs, do not exceed sixty million  
22 dollars and are attributable to the use of tangible property or the  
23 performance of services within the state directly and predominantly in  
24 the production (including pre-production and post production) of a qual-  
25 ified film. In the case of an eligible relocated television series, the  
26 term "qualified production costs" shall include, in the first season  
27 that the eligible relocated television series is produced in New York  
28 after relocation, qualified relocation costs. Provided, however, that  
29 the aggregate total eligible qualified production costs for producers,  
30 writers, directors, performers (other than background actors with no  
31 scripted lines), and composers shall not exceed forty percent of the  
32 aggregate sum total of all other qualified production costs. Provided,  
33 further, that qualified production costs shall not include any payments  
34 to a loan-out company for the provision of specified individual person-  
35 nel, such as artists, crew, actors, producers, or directors, for the  
36 performance of services used directly in a production unless the taxpay-  
37 er has satisfied the withholding requirement pursuant to subdivision (g)  
38 of this section.

39 (2) "Production costs" means any costs for tangible property used and  
40 services performed directly and predominantly in the production (includ-  
41 ing pre-production and post production) of a qualified film.  
42 "Production costs" shall not include costs for a story, script or  
43 scenario to be used for a qualified film. "Production costs" generally  
44 include writers, directors, composers and performers, technical and crew  
45 production costs, such as expenditures for film production facilities,  
46 or any part thereof, props, makeup, wardrobe, film processing, camera,  
47 sound recording, set construction, lighting, shooting, editing and  
48 meals.

49 (3) "Qualified film" means a scripted narrative feature-length film,  
50 television film, relocated television series or television series,  
51 regardless of the medium by means of which the film or series is created  
52 or conveyed. For the purposes of the credit provided by this section  
53 only, a "qualified film" whose majority of principal photography shoot-  
54 ing days in the production of the qualified film are shot in Westches-  
55 ter, Rockland, Nassau, or Suffolk county or any of the five New York  
56 City boroughs shall have a minimum budget of one million dollars. A

1 "qualified film", whose majority of principal photography shooting days  
2 in the production of the qualified film are shot in any other county of  
3 the state than those listed in the preceding sentence shall have a mini-  
4 imum budget of two hundred fifty thousand dollars. "Qualified film" shall  
5 not include: (i) a television pilot, documentary film, news or current  
6 affairs program, interview or talk program, "how-to" (i.e., instruc-  
7 tional) film or program, film or program consisting primarily of stock  
8 footage, sporting event or sporting program, game show, award ceremony,  
9 film or program intended primarily for industrial, corporate or institu-  
10 tional end-users, fundraising film or program, daytime drama (i.e.,  
11 daytime "soap opera"), commercials, music videos or "reality" program;  
12 (ii) a production for which records are required under section 2257 of  
13 title 18, United States code, to be maintained with respect to any  
14 performer in such production (reporting of books, films, etc. with  
15 respect to sexually explicit conduct); or (iii) a television series  
16 commonly known as variety entertainment, variety sketch and variety  
17 talk, i.e., a program with components of improvisational or scripted  
18 content (monologues, sketches, interviews), either exclusively or in  
19 combination with other entertainment elements such as musical perform-  
20 ances, dancing, cooking, crafts, pranks, stunts, and games and which may  
21 be further defined in regulations of the commissioner of economic devel-  
22 opment.

23 (4) "Film production facility" shall mean a building and/or complex of  
24 buildings and their improvements and associated back-lot facilities in  
25 which films are or are intended to be regularly produced and which  
26 contain at least one sound stage, provided, however, that an armory  
27 owned by the state or city of New York located in the city of New York  
28 shall not be considered to be a "film production facility" unless such  
29 facility is used by a qualified independent film production company.

30 (5) "Qualified film production facility" shall mean a film production  
31 facility in the state, which contains at least one sound stage having a  
32 minimum of seven thousand square feet of contiguous production space.

33 (6) "Qualified independent film production company" is a corporation,  
34 partnership, limited partnership, or other entity or individual, that or  
35 who (i) is principally engaged in the production of a qualified film,  
36 (ii) is not publicly traded, and (iii) is not majority owned, fifty-one  
37 percent or more, by a company publicly traded on a United States stock  
38 exchange.

39 (7) "Relocated television series" shall mean the first two years of a  
40 regularly occurring production intended to run in its initial broadcast,  
41 regardless of the medium or mode of its distribution, in a series of  
42 narrative and/or thematically related episodes, each of which has a  
43 running time of at least thirty minutes in length (inclusive of commer-  
44 cial advertisement and interstitial programming, if any), which had  
45 filmed a minimum of six episodes of the television series outside the  
46 state immediately prior to relocating to the state, where the television  
47 series had a total minimum budget of at least one million dollars per  
48 episode. For the purposes of this definition only, a television series  
49 produced by and for media services providers described as streaming  
50 services and/or digital platforms (and excluding network/cable) shall  
51 mean a regularly occurring production intended to run in its initial  
52 release in a series of narrative and/or thematically related episodes,  
53 the aggregate length of which is at least seventy-five minutes, although  
54 the episodes themselves may vary in duration from the thirty minutes  
55 specified for network/cable production.

1 (8) "Qualified relocation costs" means the costs incurred, excluding  
2 wages, salaries and other compensation, in the first season that a relo-  
3 cated television series relocates to New York, including such costs  
4 incurred to transport sets, props and wardrobe to New York and other  
5 costs as determined by the department of economic development to the  
6 extent such costs do not exceed six million dollars.

7 (9) "Loan-out company" means a personal service corporation or other  
8 entity with which a qualified independent film production company or a  
9 qualified independent film production company contracts for the  
10 provision of specified individual personnel, such as artists, crew,  
11 actors, producers, or directors for the performance of services used  
12 directly in a production. "Loan-out company" shall not include entities  
13 that contracted with a qualified independent film production company or  
14 a qualified independent film production company to provide goods or  
15 ancillary contractor services such as catering, construction, trailers,  
16 equipment, or transportation.

17 (10) If the total amount of allocated credits applied for in any  
18 particular year is less than the aggregate amount of tax credits allowed  
19 for such year under this section, any unused portion may be carried over  
20 and added to the aggregate amount of credits allowed in the next  
21 succeeding taxable year or years.

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

24 (1) article 9-A: section 210-B: subdivision 20-a.

25 (2) article 22: section 606: subsection (gg-1).

26 (d) Notwithstanding any provision of this chapter, employees and offi-  
27 cers of the governor's office of motion picture and television develop-  
28 ment and the department shall be allowed and are directed to share and  
29 exchange information regarding the credits applied for, allowed, or  
30 claimed pursuant to this section and taxpayers who are applying for  
31 credits or who are claiming credits, including information contained in  
32 or derived from credit claim forms submitted to the department and  
33 applications for credit submitted to the governor's office of motion  
34 picture and television development.

35 (e) Allocation of credit. The aggregate amount of tax credits allowed  
36 under this section, subdivision twenty-a of section two hundred ten and  
37 subsection (gg-1) of section six hundred six of this chapter in any  
38 calendar year shall be (1) twenty million dollars for qualified films  
39 with a budget of less than ten million dollars of qualified production;  
40 and (2) eighty million dollars for qualified films with a budget of ten  
41 million dollars or more of qualified production costs. There shall be at  
42 least two application periods each year; such aggregate amount of cred-  
43 its shall be allocated by the governor's office for motion picture and  
44 television development among taxpayers in order of priority based upon  
45 the date of filing of an application for allocation of the independent  
46 film production credit with such office within each application period.  
47 If the commissioner of economic development determines that the aggre-  
48 gate amount of tax credits available for an application period under  
49 paragraph one of this subdivision have been previously allocated, and  
50 determines that the pending applications from eligible applicants for  
51 the other application period in such calendar year is insufficient to  
52 utilize the balance of unallocated tax credits for such period, then  
53 such commissioner may allocate to productions eligible under such para-  
54 graph any credits that remain unallocated for such period pursuant to  
55 paragraph two of this subdivision. Provided, however, the total amount  
56 of allocated credits applied in any calendar year shall not exceed the

1 aggregate amount of tax credits allowed for such year under this  
2 section.

3 (f) (1) The commissioner of economic development shall reduce by one-  
4 half of one percent the amount of credit allowed to a taxpayer and this  
5 reduced amount shall be reported on a certificate of tax credit issued  
6 pursuant to this section and the regulations promulgated by the commis-  
7 sioner of economic development to implement this credit program.

8 (2) By January thirty-first of each year, the commissioner of economic  
9 development shall report to the comptroller the total amount of such  
10 reductions of tax credit during the immediately preceding calendar year.  
11 On or before March thirty-first of each year, the comptroller shall  
12 transfer without appropriations from the general fund to the empire  
13 state entertainment diversity job training development fund established  
14 under section ninety-seven-ff of the state finance law an amount equal  
15 to the total amount of such reductions reported by the commissioner of  
16 economic development for the immediately preceding calendar year.

17 (g) A taxpayer shall withhold from each payment to a loan-out company  
18 an amount equal to 6.85 percent of the payment otherwise due. The  
19 amounts withheld shall be deemed to be withholding pursuant to part five  
20 of article twenty-two of this chapter, and the taxpayer shall be deemed  
21 to have the rights, duties, and responsibilities pursuant to such part  
22 of an employer of the individuals to whom the loan-out company made  
23 payments for services performed in the state. The amounts so withheld  
24 shall be allocated to the loan-out company's employees in proportion to  
25 payments made to the loan-out company's employees for services performed  
26 in the state. Notwithstanding any other provisions of this chapter,  
27 loan-out company nonresident employees performing services in the state  
28 shall be considered taxable nonresidents and the loan-out company shall  
29 be subject to income taxation in the taxable year in which the loan-out  
30 company's employees perform services in the state. Such withholding  
31 liability shall be subject to penalties and interest in the same manner  
32 as the employee withholding taxes imposed by part five of article twen-  
33 ty-two of this chapter.

34 (h) Credit recapture. If a certificate of tax credit issued by the  
35 department of economic development pursuant to this section is revoked  
36 by such department because the taxpayer does not meet the eligibility  
37 requirements of this section, the amount of credit described in this  
38 section and claimed by the taxpayer prior to that revocation shall be  
39 added back to tax in the taxable year in which any such revocation  
40 becomes final.

41 § 10. Section 210-B of the tax law is amended by adding a new subdivi-  
42 sion 20-a to read as follows:

43 20-a. Empire state independent film production credit. (a) Allowance  
44 of credit. A taxpayer who is eligible pursuant to section twenty-four-d  
45 of this chapter shall be allowed a credit to be computed as provided in  
46 such section twenty-four-d against the tax imposed by this article.

47 (b) Application of credit. The credit allowed under this subdivision  
48 for any taxable year shall not reduce the tax due for such year to less  
49 than the fixed dollar minimum amount prescribed in paragraph (d) of  
50 subdivision one of section two hundred ten of this article. Provided,  
51 however, that if the amount of the credit allowable under this subdivi-  
52 sion for any taxable year reduces the tax to such amount or if the  
53 taxpayer otherwise pays tax based on the fixed dollar minimum amount,  
54 the excess shall be treated as an overpayment of tax to be credited or  
55 refunded in accordance with the provisions of section one thousand  
56 eighty-six of this chapter. Provided, however, the provisions of

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

3 § 11. Section 606 of the tax law is amended by adding a new subsection  
4 (gg-1) to read as follows:

5 (gg-1) Empire state independent film production credit. (1) Allowance  
6 of credit. A taxpayer who is eligible pursuant to section twenty-four-d  
7 of this chapter shall be allowed a credit to be computed as provided in  
8 such section twenty-four-d against the tax imposed by this article.

9 (2) Application of credit. If the amount of the credit allowable under  
10 this subsection for any taxable year exceeds the taxpayer's tax for such  
11 year, the excess shall be treated as an overpayment of tax to be credit-  
12 ed or refunded as provided in section six hundred eighty-six of this  
13 article, provided, however, that no interest shall be paid thereon.

14 § 12. Subparagraph (B) of paragraph 1 of subsection (i) of section 606  
15 of the tax law is amended by adding a new clause (lii) to read as  
16 follows:

17 <u>(lii) Empire state film</u>	<u>Amount of credit for qualified</u>
18 <u>production credit under</u>	<u>production costs in production of</u>
19 <u>subsection (gg-1)</u>	<u>a qualified film under</u>
	<u>subdivision twenty-a of</u>
	<u>section two hundred ten-B</u>

22 § 13. This act shall take effect immediately and shall apply to  
23 initial applications received on or after January 1, 2025, provided,  
24 however, that the amendments to paragraph 4 of subdivision (e) of  
25 section 24 of the tax law made by section three of this act shall take  
26 effect on the same date and in the same manner as section 6 of chapter  
27 683 of the laws of 2019, takes effect.

28 PART J

29 Section 1. Subdivision 13 of section 492 of the economic development  
30 law, as added by section 2 of part AAA of chapter 56 of the laws of  
31 2024, is amended to read as follows:

32 13. "Independently owned" shall mean a business entity that is not[:  
33 (a)] a publicly traded entity or no more than five percent of the bene-  
34 ficial ownership of which is owned, directly or indirectly by a publicly  
35 traded entity[; (b) a subsidiary; and (c) any other criteria that the  
36 department shall determine via regulations to ensure the business is not  
37 controlled by another business entity].

38 § 2. This act shall take effect immediately and apply to taxable years  
39 beginning on or after January 1, 2025.

40 PART K

41 Section 1. Subdivision (b) of section 45 of the tax law, as added by  
42 section 1 of part 00 of chapter 59 of the laws of 2022, is amended to  
43 read as follows:

44 (b) Allocation of credit. The aggregate amount of tax credits allowed  
45 under this section, subdivision fifty-five of section two hundred ten-B  
46 and subsection (nnn) of section six hundred six of this chapter in any  
47 taxable year shall be five million dollars. Such credit shall be allo-  
48 cated by the department of economic development in order of priority  
49 based upon the date of filing an application for allocation of digital  
50 gaming media production credit with such office. If the total amount of  
51 allocated credits applied for in any particular year exceeds the aggre-  
52 gate amount of tax credits allowed for such year under this section,

1 such excess shall be treated as having been applied for on the first day  
2 of the subsequent taxable year. Provided, however, that for taxable  
3 years beginning on or after January first, two thousand twenty-three, if  
4 the total amount of allocated credits applied for in any particular year  
5 is less than the aggregate amount of tax credits allowed for such year  
6 under this section, any unused portion may be carried over and added to  
7 the aggregate amount of credits allowed in the next succeeding taxable  
8 year or years.

9 § 2. This act shall take effect immediately.

10

PART L

11 Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws  
12 of 2021 amending the tax law and the state finance law relating to  
13 establishing the New York city musical and theatrical production tax  
14 credit and establishing the New York state council on the arts cultural  
15 program fund, as amended by section 1 of subpart E of part I of chapter  
16 59 of the laws of 2023, is amended to read as follows:

17 § 6. This act shall take effect immediately; provided however, that  
18 sections one, two, three and four of this act shall apply to taxable  
19 years beginning on or after January 1, 2021, and before January 1,  
20 [2026] 2028 and shall expire and be deemed repealed January 1, [2026]  
21 2028; provided further, however that the obligations under paragraph 3  
22 of subdivision (g) of section 24-c of the tax law, as added by section  
23 one of this act, shall remain in effect until December 31, [2027] 2029.

24 § 2. Subparagraph (i) of paragraph 5 of subdivision (b) of section  
25 24-c of the tax law, as amended by section 3 of subpart E of part I of  
26 chapter 59 of the laws of 2023, is amended to read as follows:

27 (i) "The credit period of a qualified New York city musical and theat-  
28 rical production company" is the period starting on the production start  
29 date and ending on the earlier of the date the qualified musical and  
30 theatrical production has expended sufficient qualified production  
31 expenditures to reach its credit cap, September thirtieth, two thousand  
32 [twenty-five] twenty-seven or the date the qualified musical and theat-  
33 rical production closes.

34 § 3. Subdivision (c) of section 24-c of the tax law, as amended by  
35 section 4 of subpart E of part I of chapter 59 of the laws of 2023, is  
36 amended to read as follows:

37 (c) The credit shall be allowed for the taxable year beginning on or  
38 after January first, two thousand twenty-one but before January first,  
39 two thousand [twenty-six] twenty-eight. A qualified New York city  
40 musical and theatrical production company shall claim the credit in the  
41 year in which its credit period ends.

42 § 4. Subdivision (f) of section 24-c of the tax law, as added by  
43 section 1 of subpart B of part PP of chapter 59 of the laws of 2021,  
44 paragraphs 1 and 2 as amended by section 5 of subpart E of part I of  
45 chapter 59 of the laws of 2023, is amended to read as follows:

46 (f) Maximum amount of credits. (1) The aggregate amount of tax cred-  
47 its allowed under this section, subdivision fifty-seven of section two  
48 hundred ten-B and subsection (mmm) of section six hundred six of this  
49 chapter shall be [three] four hundred million dollars. Such aggregate  
50 amount of credits shall be allocated by the department of economic  
51 development among taxpayers based on the date of first performance of  
52 the qualified musical and theatrical production.

53 (2) The commissioner of economic development, after consulting with  
54 the commissioner, shall promulgate regulations to establish procedures

1 for the allocation of tax credits as required by this section. Such  
2 rules and regulations shall include provisions describing the applica-  
3 tion process, the due dates for such applications, the standards that  
4 will be used to evaluate the applications, the documentation that will  
5 be provided by applicants to substantiate to the department the amount  
6 of qualified production expenditures of such applicants, and such other  
7 provisions as deemed necessary and appropriate. Notwithstanding any  
8 other provisions to the contrary in the state administrative procedure  
9 act, such rules and regulations may be adopted on an emergency basis. In  
10 no event shall a qualified New York city musical and theatrical  
11 production submit an application for this program after June thirtieth,  
12 two thousand [twenty-five] twenty-seven.

13 § 5. This act shall take effect immediately; provided, however, that  
14 the amendments to section 24-c of the tax law, made by sections two,  
15 three and four of this act, shall not affect the repeal of such section  
16 and shall be deemed to be repealed therewith.

17

## PART M

18 Section 1. Section 35 of the tax law, as added by section 12 of part U  
19 of chapter 61 of the laws of 2011, is amended to read as follows:

20 § 35. Use of electronic means of communication. Notwithstanding any  
21 other provision of New York state law, where the department has obtained  
22 authorization of an online services account holder, in such form as may  
23 be prescribed by the commissioner, the department may use electronic  
24 means of communication to furnish any document it is required to mail  
25 per law or regulation. If the department furnishes such document in  
26 accordance with this section, department records of such transaction  
27 shall constitute appropriate and sufficient proof of delivery thereof  
28 and be admissible in any action or proceeding. Provided, however, that  
29 if a taxpayer uses a department system to access taxpayer information,  
30 including, but not limited to, notices, documents and account balance  
31 information, that is not an electronic communication furnished in lieu  
32 of mailing in accordance with this section, such accessed information  
33 shall not give the taxpayer the right to a hearing in the division of  
34 tax appeals, unless the right to protest such information is expressly  
35 authorized by this chapter or another provision of law.

36 § 2. Subdivision 1 of section 2008 of the tax law, as amended by  
37 section 3 of subpart C of part V-1 of chapter 57 of the laws of 2009, is  
38 amended to read as follows:

39 1. All proceedings in the division of tax appeals shall be commenced  
40 by the filing of a petition with the division of tax appeals protesting  
41 any written notice of the division of taxation, including any electronic  
42 notice provided in accordance with section thirty-five of this chapter,  
43 which has advised the petitioner of a tax deficiency, a determination of  
44 tax due, a denial of a refund or credit application, a cancellation,  
45 revocation or suspension of a license, permit or registration, a denial  
46 of an application for a license, permit or registration or any other  
47 notice which expressly gives a person the right to a hearing in the  
48 division of tax appeals under this chapter or other law. Provided,  
49 however, that any written communications of the division of taxation  
50 that advise a taxpayer of a past-due tax liability, as defined in  
51 section one hundred seventy-one-v of this chapter, shall not give a  
52 person the right to a hearing in the division of tax appeals.

53 § 3. This act shall take effect immediately.

1

## PART N

2 Section 1. Section 6 of the tax law, as added by chapter 765 of the  
3 laws of 1985, is amended to read as follows:

4 § 6. Filing of electronic warrants and warrant-related records in the  
5 department of state. [Wherever under the provisions] 1. Notwithstanding  
6 any provision of this chapter or a [warrant is required to] related  
7 statute to the contrary, all warrants and warrant-related records issued  
8 by the department shall be filed electronically by the department in the  
9 department of state [in order to create a lien on personal property such  
10 requirement shall be satisfied if there is filed a record of the fact of  
11 the issuance of such warrant, including the name of the person on the  
12 basis of whose tax liability the warrant is issued, the last known  
13 address of such person, and the amount of such tax liability, including  
14 penalties and interest]. No fee shall be required to be paid for such  
15 [filing of such warrant or such record] filings. [The term "filed" in  
16 such provisions shall mean presentation to the department of state, for  
17 filing, of such warrant or such record.] On the date of the electronic  
18 filing of a warrant, as confirmed by the department of state pursuant to  
19 subdivision five of this section:

20 (a) the amount of the tax stated in the warrant shall become a lien  
21 upon the title to and interest in all real, personal or other property  
22 located in New York state, owned by the person or persons named in the  
23 warrant. The lien so created shall:

24 (i) attach to all real property and rights to real property located in  
25 New York state that is owned by the person or persons named in the  
26 warrant at any time during the period of the lien, including any real  
27 property or rights to real property located in New York state that is  
28 acquired by such person or persons after the lien arises; and

29 (ii) apply to all personal or other property and rights to personal or  
30 other property located in New York state that is owned by the person or  
31 persons named in the warrant at any time during the period of the lien,  
32 including any personal or other property or rights to personal or other  
33 property located in New York state that is acquired by such person or  
34 persons after the lien arises; and

35 (b) the commissioner shall, in the right of the people of the state of  
36 New York, be deemed to have obtained a judgment against the person or  
37 persons named in the warrant for the amount of the tax stated in the  
38 warrant.

39 2. Enforcement of a judgment obtained pursuant to subdivision one of  
40 this section shall be as prescribed in article fifty-two of the civil  
41 practice law and rules.

42 3. A written or electronic copy of any electronic warrant or warrant-  
43 related record filed in the department of state shall be filed by the  
44 department in the office of the clerk of the county named in the warrant  
45 or warrant-related record.

46 4. Notwithstanding any provision of this chapter or a related statute  
47 to the contrary, all warrant-related records issued by the department  
48 that are authorized by applicable laws, including, but not limited to,  
49 warrant satisfactions, vacatur, amendments and expirations, and any  
50 warrant-related record issued by the department on or after July first,  
51 two thousand twenty-five that pertains to a warrant filed prior to July  
52 first, two thousand twenty-five, shall be filed electronically by the  
53 department in the department of state. No fee shall be required to be  
54 paid for such filings. A written or electronic copy of the electronic  
55 warrant-related record filed in the department of state shall be filed





1 by the department in the office of the clerk of the county named in the  
2 warrant-related record.

3 5. The department shall file warrants and warrant-related records  
4 electronically with the department of state. The department of state  
5 shall provide electronic notice to the department confirming the date of  
6 filing of the warrants and warrant-related records. The department of  
7 state shall also make information regarding the warrants and warrant-re-  
8 lated records, including the date of filing, available to the public and  
9 searchable by the name of the person or persons listed in the tax  
10 warrant. Upon request of the commissioner, the department of state shall  
11 certify that a warrant or warrant-related record has been filed and the  
12 date of such filing.

13 6. Notwithstanding any other provision of this chapter concerning the  
14 place of filing of a tax warrant and the creation thereby of a tax lien  
15 and judgment, the provisions of this section shall govern such matters  
16 for purposes of any taxes imposed by or pursuant to this chapter.

17 § 2. Subdivision 1 of section 174-a of the tax law, as added by chap-  
18 ter 176 of the laws of 1997, is amended to read as follows:

19 1. General rule. Notwithstanding any provision of law to the contrary,  
20 the provisions of the civil practice law and rules relating to the dura-  
21 tion of a lien of a docketed judgment in and upon real property of a  
22 judgment debtor, and the extension of any such lien, shall apply to any  
23 warrant or other warrant-related document electronically filed on behalf  
24 of the commissioner against a taxpayer with the [clerk of a county wher-  
25 ein such taxpayer owns or has an interest in real property] department  
26 of state, whether such warrant is being enforced by a sheriff or an  
27 officer or employee of the department.

28 § 3. Section 175 of the tax law, as amended by chapter 170 of the laws  
29 of 1994, is amended to read as follows:

30 § 175. Manner of execution of instruments by the commissioner.  
31 Notwithstanding any other provision of law, whenever a statute author-  
32 izes or requires the commissioner to execute an instrument, such instru-  
33 ment shall be executed by having the name or title of the commissioner  
34 appear on such instrument and, underneath such name or title, such  
35 instrument shall be signed by the commissioner or by a deputy tax  
36 commissioner or by the secretary to such commissioner[, and the]. An  
37 electronic signature may be used in lieu of a signature affixed by hand  
38 pursuant to article three of the state technology law. The seal of such  
39 commissioner [shall] may be affixed or [shall] appear on such instrument  
40 as a facsimile which is engraved, printed or reproduced in any other  
41 manner. No acknowledgment of the execution of any such instrument shall  
42 be necessary for the purpose of the recordation thereof or for any other  
43 purpose.

44 § 4. This act shall take effect July 1, 2025 and shall apply to  
45 warrants and warrant-related records pertaining to such warrants filed,  
46 or deemed to have been filed, on or after such date; provided, however,  
47 that the department of taxation and finance and the department of state  
48 are authorized to take any steps necessary to implement this act on or  
49 before such effective date.

50

#### PART O

51 Section 1. Paragraph (b-1) of subdivision 3 of section 425 of the real  
52 property tax law, as amended by section 1 of part RR of chapter 59 of  
53 the laws of 2019, is amended to read as follows:

1 (b-1) Income. For final assessment rolls to be used for the levy of  
2 taxes for the two thousand eleven-two thousand twelve through two thou-  
3 sand eighteen-two thousand nineteen school years, the parcel's affil-  
4 iated income may be no greater than five hundred thousand dollars, as  
5 determined by the commissioner pursuant to subdivision fourteen of this  
6 section or section one hundred seventy-one-u of the tax law, in order to  
7 be eligible for the basic exemption authorized by this section. Begin-  
8 ning with the two thousand nineteen-two thousand twenty school year, for  
9 purposes of the exemption authorized by this section, the parcel's  
10 affiliated income may be no greater than two hundred fifty thousand  
11 dollars, as so determined. As used herein, the term "affiliated income"  
12 shall mean the combined income of all of the owners of the parcel who  
13 resided primarily thereon on the applicable taxable status date, and of  
14 any owners' spouses residing primarily thereon. For exemptions on final  
15 assessment rolls to be used for the levy of taxes for the two thousand  
16 eleven-two thousand twelve school year, affiliated income shall be  
17 determined based upon the parties' incomes for the income tax year  
18 ending in two thousand nine. In each subsequent school year, the appli-  
19 cable income tax year shall be advanced by one year. The term "income"  
20 as used herein shall have the same meaning as in subdivision four of  
21 this section, and the provisions of clause (B) of subparagraph (ii) of  
22 paragraph (b) of subdivision four of this section shall be equally  
23 applicable to the basic exemption.

24 § 2. Paragraph (a) of subdivision 4 of section 425 of the real proper-  
25 ty tax law, as amended by section 4 of part A of chapter 405 of the laws  
26 of 1999 and subparagraph (i) as amended by section 2 of part E of chap-  
27 ter 83 of the laws of 2002, is amended to read as follows:

28 (a) Age. (i) [All] At least one of the owners who resides primarily on  
29 the property must be [at least] sixty-five years of age or older as of  
30 the date specified herein[, or in the case of property owned by husband  
31 and wife or by siblings, one of the owners must be at least sixty-five  
32 years of age as of that date and the property must serve as the primary  
33 residence of that owner]. For the two thousand--two thousand one school  
34 year, eligibility for the exemption shall be based upon age as of Decem-  
35 ber thirty-first, two thousand. For each subsequent school year, the  
36 applicable date shall be advanced by one year.

37 (ii) [The term "siblings" as used herein shall have the same meaning  
38 as set forth in section four hundred sixty-seven of this article.

39 (iii)] In the case of property owned by [husband and wife, one of  
40 whom] a married couple, if only one of the spouses is sixty-five years  
41 of age or over, the exemption, once granted, shall not be rescinded  
42 solely because of the death of the older spouse so long as the surviving  
43 spouse is at least sixty-two years of age as of the date specified in  
44 this paragraph.

45 § 3. The opening paragraph of subparagraph (i) of paragraph (b) of  
46 subdivision 4 of section 425 of the real property tax law, as amended by  
47 section 3 of part E of chapter 83 of the laws of 2002, is amended to  
48 read as follows:

49 The combined income of all of the owners who primarily reside on the  
50 property, and of any owners' spouses primarily residing on the [prem-  
51 ises] property, may not exceed the applicable income standard specified  
52 herein.

53 § 4. Subparagraph (ii) of paragraph (b) of subdivision 4 of section  
54 425 of the real property tax law, as amended by section 1 of part B of  
55 chapter 59 of the laws of 2018, is amended to read as follows:

1 (ii) The term "income" as used herein shall mean the "adjusted gross  
2 income" for federal income tax purposes as reported on the applicant's  
3 federal or state income tax return for the applicable income tax year,  
4 subject to any subsequent amendments or revisions, reduced by distrib-  
5 utions, to the extent included in federal adjusted gross income,  
6 received from an individual retirement account and an individual retire-  
7 ment annuity; provided that if no such return was filed for the applica-  
8 ble income tax year, "income" shall mean the [adjusted gross income]  
9 amount that would have been so reported if such a return had been filed.  
10 Provided further, that [effective]:

11 (A) Effective with exemption applications for final assessment rolls  
12 to be completed in two thousand nineteen, where an income-eligibility  
13 determination is wholly or partly based upon the income of one or more  
14 individuals who did not file a return for the applicable income tax  
15 year, then in order for the application to be considered complete, each  
16 such individual must file a statement with the department showing the  
17 source or sources of [his or her] such individual's income for that  
18 income tax year, and the amount or amounts thereof, that would have been  
19 reported on such a return if one had been filed. Such statement shall be  
20 filed at such time, and in such form and manner, as may be prescribed by  
21 the department, and shall be subject to the secrecy provisions of the  
22 tax law to the same extent that a personal income tax return would be.  
23 The department shall make such forms and instructions available for the  
24 filing of such statements. The local assessor shall upon the request of  
25 a taxpayer assist such taxpayer in the filing of the statement with the  
26 department.

27 (B) Notwithstanding the foregoing provisions of this subparagraph,  
28 where property is owned solely by a person or persons who received the  
29 exemption for three consecutive years without having filed returns for  
30 the applicable income tax years, but who demonstrated their eligibility  
31 for the exemption to the commissioner's satisfaction by filing state-  
32 ments pursuant to clause (A) of this subparagraph, such person or  
33 persons shall be presumed to satisfy the applicable income-eligibility  
34 requirements each year thereafter and shall not be required to continue  
35 to file such statements in the absence of a specific request therefor  
36 from the commissioner. Nothing contained herein shall be construed to  
37 prevent the commissioner from denying an exemption pursuant to this  
38 section when the commissioner determines that a property owner has a  
39 source of income that renders that owner ineligible for that exemption.

40 § 5. Clauses (C) and (D) of subparagraph (iv) of paragraph (b) of  
41 subdivision 4 of section 425 of the real property tax law are REPEALED  
42 and a new clause (C) is added to read as follows:

43 (C) When the commissioner determines that property is ineligible for a  
44 STAR exemption, notice of such determination and an opportunity for  
45 review thereof shall be provided in the manner set forth in subdivision  
46 four-b of this section.

47 § 6. Section 425 of the real property tax law is amended by adding a  
48 new subdivision 4-b to read as follows:

49 4-b. Authority of the commissioner in relation to eligibility determi-  
50 nations. (a) (i) Notwithstanding any provision of this section to the  
51 contrary, it shall be the responsibility of the commissioner to deter-  
52 mine eligibility for the basic and enhanced STAR exemptions authorized  
53 by this section, in consultation with local assessors as necessary.

54 (ii) The commissioner's eligibility determinations shall be based upon  
55 data the commissioner has obtained from local assessment rolls, personal  
56 income tax returns, the STAR registration program, the STAR income

1 verification program and such other data sources as may be available to  
2 the commissioner.

3 (iii) The process followed by the commissioner to verify eligibility  
4 for the basic and enhanced STAR exemptions shall be the same, except to  
5 the extent that differences are required by law.

6 (b) If the commissioner should determine that a parcel that has a  
7 basic STAR exemption is eligible for an enhanced STAR exemption, the  
8 commissioner shall so notify the assessor. The assessor shall thereupon  
9 grant the parcel an enhanced STAR exemption without requesting a new  
10 application from the owner.

11 (c) If the commissioner determines that property is not eligible for a  
12 STAR exemption it has been receiving, the provisions of this subdivision  
13 shall be applicable.

14 (i) The commissioner shall provide the property owners with notice and  
15 an opportunity to show the commissioner that the property is eligible to  
16 receive the exemption. If the owners fail to respond to such notice  
17 within forty-five days from the mailing thereof, or if their response  
18 does not show to the commissioner's satisfaction that the property is  
19 eligible for the exemption, the commissioner shall direct the assessor  
20 or other person having custody or control of the assessment roll or tax  
21 roll to remove or deny the exemption, and to correct the roll according-  
22 ly. Such a directive shall be binding upon the assessor or other person  
23 having custody or control of the assessment roll or tax roll, and shall  
24 be implemented by such person without the need for further documentation  
25 or approval.

26 (ii) Neither an assessor nor a board of assessment review has the  
27 authority to consider an objection to the removal or denial of an  
28 exemption pursuant to this subdivision, nor may such an action be  
29 reviewed in a proceeding to review an assessment pursuant to title one  
30 or one-A of article seven of this chapter. Such an action may only be  
31 challenged before the department of taxation and finance. If a taxpayer  
32 is dissatisfied with the department's final determination, the taxpayer  
33 may appeal that determination to the state board of real property tax  
34 services in a form and manner to be prescribed by the commissioner. Such  
35 appeal shall be filed within forty-five days from the issuance of the  
36 department's final determination. If dissatisfied with the state board  
37 of real property tax services' determination, the taxpayer may seek  
38 judicial review thereof pursuant to article seventy-eight of the civil  
39 practice law and rules. The taxpayer shall otherwise have no right to  
40 challenge such final determination in a court action, administrative  
41 proceeding or any other form of legal recourse against the commissioner,  
42 the department of taxation and finance, the state board of real property  
43 tax services, the assessor or other person having custody or control of  
44 the assessment roll or tax roll regarding such action.

45 § 7. The section heading of section 171-u of the tax law, as added by  
46 section 2 of part FF of chapter 57 of the laws of 2010, is amended to  
47 read as follows:

48 Verification of [income] eligibility for [basic] STAR exemption.

49 § 8. Subdivisions 1, 2, 3 and 4 of section 171-u of the tax law are  
50 REPEALED, subdivision 5 is renumbered to be subdivision 2, and a new  
51 subdivision 1 is added to read as follows:

52 (1) The commissioner shall verify the eligibility of properties for  
53 STAR exemptions in the manner provided by section four hundred twenty-  
54 five of the real property tax law.

55 § 9. Subparagraphs (B) and (E) of paragraph 1 of subsection (eee) of  
56 section 606 of the tax law, subparagraph (B) as amended by section 10 of

1 part B of chapter 59 of the laws of 2018 and subparagraph (E) as amended  
2 by section 2 of part H of chapter 59 of the laws of 2017, are amended to  
3 read as follows:

4 (B) (i) "Affiliated income" shall mean [for purposes of the basic STAR  
5 credit,] the combined income of all of the owners of the parcel who  
6 resided primarily thereon as of [December thirty-first] July first of  
7 the taxable year, and of any owners' spouses residing primarily thereon  
8 as of such date[, and for purposes of the enhanced STAR credit, the  
9 combined income of all of the owners of the parcel as of December thir-  
10 ty-first of the taxable year, and of any owners' spouses residing prima-  
11 rily thereon as of such date; provided that for both purposes]; provided  
12 that the income to be so combined shall be the "adjusted gross income"  
13 for the taxable year as reported for federal income tax purposes, or  
14 that would be reported as adjusted gross income if a federal income tax  
15 return were required to be filed, reduced by distributions, to the  
16 extent included in federal adjusted gross income, received from an indi-  
17 vidual retirement account and an individual retirement annuity.

18 (ii) For taxable years beginning on and after January first, two thou-  
19 sand nineteen, where an income-eligibility determination is wholly or  
20 partly based upon the income of one or more individuals who did not file  
21 a return pursuant to section six hundred fifty-one of this article for  
22 the applicable income tax year, then in order to be eligible for the  
23 credit authorized by this subsection, each such individual must file a  
24 statement with the department showing the source or sources of [his or  
25 her] such individual's income for that income tax year, and the amount  
26 or amounts thereof, that would have been reported on such a return if  
27 one had been filed. Such statement shall be filed at such time, and in  
28 such form and manner, as may be prescribed by the department, and shall  
29 be subject to the provisions of section six hundred ninety-seven of this  
30 article to the same extent that a return would be. The department shall  
31 make such forms and instructions available for the filing of such state-  
32 ments. The local assessor shall upon the request of a taxpayer assist  
33 such taxpayer in the filing of the statement with the department.  
34 [Provided further, that if the qualified taxpayer was an owner of the  
35 property during the taxable year but did not own it on December thirty-  
36 first of the taxable year, then the determination as to whether the  
37 income of an individual should be included in "affiliated income" shall  
38 be based upon the ownership and/or residency status of that individual  
39 as of the first day of the month during which the qualified taxpayer  
40 ceased to be an owner of the property, rather than as of December thir-  
41 ty-first of the taxable year.]

42 (iii) Notwithstanding the foregoing provisions of this subparagraph,  
43 where property is owned solely by a person or persons who received the  
44 credit for three consecutive years without having filed returns for the  
45 applicable income tax years, but who demonstrated their eligibility for  
46 the credit to the commissioner's satisfaction by filing statements  
47 pursuant to clause (ii) of this subparagraph, such person or persons  
48 shall be presumed to satisfy the applicable income-eligibility require-  
49 ments each year thereafter and shall not be required to continue to file  
50 such statements in the absence of a specific request therefor from the  
51 commissioner. Nothing contained herein shall be construed to prevent the  
52 commissioner from denying a credit pursuant to this subsection when the  
53 commissioner determines that a property owner has a source of income  
54 that renders that owner temporarily or permanently ineligible for that  
55 credit.

1 (E) "Qualifying taxes" means the school district taxes that were or  
2 are to be levied upon the taxpayer's primary residence for the associ-  
3 ated fiscal year [that were actually paid by the taxpayer during the  
4 taxable year]; or, in the case of a city school district that is subject  
5 to article fifty-two of the education law, the combined city and school  
6 district taxes that were or are to be levied upon the taxpayer's primary  
7 residence for the associated fiscal year [that were actually paid by the  
8 taxpayer during the taxable year]. Provided, however, that in the case  
9 of a cooperative apartment, "qualifying taxes" means the school district  
10 taxes that would have been levied upon the tenant-stockholder's primary  
11 residence if it were separately assessed, as determined by the commis-  
12 sioner based on the statement provided by the assessor pursuant to  
13 subparagraph (ii) of paragraph (k) of subdivision two of section four  
14 hundred twenty-five of the real property tax law, or in the case of a  
15 cooperative apartment corporation that is described in subparagraph (iv)  
16 of paragraph (k) of subdivision two of section four hundred twenty-five  
17 of the real property tax law, one third of such amount. In no case shall  
18 the term "qualifying taxes" be construed to include penalties or inter-  
19 est.

20 § 10. Paragraph 2 of subsection (eee) of section 606 of the tax law is  
21 REPEALED.

22 § 11. The opening paragraph of subparagraph (A) of paragraph 4 and  
23 clause (i) of subparagraph (A) of paragraph 4 of subsection (eee) of  
24 section 606 of the tax law, as amended by section 8 of part A of chapter  
25 73 of the laws of 2016, are amended to read as follows:

26 Beginning with taxable years after two thousand [fifteen] twenty-four,  
27 an enhanced STAR credit shall be available to a qualified taxpayer where  
28 both of the following conditions are satisfied:

29 (i) [All] At least one of the owners of the parcel that serves as the  
30 taxpayer's primary residence [are] is at least sixty-five years of age  
31 as of December thirty-first of the taxable year [or, in the case of  
32 property owned by a married couple or by siblings, at least one of the  
33 owners is at least sixty-five years of age as of that date. The terms  
34 "siblings" as used herein shall have the same meaning as set forth in  
35 section four hundred sixty-seven of the real property tax law]. In the  
36 case of property owned by a married couple, [one of whom] if only one of  
37 the spouses is sixty-five years of age or over, the credit, once  
38 allowed, shall not be disallowed because of the death of the older  
39 spouse so long as the surviving spouse is at least sixty-two years of  
40 age as of December thirty-first of the taxable year.

41 § 12. Subsection (eee) of section 606 of the tax law is amended by  
42 adding a new paragraph 14 to read as follows:

43 (14) The process employed by the commissioner in verifying eligibility  
44 for the basic STAR credit shall be the same as for the enhanced STAR  
45 credit, except to the extent that differences are required by law.

46 § 13. This act shall take effect immediately; provided, however, that  
47 sections 2, 3, 5, 6, 7, 8, 11 and 12 of this act shall take effect Janu-  
48 ary 1, 2026; and the amendments to clause (i) of subparagraph (B) of  
49 paragraph 1 of subsection (eee) of section 606 of the tax law, as added  
50 by section nine of this act, shall take effect on January 1, 2026.

51 PART P

52 Section 1. Subdivision 8 of section 874 of the general municipal law  
53 is REPEALED.

- 1 § 2. Subdivision 3 of section 1963 of the public authorities law is  
2 REPEALED.
- 3 § 3. Subdivision 9 of section 1964-a of the public authorities law is  
4 REPEALED.
- 5 § 4. Subdivision 3 of section 2326 of the public authorities law is  
6 REPEALED.
- 7 § 5. Subdivision 9 of section 2327 of the public authorities law is  
8 REPEALED.
- 9 § 6. This act shall take effect immediately.

10

## PART Q

11 Section 1. Subsection (c) of section 861 of the tax law, as amended by  
12 section 2 of subpart C of part J of chapter 59 of the laws of 2023, is  
13 amended to read as follows:

14 (c) The annual election must be made on or before [the due date of the  
15 first estimated payment under section eight hundred sixty-four of this  
16 article] September fifteenth and will take effect for the current taxa-  
17 ble year. Only one election may be made during each calendar year. An  
18 election made under this section is irrevocable after [the due date]  
19 September fifteenth of the taxable year.

20 § 2. Subsection (b) of section 864 of the tax law, as added by section  
21 1 of part C of chapter 59 of the laws of 2021, paragraph 3 as amended by  
22 chapter 555 of the laws of 2022, is amended to read as follows:

23 (b) General. The estimated tax shall be paid as follows for an elect-  
24 ing partnership and an electing S corporation:

25 (1) [The estimated tax shall be paid] For an election to be taxed  
26 pursuant to this article that is made on or before March fifteenth of  
27 the taxable year to be valid, the electing partnership or electing S  
28 corporation is required to make estimated tax payments in four equal  
29 installments on March fifteenth, June fifteenth, September fifteenth and  
30 December fifteenth in the calendar year prior to the year in which the  
31 due date of the return required by this article falls. The amount of  
32 each installment shall be twenty-five percent of the required annual  
33 payment.

34 (2) [The amount of any required installment shall be twenty-five  
35 percent of the required annual payment] For an election to be taxed  
36 pursuant to this article that is made after March fifteenth but before  
37 June fifteenth in the taxable year to be valid, the electing partnership  
38 or electing S corporation is required to make an estimated tax payment  
39 with its election that represents twenty-five percent of the required  
40 annual payment. The electing partnership or electing S corporation shall  
41 further make payments on June fifteenth, September fifteenth, and Decem-  
42 ber fifteenth in the calendar year prior to the year in which the due  
43 date of the return required by this article falls, which shall each  
44 represent twenty-five percent of the required annual payment.

45 (3) For an election to be taxed pursuant to this article that is made  
46 on or after June fifteenth but before September fifteenth in the taxable  
47 year to be valid, the electing partnership or electing S corporation is  
48 required to make an estimated tax payment with its election that repres-  
49 ents fifty percent of the required annual payment. The electing partner-  
50 ship or electing S corporation shall further make payments on September  
51 fifteenth and December fifteenth in the calendar year prior to the year  
52 in which the due date of the return required by this article falls,  
53 which shall each represent twenty-five percent of the required annual  
54 payment.



1 (4) For an election to be taxed pursuant to this article that is made  
2 on September fifteenth in the taxable year to be valid, the electing  
3 partnership or electing S corporation is required to make an estimated  
4 tax payment with its election that represents seventy-five percent of  
5 the required annual payment. The electing partnership or electing S  
6 corporation shall further make a payment on December fifteenth in the  
7 calendar year prior to the year in which the due date of the return  
8 required by this article falls, which shall represent twenty-five  
9 percent of the required annual payment.

10 (5) Notwithstanding paragraph four of subsection (c) of section six  
11 hundred eighty-five of this chapter, the required annual payment is the  
12 lesser of: (A) ninety percent of the tax shown on the return for the  
13 taxable year; or (B) one hundred percent of the tax shown on the return  
14 of the electing partnership or electing S corporation for the preceding  
15 taxable year.

16 § 3. Subsection (c) of section 868 of the tax law, as amended by  
17 section 7 of subpart C of part J of chapter 59 of the laws of 2023, is  
18 amended to read as follows:

19 (c) The annual election to be taxed pursuant to this article must be  
20 made on or before [the due date of the first estimated payment under  
21 section eight hundred sixty-four of this chapter] September fifteenth  
22 and will take effect for the current taxable year. Only one election to  
23 be taxed pursuant to this article may be made during each calendar year.  
24 An election made under this section is irrevocable after [such due date]  
25 September fifteenth of the taxable year. To the extent an election made  
26 under section eight hundred sixty-one of this chapter is revoked or  
27 otherwise invalidated an election made under this section is automat-  
28 ically invalidated.

29 § 4. Subsection (b) of section 871 of the tax law, as added by section  
30 1 of subpart B of part MM of chapter 59 of the laws of 2022, paragraph 3  
31 as amended by chapter 555 of the laws of 2022, is amended to read as  
32 follows:

33 (b) General. Except as provided in subsection (c) of this section, the  
34 estimated tax shall be paid as follows for an electing city partnership  
35 and an electing city resident S corporation:

36 (1) [The estimated tax shall be paid] For an election to be taxed  
37 pursuant to this article that is made on or before March fifteenth in  
38 the taxable year to be valid, the electing city partnership or electing  
39 city S corporation is required to make estimated tax payments in four  
40 equal installments on March fifteenth, June fifteenth, September  
41 fifteenth and December fifteenth in the calendar year prior to the year  
42 in which the due date of the return required by this article falls. The  
43 amount of each installment shall be twenty-five percent of the required  
44 annual payment.

45 (2) [The amount of any required installment shall be twenty-five  
46 percent of the required annual payment] For an election to be taxed  
47 pursuant to this article that is made after March fifteenth but before  
48 June fifteenth in the taxable year to be valid, the electing city part-  
49 nership or electing city S corporation is required to make an estimated  
50 tax payment with its election that represents twenty-five percent of the  
51 required annual payment. The electing city partnership or electing city  
52 S corporation shall further make payments on June fifteenth, September  
53 fifteenth, and December fifteenth in the calendar year prior to the year  
54 in which the due date of the return required by this article falls,  
55 which shall each represent twenty-five percent of the required annual  
56 payment.



1 (3) For an election to be taxed pursuant to this article that is made  
2 after June fifteenth but before September fifteenth in the taxable year  
3 to be valid, the electing city partnership or electing city S corpo-  
4 ration is required to make an estimated tax payment with its election  
5 that represents fifty percent of the required annual payment. The elect-  
6 ing city partnership or electing city S corporation shall further make  
7 payments on September fifteenth and December fifteenth in the calendar  
8 year prior to the year in which the due date of the return required by  
9 this article falls, which shall each represent twenty-five percent of  
10 the required annual payment.

11 (4) For an election to be taxed pursuant to this article that is made  
12 on September fifteenth in the taxable year to be valid, the electing  
13 city partnership or electing city S corporation is required to make an  
14 estimated tax payment with its election that represents seventy-five  
15 percent of the required annual payment. The electing city partnership or  
16 electing city S corporation shall further make a payment on December  
17 fifteenth in the calendar year prior to the year in which the due date  
18 of the return required by this article falls, which shall represent  
19 twenty-five percent of the required annual payment.

20 (5) Without regard to paragraph four of subsection (c) of section six  
21 hundred eighty-five of this chapter, the required annual payment is the  
22 lesser of: (A) ninety percent of the tax shown on the return for the  
23 taxable year; or (B) one hundred percent of the tax shown on the return  
24 of the electing city partnership or electing city resident S corporation  
25 for the preceding taxable year.

26 § 5. This act shall take effect immediately and shall apply to all  
27 taxable years beginning on or after January 1, 2026.

28 PART R

29 Section 1. Subdivision (a) of section 213-a of the tax law, as amended  
30 by chapter 166 of the laws of 1991, is amended to read as follows:

31 (a) Requirement of declaration.--Every taxpayer subject to the tax  
32 imposed by section two hundred nine of this chapter shall make a decla-  
33 ration of its estimated tax for the current privilege period, containing  
34 such information as the commissioner of taxation and finance may  
35 prescribe by regulations or instructions, if such estimated tax can  
36 reasonably be expected to exceed one thousand dollars, or five thousand  
37 dollars for taxable years beginning on or after January first, two thou-  
38 sand twenty-six. If a taxpayer is subject to the tax surcharge imposed  
39 under section two hundred nine-B of this article and such taxpayer's  
40 estimated tax under section two hundred nine of this article can reason-  
41 ably be expected to exceed one thousand dollars, or five thousand  
42 dollars for taxable years beginning on or after January first, two thou-  
43 sand twenty-six, such taxpayer shall also make a declaration of its  
44 estimated tax surcharge for the current privilege period.

45 § 2. Subdivision (a) of section 213-b of the tax law, as amended by  
46 section 4 of part Z of chapter 59 of the laws of 2019, is amended to  
47 read as follows:

48 (a) First installments for certain taxpayers.--In privilege periods of  
49 twelve months ending at any time during the calendar year nineteen  
50 hundred seventy and thereafter, every taxpayer subject to the tax  
51 imposed by section two hundred nine of this [chapter] article must pay  
52 with the report required to be filed for the preceding privilege period,  
53 or with an application for extension of the time for filing the report,  
54 for taxable years beginning before January first, two thousand sixteen,

1 and must pay on or before the fifteenth day of the third month of such  
2 privilege periods, for taxable years beginning on or after January  
3 first, two thousand sixteen, an amount equal to (i) twenty-five percent  
4 of the second preceding year's tax if the second preceding year's tax  
5 exceeded one thousand dollars, or five thousand dollars for taxable  
6 years beginning on or after January first, two thousand twenty-six, but  
7 was equal to or less than one hundred thousand dollars, or (ii) forty  
8 percent of the second preceding year's tax if the second preceding  
9 year's tax exceeded one hundred thousand dollars. If the second preced-  
10 ing year's tax under section two hundred nine of this chapter exceeded  
11 one thousand dollars, or five thousand dollars for taxable years begin-  
12 ning on or after January first, two thousand twenty-six, and the taxpay-  
13 er is subject to the tax surcharge imposed by section two hundred nine-B  
14 of this [chapter] article, the taxpayer must also pay with the tax  
15 surcharge report required to be filed for the second preceding privilege  
16 period, or with an application for extension of the time for filing the  
17 report, for taxable years beginning before January first, two thousand  
18 sixteen, and must pay on or before the fifteenth day of the third month  
19 of such privilege periods, for taxable years beginning on or after Janu-  
20 ary first, two thousand sixteen, an amount equal to (i) twenty-five  
21 percent of the tax surcharge imposed for the second preceding year if  
22 the second preceding year's tax was equal to or less than one hundred  
23 thousand dollars, or (ii) forty percent of the tax surcharge imposed for  
24 the second preceding year if the second preceding year's tax exceeded  
25 one hundred thousand dollars. Provided, however, that every taxpayer  
26 that is a New York S corporation must pay with the report required to be  
27 filed for the preceding privilege period, or with an application for  
28 extension of the time for filing the report, an amount equal to (i)  
29 twenty-five percent of the preceding year's tax if the preceding year's  
30 tax exceeded one thousand dollars, or five thousand dollars for taxable  
31 years beginning on or after January first, two thousand twenty-six, but  
32 was equal to or less than one hundred thousand dollars, or (ii) forty  
33 percent of the preceding year's tax if the preceding year's tax exceeded  
34 one hundred thousand dollars.

35 § 3. This act shall take effect immediately.

36

#### PART S

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

39 (qqq) Organ donation credit. (1) For taxable years beginning on or  
40 after January first, two thousand twenty-five, a full-year resident  
41 taxpayer who, while living, donates one or more of their human organs to  
42 another human being for human organ transplantation will be allowed a  
43 credit against the taxes imposed by this article in the amount specified  
44 in paragraph two of this subsection. For purposes of this paragraph,  
45 "human organ" means all or part of a liver, pancreas, kidney, intestine,  
46 lung, or bone marrow.

47 (2) A taxpayer may claim the credit allowed under this subsection only  
48 once and in the taxable year in which the human organ transplantation  
49 occurs. Such credit may be claimed, in an amount not to exceed ten thou-  
50 sand dollars, for only the following unreimbursed expenses that are  
51 incurred by the taxpayer and related to the taxpayer's organ donation:

52 (A) travel expenses;

53 (B) lodging expenses; and

54 (C) lost wages.



1 Provided, however, that this credit shall not apply to any organ  
2 donation for which the taxpayer has received benefits under section  
3 forty-three hundred seventy-one of the public health law.

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

9 § 2. Paragraph 38 of subsection (c) of section 612 of the tax law, as  
10 added by chapter 565 of the laws of 2006, the opening paragraph as  
11 amended by chapter 814 of the laws of 2022, is amended to read as  
12 follows:

13 (38) [An] For taxable years beginning before January first, two thou-  
14 sand twenty-five, an amount of up to ten thousand dollars if a taxpayer,  
15 while living, donates one or more of [his or her] the taxpayer's human  
16 organs to another human being for human organ transplantation. For  
17 purposes of this paragraph, "human organ" means all or part of a liver,  
18 pancreas, kidney, intestine, lung, or bone marrow. A subtract modifica-  
19 tion allowed under this paragraph shall be claimed in the taxable year  
20 in which the human organ transplantation occurs. Provided, however, that  
21 this deduction shall not apply to any donation for which the taxpayer  
22 has received benefits under section forty-three hundred seventy-one of  
23 the public health law.

24 (A) A taxpayer shall claim the subtract modification allowed under  
25 this paragraph only once and such subtract modification shall be claimed  
26 for only the following unreimbursed expenses which are incurred by the  
27 taxpayer and related to the taxpayer's organ donation:

- 28 (i) travel expenses;  
29 (ii) lodging expenses; and  
30 (iii) lost wages.

31 (B) The subtract modification allowed under this paragraph shall not  
32 be claimed by a part-year resident or a non-resident of this state.

33 § 3. This act shall take effect immediately.

34 PART T

35 Section 1. Paragraph 3 of subsection (a) of section 954 of the tax  
36 law, as amended by section 1 of part F of chapter 59 of the laws of  
37 2019, is amended to read as follows:

38 (3) Increased by the amount of any taxable gift under section 2503 of  
39 the internal revenue code not otherwise included in the decedent's  
40 federal gross estate, made during the three year period ending on the  
41 decedent's date of death, but not including any gift made: (A) when the  
42 decedent was not a resident of New York state; or (B) before April  
43 first, two thousand fourteen; or (C) between January first, two thousand  
44 nineteen and January fifteenth, two thousand nineteen; or (D) that is  
45 real or tangible personal property having an actual situs outside New  
46 York state at the time the gift was made. [Provided, however that this  
47 paragraph shall not apply to the estate of a decedent dying on or after  
48 January first, two thousand twenty-six.]

49 § 2. This act shall take effect immediately.

50 PART U

1 Section 1. Paragraphs (c) and (d) of subdivision 12 of section 210-B  
2 of the tax law, as added by section 17 of part A of chapter 59 of the  
3 laws of 2014, are amended to read as follows:

4 (c) Amount of credit. Except as provided in paragraph (d) of this  
5 subdivision, the amount of credit for taxable years beginning before  
6 January first, two thousand twenty-five shall be thirty-five percent of  
7 the first six thousand dollars in qualified first-year wages earned by  
8 each qualified employee and for taxable years beginning on or after  
9 January first, two thousand twenty-five shall be the first five thousand  
10 dollars in qualified first-year wages earned by each qualified employee.  
11 "Qualified first-year wages" means wages paid or incurred by the taxpay-  
12 er during the taxable year to qualified employees which are attribut-  
13 able, with respect to any such employee, to services rendered during the  
14 one-year period beginning with the day the employee begins work for the  
15 taxpayer.

16 (d) Credit where federal work opportunity tax credit applies. With  
17 respect to any qualified employee whose qualified first-year wages under  
18 paragraph (c) of this subdivision also constitute qualified first-year  
19 wages for purposes of the work opportunity tax credit for vocational  
20 rehabilitation referrals under section fifty-one of the internal revenue  
21 code, the amount of credit under this subdivision for taxable years  
22 beginning before January first, two thousand twenty-five shall be thir-  
23 ty-five percent of the first six thousand dollars in qualified second-  
24 year wages earned by each such employee and for taxable years beginning  
25 on or after January first, two thousand twenty-five shall be the first  
26 five thousand dollars in qualified second-year wages earned by each  
27 qualified employee. "Qualified second-year wages" means wages paid or  
28 incurred by the taxpayer during the taxable year to qualified employees  
29 which are attributable, with respect to any such employee, to services  
30 rendered during the one-year period beginning one year after the employ-  
31 ee begins work for the taxpayer.

32 § 2. Paragraphs 3 and 4 of subsection (o) of section 606 of the tax  
33 law, as added by chapter 142 of the laws of 1997, are amended to read as  
34 follows:

35 (3) Amount of credit. Except as provided in paragraph four of this  
36 subsection, the amount of credit for taxable years beginning before  
37 January first, two thousand twenty-five shall be thirty-five percent of  
38 the first six thousand dollars in qualified first-year wages earned by  
39 each qualified employee and for taxable years beginning on or after  
40 January first, two thousand twenty-five shall be the first five thousand  
41 dollars in qualified first-year wages earned by each qualified employee.  
42 "Qualified first-year wages" means wages paid or incurred by the taxpay-  
43 er during the taxable year to qualified employees which are attribut-  
44 able, with respect to any such employee, to services rendered during the  
45 one-year period beginning with the day the employee begins work for the  
46 taxpayer.

47 (4) Credit where federal work opportunity tax credit applies. With  
48 respect to any qualified employee whose qualified first-year wages under  
49 paragraph three of this subsection also constitute qualified first-year  
50 wages for purposes of the work opportunity tax credit for vocational  
51 rehabilitation referrals under section fifty-one of the internal revenue  
52 code, the amount of credit under this subsection shall be for taxable  
53 years beginning before January first, two thousand twenty-five thirty-  
54 five percent of the first six thousand dollars in qualified second-year  
55 wages earned by each such employee and for taxable years beginning on or  
56 after January first, two thousand twenty-five shall be the first five

1 thousand dollars in qualified second-year wages earned by each qualified  
2 employee. "Qualified second-year wages" means wages paid or incurred by  
3 the taxpayer during the taxable year to qualified employees which are  
4 attributable, with respect to any such employee, to services rendered  
5 during the one-year period beginning one year after the employee begins  
6 work for the taxpayer.

7 § 3. This act shall take effect immediately.

8

PART V

9 Section 1. Subdivision 3 of section 211 of the tax law, as amended by  
10 section 19 of part A chapter 59 of the laws of 2014, is amended to read  
11 as follows:

12 3. If the amount of taxable income for any year of any taxpayer  
13 (including any taxpayer which has elected to be taxed under subchapter s  
14 of chapter one of the internal revenue code), as returned to the United  
15 States treasury department is changed or corrected by the commissioner  
16 of internal revenue or other officer of the United States or other  
17 competent authority, or where a renegotiation of a contract or subcon-  
18 tract with the United States results in a change in taxable income, such  
19 taxpayer shall report such changed or corrected taxable income, or the  
20 results of such renegotiation, within ninety days (or one hundred twenty  
21 days, in the case of a taxpayer making a combined report under this  
22 article for such year) after the final determination of such change or  
23 correction or renegotiation, or as required by the commissioner, and  
24 shall concede the accuracy of such determination or state wherein it is  
25 erroneous. Provided however, if the taxpayer is a direct or indirect  
26 partner of a partnership required to report adjustments in accordance  
27 with section six hundred fifty-nine-a of this chapter, such taxpayer  
28 shall also report such adjustments in accordance with section six  
29 hundred fifty-nine-a of this chapter when such adjustments result in an  
30 overpayment. The allowance of a tentative carryback adjustment based  
31 upon a net operating loss carryback or net capital loss carryback pursu-  
32 ant to section sixty-four hundred eleven of the internal revenue code,  
33 as amended, shall be treated as a final determination for purposes of  
34 this subdivision. Any taxpayer filing an amended return with such  
35 department shall also file within ninety days (or one hundred twenty  
36 days, in the case of a taxpayer making a combined report under this  
37 article for such year) thereafter an amended report with the commission-  
38 er.

39 § 2. Subsection (b) of section 653 of the tax law, as added by chapter  
40 563 of the laws of 1960, is amended to read as follows:

41 (b) Partnerships. Any return, statement or other document required of  
42 a partnership shall be signed by one or more partners. The fact that a  
43 partner's name is signed to a return, statement, or other document,  
44 shall be prima facie evidence for all purposes that such partner is  
45 authorized to sign on behalf of the partnership.

46 (1) If a partnership is required to report federal adjustments arising  
47 from a partnership level audit or an administrative adjustment request  
48 pursuant to section six hundred fifty-nine-a of this part, the partner-  
49 ship's federal partnership representative is the New York partnership  
50 representative unless the partnership designates, in a manner determined  
51 by the commissioner, that another person shall act on behalf of the  
52 partnership.



1 (2) The New York partnership representative shall have the sole  
2 authority to act on behalf of the partnership and its direct and indi-  
3 rect partners shall be bound by these actions.

4 § 3. Section 659 of the tax law, as amended by section 8 of part J of  
5 chapter 59 of the laws of 2014, is amended to read as follows:

6 § 659. Report of federal changes, corrections or disallowances. If the  
7 amount of a taxpayer's federal taxable income, total taxable amount or  
8 ordinary income portion of a lump sum distribution or includible gain of  
9 a trust reported on [his] their federal income tax return for any taxa-  
10 ble year, or the amount of a taxpayer's earned income credit or credit  
11 for employment-related expenses set forth on such return, or the amount  
12 of any federal foreign tax credit affecting the calculation of the cred-  
13 it for Canadian provincial taxes under section six hundred twenty or six  
14 hundred twenty-A of this article, or the amount of any claim of right  
15 adjustment, is changed or corrected by the United States internal reven-  
16 ue service or other competent authority or as the result of a renegoti-  
17 ation of a contract or subcontract with the United States, or the amount  
18 an employer is required to deduct and withhold from wages for federal  
19 income tax withholding purposes is changed or corrected by such service  
20 or authority or if a taxpayer's claim for credit or refund of federal  
21 income tax is disallowed in whole or in part, the taxpayer or employer  
22 shall report such change or correction or disallowance within ninety  
23 days after the final determination of such change, correction, renegoti-  
24 ation or disallowance, or as otherwise required by the commissioner, and  
25 shall concede the accuracy of such determination or state wherein it is  
26 erroneous. Provided, however, if the taxpayer is a direct or indirect  
27 partner of a partnership required to report adjustments in accordance  
28 with section six hundred fifty-nine-a of this part, such taxpayer shall  
29 also report such adjustments in accordance with section six hundred  
30 fifty-nine-a of this part when such adjustments result in an overpay-  
31 ment. The allowance of a tentative carryback adjustment based upon a net  
32 operating loss carryback pursuant to section sixty-four hundred eleven  
33 of the internal revenue code shall be treated as a final determination  
34 for purposes of this section. Any taxpayer filing an amended federal  
35 income tax return and any employer filing an amended federal return of  
36 income tax withheld shall also file within ninety days thereafter an  
37 amended return under this article, and shall give such information as  
38 the commissioner may require. The commissioner may by regulation  
39 prescribe such exceptions to the requirements of this section as [he or  
40 she deems] they deem appropriate. For purposes of this section, (i) the  
41 term "taxpayer" shall include a partnership having a resident partner or  
42 having any income derived from New York sources, and a corporation with  
43 respect to which the taxable year of such change, correction, disallow-  
44 ance or amendment is a year with respect to which the election provided  
45 for in subsection (a) of section six hundred sixty of this article is in  
46 effect, and (ii) the term "federal income tax return" shall include the  
47 returns of income required under sections six thousand thirty-one and  
48 six thousand thirty-seven of the internal revenue code. In the case of  
49 such a corporation, such report shall also include any change or  
50 correction of the taxes described in paragraphs two and three of  
51 subsection (f) of section thirteen hundred sixty-six of the internal  
52 revenue code. Reports made under this section by a partnership or corpo-  
53 ration shall indicate the portion of the change in each item of income,  
54 gain, loss or deduction (and, in the case of a corporation, of each  
55 change in, or disallowance of a claim for credit or refund of, a tax  
56 referred to in the preceding sentence) allocable to each partner or



1 shareholder and shall set forth such identifying information with  
2 respect to such partner or shareholder as may be prescribed by the  
3 commissioner.

4 § 4. The tax law is amended by adding a new section 659-a to read as  
5 follows:

6 § 659-a. Reporting of federal partnership adjustments. (a) If any  
7 item required to be shown on a federal partnership return, for any part-  
8 nership that has a resident partner or any income derived from New York  
9 sources, including any gross income, gain, loss, deduction, penalty,  
10 credit, or tax for any year of such partnership, including any amount of  
11 any partner's distributive share, is changed or corrected by the commis-  
12 sioner of internal revenue or other officer of the United States or  
13 other competent authority, and the partnership is issued an adjustment  
14 under section sixty-two hundred twenty-five of the internal revenue code  
15 or makes a federal election for alternative payment with the United  
16 States internal revenue service as part of a partnership level audit, or  
17 files an administrative adjustment request, the partnership shall  
18 report, in the manner prescribed by the commissioner, each change or  
19 correction in sufficient detail to allow for the computation of the New  
20 York tax change or correction for the reviewed year within ninety days  
21 after the date of each final federal determination, or ninety days after  
22 the filing of an administrative adjustment request.

23 (b) Definitions. As used in this section, the following terms shall  
24 have the following meanings:

25 (1) "Administrative adjustment request" means an administrative  
26 adjustment request filed by a partnership under section sixty-two  
27 hundred twenty-seven of the internal revenue code.

28 (2) "Direct partner" means a partner that holds an interest directly  
29 in an impacted partnership during the reviewed year.

30 (3) "Federal election for alternative payment" means the election  
31 described in section sixty-two hundred twenty-six of the internal reven-  
32 ue code, relating to alternative payment of imputed underpayment by  
33 partnership.

34 (4) "Final federal adjustment" means a change to an item of gross  
35 income, gain, loss, deduction, penalty, credit, or a partner's distribu-  
36 tive share, of an impacted partnership determined under section sixty-  
37 two hundred twenty-five of the internal revenue code that is considered  
38 fixed and final under the internal revenue code.

39 (5) "Final federal determination date" means the date on which each  
40 adjustment or resolution resulting from a United States internal revenue  
41 service examination is assessed pursuant to section sixty-two hundred  
42 three of the internal revenue code.

43 (6) "Impacted partnership" means a partnership that (i) was issued a  
44 final federal adjustment; or (ii) made a federal election for alterna-  
45 tive payment with the United States internal revenue service as part of  
46 a federal partnership level audit; or (iii) filed an administrative  
47 adjustment request with the internal revenue service.

48 (7) "Indirect partner" means a partner, member, or shareholder in a  
49 partnership or other pass-through entity that itself held an interest  
50 indirectly, or through another indirect partner, in an impacted partner-  
51 ship during the reviewed year.

52 (8) "Reviewed year" has the meaning provided in paragraph one of  
53 subsection (d) of section sixty-two hundred twenty-five of the internal  
54 revenue code.

1 (9) "Tiered partner" means any partner in an impacted partnership that  
2 is a partnership, S corporation, or other pass-through entity for New  
3 York tax purposes.

4 (c)(1) Impacted partnerships must file any required reports and pay  
5 any New York tax due, if applicable, with respect to a final federal  
6 adjustment or an administrative adjustment request no later than ninety  
7 days after the final federal determination date, or the date an adminis-  
8 trative adjustment request was filed, in accordance with subsection (d)  
9 of this section.

10 (2) Notwithstanding any election made for federal purposes under the  
11 provisions of subchapter C of chapter sixty-three of the internal reven-  
12 ue code, any changes or corrections made by the United States internal  
13 revenue service pursuant to such a final federal adjustment or as a  
14 result of an administrative adjustment request that increases New York  
15 taxable income must be calculated with respect to the impacted partner-  
16 ship in the reviewed year, and any additional New York tax owed as a  
17 result of such a final federal adjustment or administrative adjustment  
18 request must be paid by the impacted partnership as computed in accord-  
19 ance with subsection (d) of this section.

20 (3) Notwithstanding any election made for federal purposes under the  
21 provisions of subchapter C of chapter sixty-three of the internal reven-  
22 ue code, where changes or corrections made by the United States internal  
23 revenue service pursuant to such a final federal adjustment or as a  
24 result of an administrative adjustment request decrease New York taxable  
25 income, the partners may request any resulting overpayment as permitted  
26 under this article and articles nine-A and thirty-three of this chapter.

27 (d) Reporting and payment requirements for impacted partnerships and  
28 partners subject to a final federal adjustment or administrative adjust-  
29 ment request.

30 (1) Impacted partnerships must report any final federal adjustments  
31 and administrative adjustment requests regardless of tax impact. Such  
32 report must include the impacted partnership's direct and indirect part-  
33 ner identifying information and any other information the commissioner  
34 may require.

35 (2) For the partnership adjustments described in paragraph two of  
36 subsection (c) of this section, the impacted partnership must:

37 (A) report the sum of the following amounts attributable to each of  
38 its direct partners and indirect partners as follows:

39 (i) for partners subject to tax pursuant to articles nine-a or thir-  
40 ty-three of this chapter in the reviewed year, other than tiered part-  
41 ners, the partner's distributive share of gross income or gain, appor-  
42 tioned to New York using a percentage using the apportionment rules  
43 described in article nine-A of this chapter;

44 (ii) for a partner subject to tax pursuant to this article that is  
45 treated as a nonresident pursuant to paragraph two of subsection (b) of  
46 section six hundred five of this article in the reviewed year, other  
47 than a tiered partner, the partner's distributive share of gross income  
48 or gain allocated to New York using the allocation rules described in  
49 this article;

50 (iii) for a partner subject to tax pursuant to this article that is  
51 treated as a resident pursuant to paragraph one of subsection (b) of  
52 section six hundred five of this article in the reviewed year, other  
53 than a tiered partner, the partner's federal distributive share of gross  
54 income or gain; and

55 (iv) for a partner subject to tax pursuant to article thirty of this  
56 chapter that is treated as a resident pursuant to subsection (a) of



1 section thirteen hundred five of this chapter in the reviewed year,  
2 other than tiered partners, the partner's federal distributive share of  
3 gross income or gain.

4 (B) For purposes of computing the distributive share of gross income  
5 or gain attributable to tiered partners, the partnership shall compute  
6 the distributive share of each indirect partner that itself is not a  
7 tiered partner, based on the rules in subparagraph (A) of paragraph two  
8 of this subsection. Provided, however, if the impacted partnership lacks  
9 the necessary information to compute the distributive share of:

10 (i) one or more indirect partners taxable under articles nine-A and  
11 thirty-three of this chapter, such indirect partner or partners must  
12 allocate one hundred percent of such taxpayer's distributive share of  
13 the adjustment to the state.

14 (ii) one or more indirect partners taxable under this article, such  
15 indirect partner or partners must be treated as a resident pursuant to  
16 subsection (a) of section thirteen hundred five of this chapter.

17 (C) The impacted partnership shall compute tax due by computing the  
18 sum of:

19 (i) the cumulative distributive share of all direct and indirect part-  
20 ners as computed under clauses (i), (ii), (iii), and (iv) of subpara-  
21 graph (A) of paragraph (2) of subsection (d) of this section, multiplied  
22 by the highest tax rate imposed under section six hundred one of this  
23 article for the reviewed year, and

24 (ii) the cumulative distributive share of all direct and indirect  
25 partners as computed under clause (iv) of subparagraph (A) of paragraph  
26 two of this subsection, multiplied by the highest rate imposed under  
27 section thirteen hundred four of this chapter for the reviewed year.

28 (D) The partnership shall be required to remit any additional amount  
29 of tax due, plus any penalty and interest computed under this article  
30 based on the due date of the originally filed return of the reviewed  
31 year.

32 (3) The impacted partnership must inform each direct and indirect  
33 partner of partnership adjustments described in paragraph three of  
34 subsection (c) of this section in the manner required by the commission-  
35 er.

36 (e) Statute of limitations for assessments of additional New York  
37 state tax, interest, and penalties arising from adjustments to federal  
38 taxable income.

39 (1) If the impacted partnership files a report within the period spec-  
40 ified in subsection (c) of this section, the commissioner may assess an  
41 impacted partnership additional tax, interest, and penalties arising  
42 from final federal adjustments or administrative adjustment requests  
43 pursuant to the provisions of section six hundred eighty-three of this  
44 article.

45 (2) If an impacted partnership fails to file a report as required in  
46 subsection (c) of this section, the commissioner may assess the impacted  
47 partnership additional tax, interest, and penalties arising from final  
48 federal adjustments or administrative adjustment requests pursuant to  
49 the provisions of section six hundred eighty-one of this article.

50 (f) Nothing in this section shall prevent the commissioner from  
51 assessing direct or indirect partners for any taxes due, using the best  
52 information available, in the event that an impacted partnership fails  
53 to timely report or remit any report or additional taxes due required by  
54 this section for any reason.

1 § 5. Subsection (e) of section 681 of the tax law, as amended by chap-  
2 ter 381 of the laws of 1975, paragraph 1 as amended by chapter 28 of the  
3 laws of 1987, is amended as follows:

4 (e) Exceptions where federal changes, corrections or disallowances are  
5 not reported.---

6 (1) If the taxpayer or employer fails to comply with section six  
7 hundred fifty-nine or section six hundred fifty-nine-a, instead of the  
8 mode and time of assessment provided for in subsection (b) of this  
9 section, the [tax commission] commissioner may assess a deficiency based  
10 upon such federal change, correction or disallowance by mailing to the  
11 taxpayer a notice of additional tax due specifying the amount of the  
12 deficiency, and such deficiency, together with the interest, additions  
13 to tax and penalties stated in such notice, shall be deemed assessed on  
14 the date such notice is mailed unless within thirty days after the mail-  
15 ing of such notice a report of the federal change, correction or disal-  
16 lowance or an amended return, where such return was required by section  
17 six hundred fifty-nine or section six hundred fifty-nine-a, is filed  
18 accompanied by a statement showing wherein such federal determination  
19 and such notice of additional tax due are erroneous.

20 (2) Such notice shall not be considered as a notice of deficiency for  
21 the purposes of this section, subsection (f) of section six hundred  
22 eighty-seven (limiting credits or refunds after petition to the [tax  
23 commission] division of tax appeals), or subsection (b) of section six  
24 hundred eighty-nine (authorizing the filing of a petition with the [tax  
25 commission] division of tax appeals based on a notice of deficiency),  
26 nor shall such assessment or the collection thereof be prohibited by the  
27 provisions of subsection (c).

28 (3) If [a husband and wife] spouses are jointly liable for tax, a  
29 notice of additional tax due may be a single joint notice, except that  
30 if the [tax commission] commissioner has been notified by either spouse  
31 that separate residences have been established, then, in lieu of the  
32 joint notice, a duplicate original of the joint notice shall be mailed  
33 to each spouse at [his or her] their last known address in or out of  
34 this state. If the taxpayer is deceased or under a legal disability, a  
35 notice of additional tax due may be mailed to [his] their last known  
36 address in or out of this state, unless the [tax commission] commission-  
37 er has received notice of the existence of a fiduciary relationship with  
38 respect to the taxpayer.

39 § 6. Subsection (a) of section 682 of the tax law, as amended by  
40 section 3 of part F of chapter 60 of the laws of 2004, is amended to  
41 read as follows:

42 (a) Assessment date.--The amount of tax which a return shows to be  
43 due, or the amount of tax which a return would have shown to be due but  
44 for a mathematical or clerical error, shall be deemed to be assessed on  
45 the date of filing of the return (including any amended return showing  
46 an increase of tax). In the case of a return properly filed without  
47 computation of tax, the tax computed by the commissioner shall be deemed  
48 to be assessed on the date on which payment is due. If a notice of defi-  
49 ciency has been mailed, the amount of the deficiency shall be deemed to  
50 be assessed on the date specified in subsection (b) of section six  
51 hundred eighty-one if no petition to the division of tax appeals is  
52 filed, or if a petition is filed, then upon the date when a determi-  
53 nation or decision rendered in the division of tax appeals establishing  
54 the amount of the deficiency becomes final. If an amended return or  
55 report filed pursuant to section six hundred fifty-nine or six hundred  
56 fifty-nine-a concedes the accuracy of a federal change or correction,

1 any deficiency in tax under this article resulting therefrom shall be  
2 deemed to be assessed on the date of filing such report or amended  
3 return, and such assessment shall be timely notwithstanding section six  
4 hundred eighty-three. If a notice of additional tax due, as prescribed  
5 in subsection (e) of section six hundred eighty-one, has been mailed,  
6 the amount of the deficiency shall be deemed to be assessed on the date  
7 specified in such subsection unless within thirty days after the mailing  
8 of such notice a report of the federal change or correction or an  
9 amended return, where such return was required by section six hundred  
10 fifty-nine or six hundred fifty-nine-a, is filed accompanied by a state-  
11 ment showing wherein such federal determination and such notice of addi-  
12 tional tax due are erroneous. Any amount paid as a tax or in respect of  
13 a tax, other than amounts withheld at the source or paid as estimated  
14 income tax, shall be deemed to be assessed upon the date of receipt of  
15 payment, notwithstanding any other provisions.

16 § 7. Paragraphs 1, 2 and 3 of subsection (c) of section 683 of the tax  
17 law, as added by chapter 1011 of 1962, paragraph 1 as amended by chapter  
18 526 of the laws of 1973, subparagraph (C) of paragraph 1 and paragraph 3  
19 as amended by chapter 28 of the laws of 1987, are amended as follows:

20 (1) Assessment at any time.--The tax may be assessed at any time if--

21 (A) no return is filed,

22 (B) a false or fraudulent return is filed with intent to evade tax, or

23 (C) the taxpayer or employer fails to comply with section six hundred  
24 fifty-nine or six hundred fifty-nine-a.

25 (2) Extension by agreement.--Where, before the expiration of the time  
26 prescribed in this section for the assessment of tax, both the [tax  
27 commissioner] commissioner and the taxpayer have consented in writing to  
28 its assessment after such time, the tax may be assessed at any time  
29 prior to the expiration of the period agreed upon. The period so agreed  
30 upon may be extended by subsequent agreements in writing made before the  
31 expiration of the period previously agreed upon.

32 (3) Report of federal changes, corrections or disallowances.--If the  
33 taxpayer or employer complies with section six hundred fifty-nine or six  
34 hundred fifty-nine-a, the assessment (if not deemed to have been made  
35 upon the filing of the report or amended return) may be made at any time  
36 within two years after such report or amended return was filed. The  
37 amount of such assessment of tax shall not exceed the amount of the  
38 increase in New York tax attributable to such federal change or  
39 correction. The provisions of this paragraph shall not affect the time  
40 within which or the amount for which an assessment may otherwise be  
41 made.

42 § 8. Paragraph 2 of subsection (h) of section 685 of the tax law, as  
43 amended by section 5 of part I of chapter 59 of the laws of 2014, is  
44 amended as follows:

45 (2) If any partnership, S corporation, or trust required to file a  
46 return or report under subsection (c) or subsection (f) of section six  
47 hundred fifty-eight or under section six hundred fifty-nine or six  
48 hundred fifty-nine-a of this article for any taxable year fails to file  
49 such return or report at the time prescribed therefor (determined with  
50 regard to any extension of time for filing), or files a return or report  
51 which fails to show the information required under such subsection (c)  
52 [or] of section six hundred fifty-nine of this article, or files a  
53 return or report which fails to show the information required under  
54 subsection (d) of section six hundred fifty-nine-a of this article,  
55 unless it is shown that such failure is due to reasonable cause and not  
56 due to willful neglect, there shall, upon notice and demand by the

1 commissioner and in the same manner as tax, be paid by the partnership  
2 or S corporation a penalty for each month (or fraction thereof) during  
3 which such failure continues (but not to exceed five months). The amount  
4 of such penalty for any month is the product of fifty dollars, multi-  
5 plied by the number of partners in the partnership or shareholders in  
6 the S corporation during any part of the taxable year who were subject  
7 to tax under this article during any part of such taxable year, except  
8 that, in the case of a trust, the penalty shall be equal to one hundred  
9 fifty dollars a month up to a maximum of fifteen hundred dollars per  
10 taxable year.

11 § 9. Subsection (c) of section 687 of the tax law, as amended by chap-  
12 ter 61 of the laws of 1989, is amended to read as follows:

13 (c) Notice of federal change or correction.--A claim for credit or  
14 refund of any overpayment of tax attributable to a federal change or  
15 correction required to be reported pursuant to section six hundred  
16 fifty-nine or by a partner of a partnership required to report a federal  
17 change or correction pursuant to section six hundred fifty-nine-a shall  
18 be filed by the taxpayer within two years from the time the notice of  
19 such change or correction or such amended return was required to be  
20 filed with the commissioner of taxation and finance. If the report or  
21 amended return required by section six hundred fifty-nine or six hundred  
22 fifty-nine-a is not filed within the ninety day period therein speci-  
23 fied, no interest shall be payable on any claim for credit or refund of  
24 the overpayment attributable to the federal change or correction. The  
25 amount of such credit or refund shall not exceed the amount of the  
26 reduction in tax attributable to such federal change, correction or  
27 items amended on the taxpayer's amended federal income tax return. This  
28 subsection shall not affect the time within which or the amount for  
29 which a claim for credit or refund may be filed apart from this  
30 subsection.

31 § 10. Subsection (g) of section 688 of the tax law, as amended by  
32 chapter 61 of the laws of 1989, is amended to read as follows:

33 (g) Cross-reference.--For provision with respect to interest after  
34 failure to file notice of federal change under section six hundred  
35 fifty-nine or six hundred fifty-nine-a, see subsection (c) of section  
36 six hundred eighty-seven.

37 § 11. Subsection (a) of section 1312 of the tax law, as amended by  
38 section 9 of part Q of chapter 407 of the laws of 1999, is amended to  
39 read as follows:

40 (a) Except as otherwise provided in this article, any tax imposed  
41 pursuant to the authority of this article shall be administered and  
42 collected by the commissioner in the same manner as the tax imposed by  
43 article twenty-two of this chapter is administered and collected by the  
44 commissioner. All of the provisions of article twenty-two of this chap-  
45 ter relating to or applicable to payment of estimated tax, returns,  
46 payment of tax, claim of right adjustment, withholding of tax from  
47 wages, employer's statements and returns, employer's liability for taxes  
48 required to be withheld and all other provisions of article twenty-two  
49 of this chapter relating to or applicable to the administration,  
50 collection, liability for and review of the tax imposed by article twen-  
51 ty-two of this chapter, including sections six hundred fifty-two through  
52 six hundred fifty-four, sections six hundred fifty-seven through [six  
53 hundred fifty-nine] six hundred fifty-nine-a, sections six hundred  
54 sixty-one and six hundred sixty-two, sections six hundred seventy-one  
55 and six hundred seventy-two, sections six hundred seventy-four through  
56 six hundred seventy-eight and sections six hundred eighty-one through

1 six hundred ninety-seven of this chapter, inclusive, shall apply to a  
2 tax imposed pursuant to the authority of this article with the same  
3 force and effect as if those provisions had been incorporated in full  
4 into this article, and had expressly referred to the tax imposed pursu-  
5 ant to the authority of this article, except where inconsistent with a  
6 provision of this article. Whenever there is joint collection of state  
7 and city personal income taxes, it shall be deemed that such collections  
8 shall represent proportionately the applicable state and city personal  
9 income taxes in determining the amount to be remitted to the city.

10 § 12. Paragraph 1 of subdivision (e) of section 1515 of the tax law,  
11 as amended by chapter 770 of the laws of 1992, is amended to read as  
12 follows:

13 (1) If the amount of the life insurance company taxable income (which  
14 shall include, in the case of a stock life insurance company which has  
15 an existing policyholders surplus account, the amount of direct and  
16 indirect distributions during the taxable year to shareholders from such  
17 account), taxable income of a partnership or taxable income, as the case  
18 may be, or alternative minimum taxable income for any year of any  
19 taxpayer as returned to the United States treasury department is changed  
20 or corrected by the commissioner of internal revenue or other officer of  
21 the United States or other competent authority, such taxpayer shall  
22 report such change or corrected taxable income or alternative minimum  
23 taxable income within ninety days (or one hundred twenty days, in the  
24 case of a taxpayer making a combined return under this article for such  
25 year) after the final determination of such change or correction or as  
26 required by the commissioner, and shall concede the accuracy of such  
27 determination or state wherein it is erroneous. Provided, however, if  
28 the taxpayer is a direct or indirect partner of a partnership required  
29 to report adjustments in accordance with section six hundred  
30 fifty-nine-a of this chapter, such taxpayer shall also report such  
31 adjustments in accordance with section six hundred fifty-nine-a of this  
32 chapter when such adjustments result in an overpayment. Any taxpayer  
33 filing an amended return with such department shall also file within  
34 ninety days (or one hundred twenty days, in the case of a taxpayer  
35 making a combined return under this article for such year) thereafter an  
36 amended return with the commissioner which shall contain such informa-  
37 tion as the commissioner shall require. The allowance of a tentative  
38 carryback adjustment based upon a net operating loss carryback or net  
39 capital loss carryback pursuant to section sixty-four hundred eleven of  
40 the internal revenue code or upon an operations loss carryback pursuant  
41 to section eight hundred ten of the internal revenue code, shall be  
42 treated as a final determination for purposes of this subdivision.

43 § 13. This act shall take effect immediately; provided, however, that  
44 adjustments to a taxpayer's federal taxable income or tax liability with  
45 a final determination date or administrative adjustment request occur-  
46 ring prior to the effective date of this act must be reported within one  
47 year of such effective date; provided further that no interest shall  
48 accrue on adjustments accruing prior to the effective date of this act.

49 PART W

50 Section 1. Section 1310 of the tax law is amended by adding a new  
51 subsection (h) to read as follows:

52 (h) Credit for certain taxpayers with incomes below certain thresh-  
53 olds. (1) Notwithstanding any other provision of law to the contrary,  
54 for taxable years beginning on or after January first, two thousand

1 twenty-five, a credit shall be allowed to a taxpayer against the tax  
 2 imposed pursuant to the authority of this article in an amount equal to  
 3 the tax otherwise due under this article for such taxable year, reduced  
 4 by all the credits permitted by this article for such taxable year, if:

5 (A) such taxpayer is entitled to a deduction for such taxable year  
 6 under subsection (c) of section one hundred fifty-one of the internal  
 7 revenue code;

8 (B) such taxpayer meets the following income thresholds for such taxa-  
 9 ble year:

10 (i) for city taxpayers who filed a resident income tax return as  
 11 married taxpayers filing jointly or a qualified surviving spouse:

	<u>If the number of</u>	<u>Income no greater than:</u>
12	<u>dependents is:</u>	
13		
14	<u>1</u>	<u>\$36,789</u>
15	<u>2</u>	<u>\$46,350</u>
16	<u>3</u>	<u>\$54,545</u>
17	<u>4</u>	<u>\$61,071</u>
18	<u>5</u>	<u>\$68,403</u>
19	<u>6</u>	<u>\$75,204</u>
20	<u>7 or more</u>	<u>\$91,902</u>

21 (ii) for city taxpayers who filed a resident income tax return as a  
 22 single taxpayer, married taxpayer filing a separate return, or head of  
 23 household:

	<u>If the number of</u>	<u>Income no greater than:</u>
24	<u>dependents is:</u>	
25		
26	<u>1</u>	<u>\$31,503</u>
27	<u>2</u>	<u>\$36,824</u>
28	<u>3</u>	<u>\$46,512</u>
29	<u>4</u>	<u>\$53,711</u>
30	<u>5</u>	<u>\$59,928</u>
31	<u>6</u>	<u>\$65,712</u>
32	<u>7</u>	<u>\$74,565</u>
33	<u>8 or more</u>	<u>\$88,361</u>

34 (iii) for any taxable year beginning on or after January first, two  
 35 thousand twenty-six, the commissioner shall multiply the amounts in this  
 36 subparagraph by one plus the cost-of-living adjustment, which shall be  
 37 the percentage by which the consumer price index for the preceding  
 38 calendar year exceeds the consumer price index for calendar year two  
 39 thousand twenty-four;

40 (C) such taxpayer is not allowed a credit pursuant to:

41 (i) subsection (a) of section eight hundred sixty-three of this chap-  
 42 ter against the tax imposed pursuant to article twenty-two of this chap-  
 43 ter; or

44 (ii) subsection (a) of section eight hundred seventy of this chapter  
 45 against the tax imposed pursuant to the authority of article thirty of  
 46 this chapter; and

47 (D) such taxpayer does not report disqualified income in excess of ten  
 48 thousand dollars in the taxable year, as defined in subsection (i) of  
 49 section thirty-two of the internal revenue code.

1 (2) Where the income of a taxpayer exceeds the amount indicated in  
 2 subparagraph (B) of paragraph one of this subsection for such taxpayer  
 3 by five thousand dollars or less, and such taxpayer satisfies subpara-  
 4 graph (A) and subparagraphs (C) and (D) of paragraph one of this  
 5 subsection, a credit shall be allowed in the amount determined by multi-  
 6 plying: (A) the tax otherwise due under this article for such taxable  
 7 year reduced by all the credits permitted by this article for such taxa-  
 8 ble year by (B) a fraction the numerator of which is five thousand  
 9 dollars minus the amount by which such income exceeds the amount indi-  
 10 cated in subparagraph (B) of paragraph one of this subsection and the  
 11 denominator of which is five thousand dollars.

12 (3) For purposes of this subsection:

13 (A) "Consumer price index" means the most recent consumer price index  
 14 for all-urban consumers published by the United States department of  
 15 labor. The consumer price index for any calendar year shall be the  
 16 average of the consumer price index as of the close of the twelve-month  
 17 period ending on August thirty-first of such calendar year.

18 (B) "Income" means federal adjusted gross income for the taxable year.

19 § 2. Section 11-1706 of the administrative code of the city of New  
 20 York is amended by adding a new subdivision (h) to read as follows:

21 (h) Credit for certain taxpayers with incomes below certain thresh-  
 22 olds. (1) Notwithstanding any other provision of law to the contrary,  
 23 for any taxable year beginning on or after January first, two thousand  
 24 twenty-five, a credit shall be allowed to a taxpayer against the taxes  
 25 imposed pursuant to the authority of this chapter in an amount equal to  
 26 the tax otherwise due under this chapter for such taxable year reduced  
 27 by all the credits permitted by this chapter for such taxable year if:

28 (A) such taxpayer is entitled to a deduction for such taxable year  
 29 under subsection (c) of section one hundred fifty-one of the internal  
 30 revenue code;

31 (B) such taxpayer meets the following income thresholds for such taxa-  
 32 ble year:

33 (i) for city taxpayers who filed a resident income tax return as  
 34 married taxpayers filing jointly or a qualified surviving spouse:

<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
<u>1</u>	<u>\$36,789</u>
<u>2</u>	<u>\$46,350</u>
<u>3</u>	<u>\$54,545</u>
<u>4</u>	<u>\$61,071</u>
<u>5</u>	<u>\$68,403</u>
<u>6</u>	<u>\$75,204</u>
<u>7 or more</u>	<u>\$91,902</u>

43 (ii) for city taxpayers who filed a resident income tax return as a  
 44 single taxpayer, married taxpayer filing a separate return, or head of  
 45 household:

<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
<u>1</u>	<u>\$31,503</u>
<u>2</u>	<u>\$36,824</u>
<u>3</u>	<u>\$46,512</u>
<u>4</u>	<u>\$53,711</u>
<u>5</u>	<u>\$59,928</u>
<u>6</u>	<u>\$65,712</u>
<u>7</u>	<u>\$74,565</u>

1                   8 or more   \$88,361

2     (iii) for any taxable year beginning on or after January first, two  
 3 thousand twenty-six, the commissioner of the state department of taxa-  
 4 tion and finance shall multiply the amounts in this subparagraph by one  
 5 plus the cost-of-living adjustment, which shall be the percentage by  
 6 which the consumer price index for the preceding calendar year exceeds  
 7 the consumer price index for calendar year two thousand twenty-four;

8     (C) such taxpayer is not allowed a credit pursuant to: (i) subsection  
 9 (a) of section eight hundred sixty-three of the tax law against the  
 10 tax imposed pursuant to article twenty-two of such law; or (ii) subdivi-  
 11 sion (g) of this section against the tax imposed pursuant to this chap-  
 12 ter;

13     (D) such taxpayer does not report disqualified income in excess of ten  
 14 thousand dollars in the taxable year, as such term is defined in  
 15 subsection (i) of section thirty-two of the internal revenue code.

16     (2) Where the income of a taxpayer exceeds the amount indicated in  
 17 subparagraph (B) of paragraph one of this subdivision for such taxpayer  
 18 by five thousand dollars or less, and such taxpayer satisfies subpara-  
 19 graph (A) and subparagraphs (C) and (D) of paragraph one of this subdivi-  
 20 vision, a credit shall be allowed in the amount determined by multiply-  
 21 ing: (A) the tax otherwise due under this article for such taxable year  
 22 reduced by all the credits permitted by this article for such taxable  
 23 year by (B) a fraction the numerator of which is five thousand dollars  
 24 minus the amount by which such income exceeds the amount indicated in  
 25 subparagraph (B) of paragraph one of this subdivision and the denomina-  
 26 tor of which is five thousand dollars.

27     (3) For purposes of this subdivision:

28     (A) "Consumer price index" means the most recent consumer price index  
 29 for all-urban consumers published by the United States department of  
 30 labor. The consumer price index for any calendar year shall be the  
 31 average of the consumer price index as of the close of the twelve-month  
 32 period ending on August thirty-first of such calendar year.

33     (B) "Income" means federal adjusted gross income for a taxable year.

34     § 3. This act shall take effect immediately and shall apply to taxable  
 35 years beginning on or after January 1, 2025.

36

PART X

37     Section 1. The opening paragraph of subdivision (b) of section 25-z of  
 38 the general city law, as amended by section 1 of part RR of chapter 56  
 39 of the laws of 2020, is amended to read as follows:

40     No eligible business shall be authorized to receive a credit under any  
 41 local law enacted pursuant to this article until the premises with  
 42 respect to which it is claiming the credit meet the requirements in the  
 43 definition of eligible premises and until it has obtained a certifi-  
 44 cation of eligibility from the mayor of such city or an agency desig-  
 45 nated by such mayor, and an annual certification from such mayor or an  
 46 agency designated by such mayor as to the number of eligible aggregate  
 47 employment shares maintained by such eligible business that may qualify  
 48 for obtaining a tax credit for the eligible [business'] business's taxa-  
 49 ble year. Any written documentation submitted to such mayor or such  
 50 agency or agencies in order to obtain any such certification shall be  
 51 deemed a written instrument for purposes of section 175.00 of the penal  
 52 law. Such local law may provide for application fees to be determined by  
 53 such mayor or such agency or agencies. No such certification of eligi-



1 bility shall be issued under any local law enacted pursuant to this  
2 article to an eligible business on or after July first, two thousand  
3 [twenty-five] thirty unless:

4 § 2. The general city law is amended by adding a new article 2-K to  
5 read as follows:

6 ARTICLE 2-K

7 RELOCATION ASSISTANCE CREDIT PER EMPLOYEE

8 Section 25-ff. Definitions.

9 25-gg. Relocation assistance credit per employee.

10 § 25-ff. Definitions. When used in this article, the following terms  
11 shall have the following meanings:

12 (a) "Aggregate employment shares" means the sum of all employment  
13 shares maintained by an eligible business in a taxable year.

14 (b) "Eligible aggregate employment shares" means, in the case of an  
15 eligible business, the amount, if any, of aggregate employment shares  
16 maintained by an eligible business in eligible premises in the taxable  
17 year in which such eligible business claims a credit pursuant to a local  
18 law enacted in accordance with section twenty-five-gg of this article;  
19 provided, however, that:

20 (1) such amount shall not exceed the lesser of:

21 (i) the number of aggregate employment shares maintained by such  
22 eligible business in eligible premises in the taxable year during which  
23 such eligible business relocates;

24 (ii) the maximum approved employment shares for such eligible busi-  
25 ness; or

26 (iii) an amount equal to the product of multiplying the aggregate  
27 employment shares and the linear scalar for such eligible business in  
28 such tax year; and

29 (2) a full-time work week or part-time work week at eligible premises  
30 prior to the date of relocation shall not be taken into account in  
31 determining eligible aggregate employment shares.

32 (c) "Eligible business" means any person subject to a tax imposed  
33 under a local law enacted pursuant to part two or three of section one,  
34 or section two of chapter seven hundred seventy-two of the laws of nine-  
35 teen hundred sixty-six that:

36 (1) has been conducting substantial business operations at one or more  
37 business locations outside of New York state for the twenty-four consec-  
38 utive months immediately preceding the taxable year during which such  
39 eligible business relocates but has not maintained employment shares at  
40 premises in New York state at any time during the period beginning Janu-  
41 ary first, two thousand twenty-five and ending on the date such business  
42 enters into a lease or a contract to purchase the premises that will  
43 qualify as eligible premises pursuant to this article; and

44 (2) on or after July first, two thousand twenty-five relocates all or  
45 part of such business operations.

46 (d) "Eligible premises" means one or more non-residential premises  
47 that consist of at least twenty thousand square feet that are:

48 (1) wholly contained in real property located in a city with a popu-  
49 lation of one million or more; and

50 (2) for which final certificates of occupancy were issued prior to  
51 January first, two thousand.

52 (e) "Employment share" means, for each employee, partner or sole  
53 proprietor of an eligible business, the sum of: (1) the number of full-  
54 time work weeks worked by such employee, partner or sole proprietor  
55 during the eligible business's taxable year divided by the number of  
56 weeks in the taxable year; and (2) the number of part-time work weeks

1 worked by such employee, partner or sole proprietor during the eligible  
2 business's taxable year divided by an amount equal to twice the number  
3 of weeks in the taxable year. Employment share shall not include full-  
4 time or part-time work weeks attributable to employees, partners or sole  
5 proprietors acquired by an eligible business as a result of a merger  
6 with, acquisition of another person, or a transaction having a compara-  
7 ble effect, that occurs after June thirtieth, two thousand twenty-five,  
8 and before the end of the taxable year in which a credit is claimed by  
9 such eligible business pursuant to a local law enacted in accordance  
10 with section twenty-five-gg of this article, or to successors, if any,  
11 to those employees, partners or sole proprietors.

12 (f) "Full-time work week" means a week during which at least thirty-  
13 five hours of gainful work has been performed by an employee, partner or  
14 sole proprietor.

15 (g) "Hotel services" means any services that consist predominately of  
16 the lodging of guests at a building or a portion thereof that is regu-  
17 larly used and kept open for such services. Hotel services shall include  
18 the lodging of guests at an apartment hotel, a motel, boarding house or  
19 club, whether or not meals are served.

20 (h) "Linear scalar" means, for an eligible business in a taxable year  
21 in which a credit is claimed pursuant to a local law enacted in accord-  
22 ance with section twenty-five-gg of this article, the quotient of divid-  
23 ing the total square footage of an eligible premises by the product of  
24 multiplying two hundred fifty by such business's aggregate employment  
25 shares.

26 (i) "Maximum approved employment shares" means a limitation on the  
27 aggregate employment shares that an eligible business may receive in any  
28 taxable year determined by the mayor pursuant to a local law enacted in  
29 accordance with section twenty-five-gg of this article based on documen-  
30 tation submitted by such business demonstrating such business's inten-  
31 tion to relocate. The maximum approved employment shares is the number  
32 of aggregate employment shares such business intends to relocate as  
33 indicated by the mayor on the applicable initial certification of eligi-  
34 bility.

35 (j) "Mayor" means the mayor of a city having a population of one  
36 million or more, or an agency of such city as designated by such mayor.

37 (k) "Part-time work week" means a week during which at least fifteen  
38 but less than thirty-five hours of gainful work has been performed by an  
39 employee, partner or sole proprietor.

40 (l) "Person" includes any individual, partnership, association, joint-  
41 stock company, corporation, estate or trust, limited liability company,  
42 and any combination of the foregoing.

43 (m) "Program total" means the sum of maximum approved aggregate  
44 employment shares included in all initial certification of eligibility  
45 issued by the mayor.

46 (n) "Relocate" means, with respect to an eligible business, to trans-  
47 fer a pre-existing business operation to an eligible premises, or to  
48 establish a new business operation at such premises, provided that an  
49 eligible business shall not be deemed to have relocated unless at least  
50 one employee, partner or sole proprietor of the eligible business is  
51 transferred to such premises from a pre-existing business operation  
52 conducted outside the state of New York. The date of relocation shall be  
53 the first day on which the individual so transferred commences work at  
54 such eligible premises. The taxable year of relocation shall be the  
55 taxable year in which the date of relocation occurs. For purposes of



1 this article, an eligible business may relocate only once but may add or  
2 substitute other eligible premises throughout such period.

3 (o) "Retail activity" means any activity which consists predominately  
4 of:

5 (1) the sale, other than through the mail or by the telephone or by  
6 means of the internet, of tangible personal property to a person, for  
7 any purpose unrelated to the trade or business of such person;

8 (2) the selling of a service to an individual which generally involves  
9 the physical, mental or spiritual care of such individual;

10 (3) the physical care of the personal property of any person unrelated  
11 to the trade or business of such person; or

12 (4) the provision of a retail banking service.

13 § 25-gg. Relocation assistance credit per employee. (a) Any city  
14 having a population of one million or more is hereby authorized and  
15 empowered to adopt and amend a local law allowing an eligible business  
16 that relocates to receive a credit against a tax imposed under a local  
17 law enacted pursuant to part two or three of section one or section two  
18 of chapter seven hundred seventy-two of the laws of nineteen hundred  
19 sixty-six. The amount of such credit shall be determined by multiplying  
20 five thousand dollars by the number of eligible aggregate employment  
21 shares maintained by the taxpayer during the taxable year with respect  
22 to eligible premises to which the taxpayer has relocated, and may be  
23 taken, pursuant to the provisions of section four-j of part two of  
24 section one, or subdivision (1) of section one hundred one of section  
25 two of chapter seven hundred seventy-two of the laws of nineteen hundred  
26 sixty-six, for up to eleven consecutive taxable years beginning with the  
27 taxable year in which the eligible business relocates, provided that no  
28 such credit shall be allowed for the relocation of any retail activity  
29 or hotel services.

30 (b) No eligible business shall be authorized to receive a credit  
31 against tax under any local law enacted pursuant to this article unless  
32 the premises with respect to which it is claiming the credit are eligi-  
33 ble premises and until it has obtained an initial certification of  
34 eligibility from the mayor of such city and an annual certification from  
35 such mayor as to the number of eligible aggregate employment shares  
36 maintained by such eligible business that may qualify for obtaining a  
37 tax credit for the eligible business's taxable year. Each initial  
38 certification of eligibility shall include the maximum approved employ-  
39 ment shares for the eligible business, which shall not exceed five  
40 hundred employment shares. Any written documentation submitted to such  
41 mayor in order to obtain any such certification shall be deemed a writ-  
42 ten instrument for purposes of section 175.00 of the penal law. Such  
43 local law may provide for an application fee for such certification to  
44 be determined by such mayor. No initial certification of eligibility  
45 shall be issued under any local law enacted pursuant to this article to  
46 an eligible business on or after July first, two thousand twenty-eight  
47 unless:

48 (1) prior to such date, such business has purchased, leased or entered  
49 into a contract to purchase or lease eligible premises;

50 (2) prior to such date, such business submits a preliminary applica-  
51 tion for an initial certification of eligibility to such mayor with  
52 respect to a proposed relocation to such premises;

53 (3) such business enters into a lease or contract to purchase an  
54 eligible premises between the date that such business submits such  
55 preliminary application and three months thereafter; and

1 (4) such business relocates to such premises not later than thirty-six  
2 months from the date of submission of such preliminary application.

3 (c) Notwithstanding any provision of law to the contrary, such mayor  
4 shall not issue an initial certification of eligibility that would cause  
5 the program total to exceed three thousand maximum approved employment  
6 shares. Such mayor shall approve applications on a first-come, first-  
7 serve basis among eligible businesses in accordance with rules promul-  
8 gated pursuant to a local law authorized by subdivision (d) of this  
9 section. Such mayor shall include on such mayor's website an indication  
10 regarding whether the program total has reached three thousand maximum  
11 approved employment shares.

12 (d) Such mayor shall be authorized to promulgate rules and regulations  
13 to administer and ensure compliance with the provisions of this article,  
14 including but not limited to rules and regulations to provide for alter-  
15 native methods to measure employment shares in instances where an eligi-  
16 ble business is not required by law to maintain weekly records of full-  
17 time work weeks and part-time work weeks of employees, partners or sole  
18 proprietors.

19 (e) For the duration of the benefit period, the recipient of a credit  
20 pursuant to a local law enacted in accordance with this article shall  
21 file an application for an annual certification each year demonstrating  
22 such recipient's eligibility for such credit and the average wage and  
23 benefits offered to the applicable relocated employees used in determin-  
24 ing eligible aggregate employment shares. Such mayor shall have the  
25 authority to require that statements filed under this subdivision be  
26 filed electronically and that such statements be certified.

27 (f) The business services agency of a city that adopts a local law  
28 pursuant to this article may require in a contract with a not-for-profit  
29 corporation that provides economic development services for such city  
30 that such corporation will provide administrative support to such mayor  
31 and assist such mayor's review of any initial certification of eligibil-  
32 ity or annual certification, and provide recommendations regarding the  
33 approval of any credit pursuant to a local law enacted in accordance  
34 with this article.

35 § 3. Part II of section 1 of chapter 772 of the laws of 1966, relating  
36 to enabling any city having a population of one million or more to raise  
37 tax revenue, is amended by adding a new section 4-j to read as follows:

38 § 4-j. Relocation assistance credit per employee. (1) In addition to  
39 any other credit allowed by this part other than a credit allowed by  
40 section four-h of this part, a taxpayer that has obtained the certif-  
41 ications in accordance with subdivision (b) of section twenty-five-gg of  
42 the general city law shall be allowed a credit against the tax imposed  
43 by this part. The amount of the credit shall be the amount determined  
44 by multiplying five thousand dollars by the number of eligible aggregate  
45 employment shares maintained by the taxpayer during the taxable year  
46 with respect to eligible premises to which the taxpayer has relocated;  
47 provided, however, that no credit shall be allowed for the relocation of  
48 any retail activity or hotel services. For purposes of this section, the  
49 terms "eligible aggregate employment shares", "eligible premises",  
50 "relocate", "retail activity" and "hotel services" shall have the mean-  
51 ings ascribed by section twenty-five-ff of the general city law.

52 (2) The credit allowed under this section with respect to eligible  
53 aggregate employment shares maintained with respect to eligible premises  
54 to which the taxpayer has relocated shall be allowed for the taxable  
55 year of the relocation and for any of the ten succeeding taxable years  
56 during which eligible aggregate employment shares are maintained with

1 respect to eligible premises; provided that the credit allowed for the  
2 tenth succeeding taxable year shall be calculated by multiplying the  
3 number of eligible aggregate employment shares maintained with respect  
4 to eligible premises in the tenth succeeding taxable year by the lesser  
5 of one and a fraction the numerator of which is such number of days in  
6 the taxable year of relocation less the number of days the eligible  
7 business maintained employment shares in eligible premises in the taxa-  
8 ble year of relocation and the denominator of which is the number of  
9 days in such tenth taxable year during which such eligible aggregate  
10 employment shares are maintained with respect to such premises.

11 (3) Except as provided in subdivision four of this section, if the  
12 amount of the credit allowable under this section for any taxable year  
13 exceeds the tax imposed for such year, the excess may be carried over,  
14 in order, to the five immediately succeeding taxable years and, to the  
15 extent not previously deductible, may be deducted from the taxpayer's  
16 tax for such years.

17 (4) The credits allowed under this section, against the tax imposed by  
18 this chapter for the taxable year of the relocation and for the four  
19 taxable years immediately succeeding the taxable year of such relo-  
20 cation, shall be deemed to be overpayments of tax by the taxpayer to be  
21 credited or refunded, without interest, in accordance with the  
22 provisions of section seventy-seven of this title. For such taxable  
23 years, such credits or portions thereof may not be carried over to any  
24 succeeding taxable year.

25 (5) The credit allowed under this section shall be deducted prior to  
26 the deduction of any other credit allowed by this part.

27 § 4. Section 101 of section 2 of chapter 772 of the laws of 1966,  
28 relating to enabling any city having a population of one million or more  
29 to raise tax revenue, is amended by adding a new subdivision (1) to read  
30 as follows:

31 (1) Relocation assistance credit per employee. (1) In addition to any  
32 other credit allowed by this part other than a credit allowed by subdi-  
33 vision (j) of this section, a taxpayer that has obtained the certif-  
34 ications in accordance with subdivision (b) of section twenty-five-gg of  
35 the general city law shall be allowed a credit against the tax imposed  
36 by this part. The amount of the credit shall be the amount determined by  
37 multiplying five thousand dollars by the number of eligible aggregate  
38 employment shares maintained by the taxpayer during the taxable year  
39 with respect to eligible premises to which the taxpayer has relocated;  
40 provided, however, that no credit shall be allowed for the relocation of  
41 any retail activity or hotel services. For purposes of this subdivision,  
42 the terms "eligible aggregate employment shares", "eligible premises",  
43 "relocate", "retail activity" and "hotel services" shall have the mean-  
44 ings ascribed by section twenty-five-ff of the general city law.

45 (2) The credit allowed under this subdivision with respect to eligible  
46 aggregate employment shares maintained with respect to eligible premises  
47 to which the taxpayer has relocated shall be allowed for the taxable  
48 year of the relocation and for any of the ten succeeding taxable years  
49 during which eligible aggregate employment shares are maintained with  
50 respect to eligible premises; provided that the credit allowed for the  
51 tenth succeeding taxable year shall be calculated by multiplying the  
52 number of eligible aggregate employment shares maintained with respect  
53 to eligible premises in the tenth succeeding taxable year by the lesser  
54 of one and a fraction the numerator of which is such number of days in  
55 the taxable year of relocation less the number of days the eligible  
56 business maintained employment shares in eligible premises in the taxa-

1 ble year of relocation and the denominator of which is the number of  
2 days in such tenth succeeding taxable year during which such eligible  
3 aggregate employment shares are maintained with respect to such prem-  
4 ises.

5 (3) Except as provided in paragraph four of this subdivision, if the  
6 amount of the credit allowable under this subdivision for any taxable  
7 year exceeds the tax imposed for such year, the excess may be carried  
8 over, in order, to the five immediately succeeding taxable years and, to  
9 the extent not previously deductible, may be deducted from the taxpay-  
10 er's tax for such years.

11 (4) The credits allowed under this subdivision, against the tax  
12 imposed by this chapter for the taxable year of the relocation and for  
13 the four taxable years immediately succeeding the taxable year of such  
14 relocation, shall be deemed to be overpayments of tax by the taxpayer to  
15 be credited or refunded, without interest, in accordance with the  
16 provisions of section seventy-seven of this title. For such taxable  
17 years, such credits or portions thereof may not be carried over to any  
18 succeeding taxable year.

19 (5) The credit allowable under this subdivision shall be deducted  
20 after the credits allowed by subdivision (b) of this section, but prior  
21 to the deduction of any other credit allowed by this section.

22 § 5. Section 11-503 of the administrative code of the city of New York  
23 is amended by adding a new subdivision (r) to read as follows:

24 (r) Relocation assistance credit per employee. (1) In addition to any  
25 other credit allowed by this section other than a credit allowed by  
26 subdivision (i) of this section, a taxpayer that has obtained the  
27 certifications required by chapter six-E of title twenty-two of this  
28 code shall be allowed a credit against the tax imposed by this chapter.  
29 The amount of the credit shall be the amount determined by multiplying  
30 five thousand dollars by the number of eligible aggregate employment  
31 shares maintained by the taxpayer during the taxable year with respect  
32 to eligible premises to which the taxpayer has relocated; provided,  
33 however, that no credit shall be allowed for the relocation of any  
34 retail activity or hotel services. For purposes of this subdivision, the  
35 terms "eligible aggregate employment shares", "eligible premises",  
36 "relocate", "retail activity" and "hotel services" shall have the mean-  
37 ings ascribed by section 22-627 of this code.

38 (2) The credit allowed under this subdivision with respect to eligible  
39 aggregate employment shares maintained with respect to eligible premises  
40 to which the taxpayer has relocated shall be allowed for the taxable  
41 year of the relocation and for any of the ten succeeding taxable years  
42 during which eligible aggregate employment shares are maintained with  
43 respect to eligible premises; provided that the credit allowed for the  
44 tenth succeeding taxable year shall be calculated by multiplying the  
45 number of eligible aggregate employment shares maintained with respect  
46 to eligible premises in the tenth succeeding taxable year by the lesser  
47 of one and a fraction the numerator of which is such number of days in  
48 the taxable year of relocation less the number of days the taxpayer  
49 maintained employment shares in eligible premises in the taxable year of  
50 relocation and the denominator of which is the number of days in such  
51 tenth succeeding taxable year during which such eligible aggregate  
52 employment shares are maintained with respect to such premises.

53 (3) Except as provided in paragraph four of this subdivision, if the  
54 amount of the credit allowable under this subdivision for any taxable  
55 year exceeds the tax imposed for such year, the excess may be carried  
56 over, in order, to the five immediately succeeding taxable years and, to

1 the extent not previously deductible, may be deducted from the taxpay-  
2 er's tax for such years.

3 (4) The credits allowed under this subdivision, against the tax  
4 imposed by this chapter for the taxable year of the relocation and for  
5 the four taxable years immediately succeeding the taxable year of such  
6 relocation, shall be deemed to be overpayments of tax by the taxpayer to  
7 be credited or refunded, without interest, in accordance with the  
8 provisions of section 11-526 of this title. For such taxable years, such  
9 credits or portions thereof may not be carried over to any succeeding  
10 taxable year.

11 (5) The credit allowable under this subdivision shall be deducted  
12 after the credits allowed by subdivisions (b) and (j) of this section,  
13 but prior to the deduction of any other credit allowed by this section.

14 § 6. Section 11-604 of the administrative code of the city of New York  
15 is amended by adding a new subdivision 24 to read as follows:

16 24. Relocation assistance credit per employee. (a) In addition to any  
17 other credit allowed by this section other than a credit allowed by  
18 subdivision seventeen of this section, a taxpayer that has obtained the  
19 certifications required by chapter six-E of title twenty-two of this  
20 code shall be allowed a credit against the tax imposed by this chapter.  
21 The amount of the credit shall be the amount determined by multiplying  
22 five thousand dollars by the number of eligible aggregate employment  
23 shares maintained by the taxpayer during the taxable year with respect  
24 to eligible premises to which the taxpayer has relocated; provided,  
25 however, that no credit shall be allowed for the relocation of any  
26 retail activity or hotel services. For purposes of this subdivision, the  
27 terms "eligible aggregate employment shares", "eligible premises",  
28 "relocate", "retail activity" and "hotel services" shall have the mean-  
29 ings ascribed by section 22-627 of this code.

30 (b) The credit allowed under this subdivision with respect to eligible  
31 aggregate employment shares maintained with respect to eligible premises  
32 to which the taxpayer has relocated shall be allowed for the taxable  
33 year of the relocation and for any of the ten succeeding taxable years  
34 during which eligible aggregate employment shares are maintained with  
35 respect to eligible premises; provided that the credit allowed for the  
36 tenth succeeding taxable year shall be calculated by multiplying the  
37 number of eligible aggregate employment shares maintained with respect  
38 to eligible premises in the tenth succeeding taxable year by the lesser  
39 of one and a fraction the numerator of which is such number of days in  
40 the taxable year of relocation less the number of days the taxpayer  
41 maintained employment shares in eligible premises in the taxable year of  
42 relocation and the denominator of which is the number of days in such  
43 tenth taxable year during which such eligible aggregate employment  
44 shares are maintained with respect to such premises.

45 (c) Except as provided in paragraph (d) of this subdivision, if the  
46 amount of the credit allowable under this subdivision for any taxable  
47 year exceeds the tax imposed for such year, the excess may be carried  
48 over, in order, to the five immediately succeeding taxable years and, to  
49 the extent not previously deductible, may be deducted from the taxpay-  
50 er's tax for such years.

51 (d) The credits allowed under this subdivision, against the tax  
52 imposed by this chapter for the taxable year of the relocation and for  
53 the four taxable years immediately succeeding the taxable year of such  
54 relocation, shall be deemed to be overpayments of tax by the taxpayer to  
55 be credited or refunded, without interest, in accordance with the  
56 provisions of section 11-677 of this chapter. For such taxable years,

1 such credits or portions thereof may not be carried over to any succeed-  
2 ing taxable year.

3 (e) The credit allowable under this subdivision shall be deducted  
4 after the credit allowed by subdivision eighteen of this section, but  
5 prior to the deduction of any other credit allowed by this section.

6 § 7. The administrative code of the city of New York is amended by  
7 adding a new section 11-643.10 to read as follows:

8 § 11-643.10 Relocation assistance credit per employee. (a) In addition  
9 to any other credit allowed by this part other than a credit allowed by  
10 section 11-643.7 of this part, a taxpayer that has obtained the certif-  
11 ications required by chapter six-E of title twenty-two of this code  
12 shall be allowed a credit against the tax imposed by this part. The  
13 amount of the credit shall be the amount determined by multiplying five  
14 thousand dollars by the number of eligible aggregate employment shares  
15 maintained by the taxpayer during the taxable year with respect to  
16 eligible premises to which the taxpayer has relocated; provided, howev-  
17 er, that no credit shall be allowed for the relocation of any retail  
18 activity or hotel services. For purposes of this section, the terms  
19 "eligible aggregate employment shares", "eligible premises", "relocate",  
20 "retail activity" and "hotel services" shall have the meanings ascribed  
21 by section 22-627 of this code.

22 (b) The credit allowed under this section with respect to eligible  
23 aggregate employment shares maintained with respect to eligible premises  
24 to which the taxpayer has relocated shall be allowed for the taxable  
25 year of the relocation and for any of the ten succeeding taxable years  
26 during which eligible aggregate employment shares are maintained with  
27 respect to eligible premises; provided that the credit allowed for the  
28 tenth succeeding taxable year shall be calculated by multiplying the  
29 number of eligible aggregate employment shares maintained with respect  
30 to eligible premises in the tenth succeeding taxable year by the lesser  
31 of one and a fraction the numerator of which is such number of days in  
32 the taxable year of relocation less the number of days the taxpayer  
33 maintained employment shares in eligible premises in the taxable year of  
34 relocation and the denominator of which is the number of days in such  
35 tenth succeeding taxable year during which such eligible aggregate  
36 employment shares are maintained with respect to such premises.

37 (c) Except as provided in subdivision (d) of this section, if the  
38 amount of the credit allowable under this section for any taxable year  
39 exceeds the tax imposed for such year, the excess may be carried over,  
40 in order, to the five immediately succeeding taxable years and, to the  
41 extent not previously deductible, may be deducted from the taxpayer's  
42 tax for such years.

43 (d) The credits allowed under this section, against the tax imposed by  
44 this chapter for the taxable year of the relocation and for the four  
45 taxable years immediately succeeding the taxable year of such relo-  
46 cation, shall be deemed to be overpayments of tax by the taxpayer to be  
47 credited or refunded, without interest, in accordance with the  
48 provisions of section 11-677 of this chapter. For such taxable years,  
49 such credits or portions thereof may not be carried over to any succeed-  
50 ing taxable year.

51 (e) The credit allowable under this section shall be deducted prior to  
52 the deduction of any other credit allowed by this part.

53 § 8. Section 11-654 of the administrative code of the city of New York  
54 is amended by adding a new subdivision 24 to read as follows:

55 24. Relocation assistance credit per employee. (a) In addition to any  
56 other credit allowed by this section other than a credit allowed by



1 subdivision seventeen of this section, a taxpayer that has obtained the  
2 certifications required by chapter six-E of title twenty-two of this  
3 code shall be allowed a credit against the tax imposed by this subchap-  
4 ter. The amount of the credit shall be the amount determined by multi-  
5 plying five thousand dollars by the number of eligible aggregate employ-  
6 ment shares maintained by the taxpayer during the taxable year with  
7 respect to eligible premises to which the taxpayer has relocated;  
8 provided, however, that no credit shall be allowed for the relocation of  
9 any retail activity or hotel services. For purposes of this subdivision,  
10 the terms "eligible aggregate employment shares", "eligible premises",  
11 "relocate", "retail activity" and "hotel services" shall have the mean-  
12 ings ascribed by section 22-627 of this code.

13 (b) The credit allowed under this subdivision with respect to eligible  
14 aggregate employment shares maintained with respect to eligible premises  
15 to which the taxpayer has relocated shall be allowed for the taxable  
16 year of the relocation and for any of the ten succeeding taxable years  
17 during which eligible aggregate employment shares are maintained with  
18 respect to eligible premises; provided that the credit allowed for the  
19 tenth succeeding taxable year shall be calculated by multiplying the  
20 number of eligible aggregate employment shares maintained with respect  
21 to eligible premises in the tenth succeeding taxable year by the lesser  
22 of one and a fraction the numerator of which is such number of days in  
23 the taxable year of relocation less the number of days the taxpayer  
24 maintained employment shares in eligible premises in the taxable year of  
25 relocation and the denominator of which is the number of days in such  
26 tenth taxable year during which such eligible aggregate employment  
27 shares are maintained with respect to such premises.

28 (c) Except as provided in paragraph (d) of this subdivision, if the  
29 amount of the credit allowable under this subdivision for any taxable  
30 year exceeds the tax imposed for such year, the excess may be carried  
31 over, in order, to the five immediately succeeding taxable years and, to  
32 the extent not previously deductible, may be deducted from the taxpay-  
33 er's tax for such years.

34 (d) The credits allowed under this subdivision, against the tax  
35 imposed by this chapter for the taxable year of the relocation and for  
36 the four taxable years immediately succeeding the taxable year of such  
37 relocation, shall be deemed to be overpayments of tax by the taxpayer to  
38 be credited or refunded, without interest, in accordance with the  
39 provisions of section 11-677 of this chapter. For such taxable years,  
40 such credits or portions thereof may not be carried over to any succeed-  
41 ing taxable year.

42 (e) The credit allowable under this subdivision shall be deducted  
43 after the credit allowed by subdivision eighteen of this section, but  
44 prior to the deduction of any other credit allowed by this section.

45 § 9. The opening paragraph of subdivision (b) of section 22-622 of the  
46 administrative code of the city of New York, as amended by section 3 of  
47 part RR of chapter 56 of the laws of 2020, is amended to read as  
48 follows:

49 No eligible business shall be authorized to receive a credit against  
50 tax or a reduction in base rent subject to tax under the provisions of  
51 this chapter, and of title eleven of the code as described in subdivi-  
52 sion (a) of this section, until the premises with respect to which it is  
53 claiming the credit meet the requirements in the definition of eligible  
54 premises and until it has obtained a certification of eligibility from  
55 the mayor or an agency designated by the mayor, and an annual certif-  
56 ication from the mayor or an agency designated by the mayor as to the

1 number of eligible aggregate employment shares maintained by such eligi-  
2 ble business that may qualify for obtaining a tax credit for the eligi-  
3 ble [business'] business's taxable year. Any written documentation  
4 submitted to the mayor or such agency or agencies in order to obtain any  
5 such certification shall be deemed a written instrument for purposes of  
6 section 175.00 of the penal law. Application fees for such certifi-  
7 cations shall be determined by the mayor or such agency or agencies. No  
8 certification of eligibility shall be issued to an eligible business on  
9 or after July first, two thousand [twenty-five] thirty unless:  
10 § 10. Title 22 of the administrative code of the city of New York is  
11 amended by adding a new chapter 6-E to read as follows:

12 CHAPTER 6-E  
13 RELOCATION ASSISTANCE CREDIT PER EMPLOYEE

14 Section 22-627 Definitions.

15 22-628 Authorization to provide relocation assistance credit per  
16 employee.

17 § 22-627 Definitions. When used in this chapter, the following terms  
18 shall have the following meanings:

19 (a) "Aggregate employment shares" means the sum of all employment  
20 shares maintained by an eligible business in a taxable year.

21 (b) "Eligible aggregate employment shares" means, in the case of an  
22 eligible business, the amount, if any, of aggregate employment shares  
23 maintained by an eligible business in eligible premises in the taxable  
24 year in which such eligible business claims a credit pursuant to section  
25 22-628 of this chapter; provided, however, that:

26 (1) such amount shall not exceed the lesser of:

27 (i) the number of aggregate employment shares maintained by such  
28 eligible business in eligible premises in the taxable year during which  
29 such eligible business relocates;

30 (ii) the maximum approved employment shares for such eligible busi-  
31 ness; or

32 (iii) an amount equal to the product of multiplying the aggregate  
33 employment shares and the linear scalar for such eligible business in  
34 such tax year; and

35 (2) a full-time work week or part-time work week at eligible premises  
36 prior to the date of relocation shall not be taken into account in  
37 determining eligible aggregate employment shares.

38 (c) "Eligible business" means any person subject to a tax imposed  
39 under chapter five, subchapter two, three or three-A of chapter six of  
40 title eleven of this code, that:

41 (1) has been conducting substantial business operations at one or more  
42 business locations outside of New York state for the twenty-four consec-  
43 utive months immediately preceding the taxable year during which such  
44 eligible business relocates but has not maintained employment shares at  
45 premises in New York state at any time during the period beginning Janu-  
46 ary first, two thousand twenty-five and ending on the date such business  
47 enters into a lease or a contract to purchase the premises that will  
48 qualify as eligible premises pursuant to this chapter; and

49 (2) on or after July first, two thousand twenty-five relocates all or  
50 part of such business operations.

51 (d) "Eligible premises" means one or more non-residential premises  
52 that consist of at least twenty thousand square feet that are:

53 (1) wholly contained in real property located in the city of New York;  
54 and

1 (2) for which final certificates of occupancy were issued prior to  
2 January first, two thousand.

3 (e) "Employment share" means, for each employee, partner or sole  
4 proprietor of an eligible business, the sum of: (1) the number of full-  
5 time work weeks worked by such employee, partner or sole proprietor  
6 during the eligible business's taxable year divided by the number of  
7 weeks in the taxable year; and (2) the number of part-time work weeks  
8 worked by such employee, partner or sole proprietor during the eligible  
9 business's taxable year divided by an amount equal to twice the number  
10 of weeks in the taxable year. Employment share shall not include full-  
11 time or part-time work weeks attributable to employees, partners or sole  
12 proprietors acquired by an eligible business as a result of a merger  
13 with, acquisition of another person, or a transaction having a compara-  
14 ble effect, that occurs after June thirtieth, two thousand twenty-five,  
15 and before the end of the taxable year in which a credit is claimed by  
16 such eligible business pursuant to this section, or to successors, if  
17 any, to those employees, partners or sole proprietors.

18 (f) "Full-time work week" means a week during which at least thirty-  
19 five hours of gainful work has been performed by an employee, partner or  
20 sole proprietor.

21 (g) "Hotel services" means any services that consist predominately of  
22 the lodging of guests at a building or a portion thereof that is regu-  
23 larly used and kept open for such services. Hotel services shall include  
24 the lodging of guests at an apartment hotel, a motel, boarding house or  
25 club, whether or not meals are served.

26 (h) "Linear scalar" means, for an eligible business in a taxable year,  
27 the quotient of dividing:

28 (1) the total square footage of an eligible premises; by

29 (2) the product of multiplying two hundred fifty by such business's  
30 aggregate employment shares.

31 (i) "Maximum approved employment shares" means a limitation on the  
32 aggregate employment shares that an eligible business may receive in any  
33 taxable year determined by the mayor pursuant to section 22-628 of this  
34 chapter based on documentation submitted by such business demonstrating  
35 such business's intention to relocate. The maximum approved employment  
36 shares is the number of aggregate employment shares such business  
37 intends to relocate as indicated by the mayor on the applicable initial  
38 certification of eligibility.

39 (j) "Mayor" means the mayor, or an agency as designated by the mayor.

40 (k) "Part-time work week" means a week during which at least fifteen  
41 but less than thirty-five hours of gainful work has been performed by an  
42 employee, partner or sole proprietor.

43 (l) "Person" includes any individual, partnership, association, joint-  
44 stock company, corporation, estate or trust, limited liability company,  
45 and any combination of the foregoing.

46 (m) "Program total" means the sum of maximum approved aggregate  
47 employment shares included in all initial certification of eligibility  
48 issued by the mayor.

49 (n) "Relocate" means, with respect to an eligible business, to trans-  
50 fer a pre-existing business operation to an eligible premises, or to  
51 establish a new business operation at such premises, provided that an  
52 eligible business shall not be deemed to have relocated unless at least  
53 one employee, partner or sole proprietor of the eligible business is  
54 transferred to such premises from a pre-existing business operation  
55 conducted outside the state of New York. The date of relocation shall be  
56 the first day on which the individual so transferred commences work at



1 such eligible premises. The taxable year of relocation shall be the  
2 taxable year in which the date of relocation occurs. For purposes of  
3 this chapter, an eligible business may relocate only once but may add or  
4 substitute other eligible premises throughout such period.

5 (o) "Retail activity" means any activity which consists predominately  
6 of:

7 (1) the sale, other than through the mail or by the telephone or by  
8 means of the internet, of tangible personal property to a person, for  
9 any purpose unrelated to the trade or business of such person;

10 (2) the selling of a service to an individual which generally involves  
11 the physical, mental or spiritual care of such individual;

12 (3) the physical care of the personal property of any person unrelated  
13 to the trade or business of such person; or

14 (4) the provision of a retail banking service.

15 § 22-628 Authorization to provide relocation assistance credit per  
16 employee. (a) An eligible business that relocates shall be allowed to  
17 receive a credit against a tax imposed by chapter five, subchapter two,  
18 three or three-A of chapter six of title eleven of this code, as  
19 described in subdivision (r) of section 11-503, subdivision twenty-four  
20 of section 11-604, section 11-643.10, or subdivision twenty-four of  
21 section 11-654 of this code.

22 (b) No eligible business shall be authorized to receive a credit  
23 against tax under the provisions of this chapter and of title eleven of  
24 this code as described in subdivision (a) of this section, unless the  
25 premises with respect to which it is claiming the credit are eligible  
26 premises and until it has obtained an initial certification of eligibil-  
27 ity from the mayor and an annual certification from the mayor as to the  
28 number of eligible aggregate employment shares maintained by such eligi-  
29 ble business that may qualify for obtaining a tax credit for the eligi-  
30 ble business's taxable year. Each initial certification of eligibility  
31 shall include the maximum approved employment shares for the eligible  
32 business, which shall not exceed five hundred employment shares. Any  
33 written documentation submitted to the mayor in order to obtain any such  
34 certification shall be deemed a written instrument for purposes of  
35 section 175.00 of the penal law. An application fee for such certif-  
36 ication shall be determined by the mayor. No initial certification of  
37 eligibility shall be issued to an eligible business on or after July  
38 first, two thousand twenty-eight unless:

39 (1) prior to such date such business has purchased, leased or entered  
40 into a contract to purchase or lease eligible premises;

41 (2) prior to such date such business submits a preliminary application  
42 for an initial certification of eligibility to such mayor with respect  
43 to a proposed relocation to such premises;

44 (3) such business enters into a lease or contract to purchase an  
45 eligible premises between the date that such business submits such  
46 preliminary application and three months thereafter; and

47 (4) such business relocates to such premises not later than thirty-six  
48 months from the date of submission of such preliminary application.

49 (c) Notwithstanding any provision of law to the contrary, the mayor  
50 shall not issue an initial certification of eligibility that would cause  
51 the program total to exceed three thousand maximum approved employment  
52 shares. The mayor shall approve such applications on a first-come,  
53 first-serve basis among eligible businesses in accordance with rules  
54 promulgated pursuant to subdivision (d) of this section. The mayor shall  
55 include on the mayor's website an indication regarding whether the

1 program total has reached three thousand maximum approved employment  
2 shares.

3 (d) The mayor shall be authorized to promulgate rules and regulations  
4 to administer and ensure compliance with the provisions of this chapter,  
5 including but not limited to rules and regulations to provide for alter-  
6 native methods to measure employment shares in instances where an eligi-  
7 ble business is not required by law to maintain weekly records of full-  
8 time work weeks and part-time work weeks of employees, partners or sole  
9 proprietors.

10 (e) For the duration of the benefit period, the recipient of a credit  
11 shall file an application for an annual certification each year demon-  
12 strating such recipient's eligibility for such credit and the average  
13 wage and benefits offered to the applicable relocated employees used in  
14 determining eligible aggregate employment shares. Such mayor shall have  
15 the authority to require that statements filed under this subdivision be  
16 filed electronically and that such statements be certified.

17 (f) The department of small business services may require in a  
18 contract with a not-for-profit corporation that provides economic devel-  
19 opment services for the city of New York that such corporation will  
20 provide administrative support to the mayor and assist the mayor's  
21 review of any initial certification of eligibility or annual certif-  
22 ication, and provide recommendations regarding the approval of any cred-  
23 it pursuant to this chapter.

24 § 11. This act shall take effect July 1, 2025.

25

#### PART Y

26 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax  
27 law, as amended by section 1 of part K of chapter 59 of the laws of  
28 2022, is amended to read as follows:

29 (a) General. A taxpayer shall be allowed a credit against the tax  
30 imposed by this article. Such credit, to be computed as hereinafter  
31 provided, shall be allowed for bioheating fuel, used for space heating  
32 or hot water production for residential purposes within this state  
33 purchased before January first, two thousand [twenty-six] twenty-nine.  
34 Such credit shall be \$0.01 per percent of biodiesel per gallon of  
35 bioheating fuel, not to exceed twenty cents per gallon, purchased by  
36 such taxpayer. Provided, however, that on or after January first, two  
37 thousand seventeen, this credit shall not apply to bioheating fuel that  
38 is less than six percent biodiesel per gallon of bioheating fuel.

39 § 2. Paragraph 1 of subdivision (mm) of section 606 of the tax law, as  
40 amended by section 2 of part K of chapter 59 of the laws of 2022, is  
41 amended to read as follows:

42 (1) A taxpayer shall be allowed a credit against the tax imposed by  
43 this article. Such credit, to be computed as hereinafter provided, shall  
44 be allowed for bioheating fuel, used for space heating or hot water  
45 production for residential purposes within this state and purchased on  
46 or after July first, two thousand six and before July first, two thou-  
47 sand seven and on or after January first, two thousand eight and before  
48 January first, two thousand [twenty-six] twenty-nine. Such credit shall  
49 be \$0.01 per percent of biodiesel per gallon of bioheating fuel, not to  
50 exceed twenty cents per gallon, purchased by such taxpayer. Provided,  
51 however, that on or after January first, two thousand seventeen, this  
52 credit shall not apply to bioheating fuel that is less than six percent  
53 biodiesel per gallon of bioheating fuel.

54 § 3. This act shall take effect immediately.

1

## PART Z

2 Section 1. Subdivision 6 of section 187-b of the tax law, as amended  
3 by section 1 of part P of chapter 59 of the laws of 2022, is amended to  
4 read as follows:

5 6. Termination. The credit allowed by subdivision two of this section  
6 shall not apply in taxable years beginning after December thirty-first,  
7 two thousand [twenty-five] twenty-eight.

8 § 2. Paragraph (f) of subdivision 30 of section 210-B of the tax law,  
9 as amended by section 2 of part P of chapter 59 of the laws of 2022, is  
10 amended to read as follows:

11 (f) Termination. The credit allowed by paragraph (b) of this subdivi-  
12 sion shall not apply in taxable years beginning after December thirty-  
13 first, two thousand [twenty-five] twenty-eight.

14 § 3. Paragraph 6 of subsection (p) of section 606 of the tax law, as  
15 amended by section 3 of part P of chapter 59 of the laws of 2022, is  
16 amended to read as follows:

17 (6) Termination. The credit allowed by this subsection shall not apply  
18 in taxable years beginning after December thirty-first, two thousand  
19 [twenty-five] twenty-eight.

20 § 4. This act shall take effect immediately.

21

## PART AA

22 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of  
23 section 1115 of the tax law, as amended by section 1 of part J of chap-  
24 ter 59 of the laws of 2024, is amended to read as follows:

25 (B) Until May thirty-first, two thousand [twenty-five] twenty-six, the  
26 food and drink excluded from the exemption provided by clauses (i), (ii)  
27 and (iii) of subparagraph (A) of this paragraph, and bottled water,  
28 shall be exempt under this subparagraph: (i) when sold for one dollar  
29 and fifty cents or less through any vending machine that accepts coin or  
30 currency only; or (ii) when sold for two dollars or less through any  
31 vending machine that accepts any form of payment other than coin or  
32 currency, whether or not it also accepts coin or currency.

33 § 2. This act shall take effect immediately.

34

## PART BB

35 Section 1. Subdivision (f) of section 25-b of the labor law, as added  
36 by section 2 of part Q of chapter 59 of the laws of 2022, is amended to  
37 read as follows:

38 (f) The tax credits provided under this program shall be applicable to  
39 taxable periods beginning before January first, two thousand [twenty-  
40 six] twenty-nine.

41 § 2. This act shall take effect immediately.

42

## PART CC

43 Section 1. Paragraph (a) of subdivision 29 of section 210-B of the  
44 tax law, as amended by section 1 of part H of chapter 59 of the laws of  
45 2022, is amended to read as follows:

46 (a) Allowance of credit. For taxable years beginning on or after Janu-  
47 ary first, two thousand fifteen and before January first, two thousand  
48 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be  
49 computed as provided in this subdivision, against the tax imposed by

1 this article, for hiring and employing, for not less than twelve contin-  
2 uous and uninterrupted months (hereinafter referred to as the twelve-  
3 month period) in a full-time or part-time position, a qualified veteran  
4 within the state. The taxpayer may claim the credit in the year in which  
5 the qualified veteran completes the twelve-month period of employment by  
6 the taxpayer. If the taxpayer claims the credit allowed under this  
7 subdivision, the taxpayer may not use the hiring of a qualified veteran  
8 that is the basis for this credit in the basis of any other credit  
9 allowed under this article.

10 § 2. Subparagraph 2 of paragraph (b) of subdivision 29 of section  
11 210-B of the tax law, as amended by section 1 of part H of chapter 59 of  
12 the laws of 2022, is amended to read as follows:

13 (2) who commences employment by the qualified taxpayer on or after  
14 January first, two thousand fourteen, and before January first, two  
15 thousand [twenty-five] twenty-eight; and

16 § 3. Paragraph 1 of subsection (a-2) of section 606 of the tax law, as  
17 amended by section 2 of part H of chapter 59 of the laws of 2022, is  
18 amended to read as follows:

19 (1) Allowance of credit. For taxable years beginning on or after Janu-  
20 ary first, two thousand fifteen and before January first, two thousand  
21 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be  
22 computed as provided in this subsection, against the tax imposed by this  
23 article, for hiring and employing, for not less than twelve continuous  
24 and uninterrupted months (hereinafter referred to as the twelve-month  
25 period) in a full-time or part-time position, a qualified veteran within  
26 the state. The taxpayer may claim the credit in the year in which the  
27 qualified veteran completes the twelve-month period of employment by the  
28 taxpayer. If the taxpayer claims the credit allowed under this  
29 subsection, the taxpayer may not use the hiring of a qualified veteran  
30 that is the basis for this credit in the basis of any other credit  
31 allowed under this article.

32 § 4. Subparagraph (B) of paragraph 2 of subsection (a-2) of section  
33 606 of the tax law, as amended by section 2 of part H of chapter 59 of  
34 the laws of 2022, is amended to read as follows:

35 (B) who commences employment by the qualified taxpayer on or after  
36 January first, two thousand fourteen, and before January first, two  
37 thousand [twenty-five] twenty-eight; and

38 § 5. Paragraph 1 of subdivision (g-1) of section 1511 of the tax law,  
39 as amended by section 3 of part H of chapter 59 of the laws of 2022, is  
40 amended to read as follows:

41 (1) Allowance of credit. For taxable years beginning on or after Janu-  
42 ary first, two thousand fifteen and before January first, two thousand  
43 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be  
44 computed as provided in this subdivision, against the tax imposed by  
45 this article, for hiring and employing, for not less than twelve contin-  
46 uous and uninterrupted months (hereinafter referred to as the twelve-  
47 month period) in a full-time or part-time position, a qualified veteran  
48 within the state. The taxpayer may claim the credit in the year in which  
49 the qualified veteran completes the twelve-month period of employment by  
50 the taxpayer. If the taxpayer claims the credit allowed under this  
51 subdivision, the taxpayer may not use the hiring of a qualified veteran  
52 that is the basis for this credit in the basis of any other credit  
53 allowed under this article.

54 § 6. Subparagraph (B) of paragraph 2 of subdivision (g-1) of section  
55 1511 of the tax law, as amended by section 3 of part H of chapter 59 of  
56 the laws of 2022, is amended to read as follows:

1 (B) who commences employment by the qualified taxpayer on or after  
2 January first, two thousand fourteen, and before January first, two  
3 thousand [twenty-five] twenty-eight; and  
4 § 7. This act shall take effect immediately.

5 PART DD

6 Section 1. Section 5 of part HH of chapter 59 of the laws of 2014,  
7 amending the tax law relating to a musical and theatrical production  
8 credit, as amended by section 1 of part HH of chapter 59 of the laws of  
9 2021, is amended to read as follows:

10 § 5. This act shall take effect immediately, provided that section two  
11 of this act shall take effect on January 1, 2015, and shall apply to  
12 taxable years beginning on or after January 1, 2015, with respect to  
13 "qualified production expenditures" and "transportation expenditures"  
14 paid or incurred on or after such effective date, regardless of whether  
15 the production of the qualified musical or theatrical production  
16 commenced before such date, provided further that this act shall expire  
17 and be deemed repealed January 1, [2026] 2030.

18 § 2. This act shall take effect immediately.

19 PART EE

20 Section 1. Section 2 of part U of chapter 59 of the laws of 2017, amend-  
21 ing the tax law, relating to the financial institution data match system  
22 for state tax collection purposes, as amended by section 1 of part A of  
23 chapter 59 of the laws of 2020, is amended to read as follows:

24 § 2. This act shall take effect immediately and shall expire April 1,  
25 [2025] 2030 when upon such date the provisions of this act shall be  
26 deemed repealed.

27 § 2. This act shall take effect immediately.

28 PART FF

29 Section 1. This act enacts into law major components of legislation  
30 necessary to implement certain provisions regarding simplifying the  
31 pari-mutuel tax rate system. Each component is wholly contained within a  
32 Subpart identified as Subparts A through B. The effective date for each  
33 particular provision contained within such Subpart is set forth in the  
34 last section of such Subpart. Any provision in any section contained  
35 within a Subpart, including the effective date of the Subpart, which  
36 makes a reference to a section "of this act", when used in connection  
37 with that particular component, shall be deemed to mean and refer to the  
38 corresponding section of the Subpart in which it is found. Section three  
39 of this act sets forth the general effective date of this act.

40 SUBPART A

41 Section 1. The racing, pari-mutuel wagering and breeding law is  
42 amended by adding a new section 136 to read as follows:

43 § 136. Pari-mutuel wagering tax. 1. Notwithstanding any law to the  
44 contrary:

45 (a) the excise tax imposed on each thoroughbred racetrack conducting  
46 pari-mutuel wagering on live racing shall be one and one-tenth of one  
47 percent (1.1%) of all money wagered on live races at such track;



1 (b) the excise tax imposed on each harness racetrack conducting pari-  
2 mutuel wagering on live racing shall be one percent (1%) of all money  
3 wagered on live races at such track; and

4 (c) the excise tax imposed on each off-track betting corporation for  
5 the privilege of conducting pari-mutuel wagering on live racing shall be  
6 six-tenths of one percent (0.6%) of all money wagered on live races  
7 through such corporation.

8 2. Beginning with state fiscal year two thousand twenty-six, the  
9 aggregate amount of the pari-mutuel wagering tax paid by a harness track  
10 pursuant to paragraph (b) of subdivision one of this section in a state  
11 fiscal year shall not exceed the pari-mutuel wagering tax attributable  
12 to live racing handle paid by such harness track in state fiscal year  
13 two thousand twenty-four.

14 3. All pari-mutuel wagering taxes shall be collected and remitted in  
15 the same manner as such taxes were collected and remitted prior to the  
16 enactment of this section.

17 4. Breaks, as defined in sections two hundred thirty-six, two hundred  
18 thirty-eight, three hundred eighteen, and four hundred eighteen of this  
19 chapter are not permitted, unless required by another jurisdiction  
20 pursuant to section nine hundred five of this chapter. All distributions  
21 to the holders of winning tickets shall be calculated to the nearest  
22 penny.

23 5. (a) Thoroughbred racetracks and the corporation established by  
24 section two hundred fifty-two of this chapter, harness racetracks and  
25 the corporation established by section three hundred thirty of this  
26 chapter, and regional off-track betting corporations may agree to imple-  
27 ment a revenue distribution scheme that differs from the distribution  
28 scheme otherwise established by law. A copy of any such agreement shall  
29 be provided to the commission and shall supersede the otherwise applica-  
30 ble statutory distribution scheme.

31 (b) Any agreement established pursuant to paragraph (a) of this subdi-  
32 vision shall include signatures from all involved parties, set forth the  
33 current statute being superseded by the agreement, and the new terms and  
34 conditions of the distribution of monies. The commission shall post on  
35 the commission's website the applicable superseding distribution scheme  
36 within thirty days of receipt by the commission.

37 (c) This subdivision shall supersede all inconsistent provisions of  
38 law.

39 § 2. Section 908 of the racing, pari-mutuel wagering and breeding law  
40 is REPEALED.

41 § 3. Section 1011 of the racing, pari-mutuel wagering and breeding  
42 law, as amended by chapter 243 of the laws of 2020, is amended to read  
43 as follows:

44 § 1011. Certain credit to off-track betting corporations. a. [During  
45 the period that a franchised corporation is simulcasting from a facility  
46 operated by such franchised corporation in the second zone as defined in  
47 section two hundred forty-seven of this chapter to a facility operated  
48 by such franchised corporation pursuant to section one thousand seven of  
49 this article, any off-track betting corporation operating in a county in  
50 which such association maintains a racetrack shall receive a credit of  
51 twenty-five percent of the state taxes due pursuant to section five  
52 hundred twenty-seven of this chapter on wagers placed on races conducted  
53 by such association, provided that such corporation has entered into an  
54 agreement with the employee organization representing the employees of  
55 such corporation in which it has agreed not to reduce its workforce as a  
56 result of such simulcasting.

1 b.] During the days that a franchised corporation is simulcasting from  
2 a racetrack facility operated by such franchised corporation and located  
3 in the first zone to a racetrack facility operated by such franchised  
4 corporation located wholly within a city of one million or more, one  
5 percent of the total wagers placed at such receiving facility shall be  
6 paid to such city.

7 [c.] b. During the days that a franchised corporation is simulcasting  
8 from a facility located wholly within a city in the first zone to a  
9 racetrack facility operated by such franchised corporation located  
10 partially within a city with a population in excess of one million and  
11 partially within a county, one-half percent of the total wagers placed  
12 at such receiving facility shall be paid to such city and one-half  
13 percent of such wagers shall be paid to such county.

14 § 4. This act shall take effect September 1, 2025.

15

SUBPART B

16 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the  
17 racing, pari-mutuel wagering and breeding law, as amended by section 1  
18 of part P of chapter 59 of the laws of 2024, is amended to read as  
19 follows:

20 (a) Any racing association or corporation or regional off-track  
21 betting corporation, authorized to conduct pari-mutuel wagering under  
22 this chapter, desiring to display the simulcast of horse races on which  
23 pari-mutuel betting shall be permitted in the manner and subject to the  
24 conditions provided for in this article may apply to the commission for  
25 a license so to do. Applications for licenses shall be in such form as  
26 may be prescribed by the commission and shall contain such information  
27 or other material or evidence as the commission may require. No license  
28 shall be issued by the commission authorizing the simulcast transmission  
29 of thoroughbred races from a track located in Suffolk county. The fee  
30 for such licenses shall be five hundred dollars per simulcast facility  
31 and for account wagering licensees that do not operate either a simul-  
32 cast facility that is open to the public within the state of New York or  
33 a licensed racetrack within the state, twenty thousand dollars per year  
34 payable by the licensee to the commission for deposit into the general  
35 fund. Except as provided in this section, the commission shall not  
36 approve any application to conduct simulcasting into individual or group  
37 residences, homes or other areas for the purposes of or in connection  
38 with pari-mutuel wagering. The commission may approve simulcasting into  
39 residences, homes or other areas to be conducted jointly by one or more  
40 regional off-track betting corporations and one or more of the follow-  
41 ing: a franchised corporation, thoroughbred racing corporation or a  
42 harness racing corporation or association; provided (i) the simulcasting  
43 consists only of those races on which pari-mutuel betting is authorized  
44 by this chapter at one or more simulcast facilities for each of the  
45 contracting off-track betting corporations which shall include wagers  
46 made in accordance with section one thousand fifteen, one thousand  
47 sixteen and one thousand seventeen of this article; provided further  
48 that the contract provisions or other simulcast arrangements for such  
49 simulcast facility shall be no less favorable than those in effect on  
50 January first, two thousand five; (ii) that each off-track betting  
51 corporation having within its geographic boundaries such residences,  
52 homes or other areas technically capable of receiving the simulcast  
53 signal shall be a contracting party; (iii) the distribution of revenues  
54 shall be subject to contractual agreement of the parties except that

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

20 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
21 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
22 section 2 of part P of chapter 59 of the laws of 2024, is amended to  
23 read as follows:

24 (iii) Of the sums retained by a receiving track located in Westchester  
25 county on races received from a franchised corporation, for the period  
26 commencing January first, two thousand eight [and continuing through  
27 June thirtieth, two thousand twenty-five], the amount used exclusively  
28 for purses to be awarded at races conducted by such receiving track  
29 shall be computed as follows: of the sums so retained, two and one-half  
30 percent of the total pools. Such amount shall be increased or decreased  
31 in the amount of fifty percent of the difference in total commissions  
32 determined by comparing the total commissions available after July twen-  
33 ty-first, nineteen hundred ninety-five to the total commissions that  
34 would have been available to such track prior to July twenty-first,  
35 nineteen hundred ninety-five.

36 § 3. The opening paragraph of subdivision 1 of section 1014 of the  
37 racing, pari-mutuel wagering and breeding law, as amended by section 3  
38 of part P of chapter 59 of the laws of 2024, is amended to read as  
39 follows:

40 The provisions of this section shall govern the simulcasting of races  
41 conducted at thoroughbred tracks located in another state or country on  
42 any day during which a franchised corporation is conducting a race meet-  
43 ing in Saratoga county at Saratoga thoroughbred racetrack [until June  
44 thirtieth, two thousand twenty-five and on any day regardless of whether  
45 or not a franchised corporation is conducting a race meeting in Saratoga  
46 county at Saratoga thoroughbred racetrack after June thirtieth, two  
47 thousand twenty-five]. On any day on which a franchised corporation has  
48 not scheduled a racing program but a thoroughbred racing corporation  
49 located within the state is conducting racing, each off-track betting  
50 corporation branch office and each simulcasting facility licensed in  
51 accordance with section one thousand seven (that has entered into a  
52 written agreement with such facility's representative horsemen's organ-  
53 ization, as approved by the commission), one thousand eight, or one  
54 thousand nine of this article shall be authorized to accept wagers and  
55 display the live simulcast signal from thoroughbred tracks located in  
56 another state or foreign country subject to the following provisions:

1 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering  
2 and breeding law, as amended by section 4 of part P of chapter 59 of the  
3 laws of 2024, is amended to read as follows:

4 1. The provisions of this section shall govern the simulcasting of  
5 races conducted at harness tracks located in another state or country  
6 [during] beginning with the period commencing July first, nineteen  
7 hundred ninety-four [through June thirtieth, two thousand twenty-five].  
8 This section shall supersede all inconsistent provisions of this chap-  
9 ter.

10 § 5. The opening paragraph of subdivision 1 of section 1016 of the  
11 racing, pari-mutuel wagering and breeding law, as amended by section 5  
12 of part P of chapter 59 of the laws of 2024, is amended to read as  
13 follows:

14 The provisions of this section shall govern the simulcasting of races  
15 conducted at thoroughbred tracks located in another state or country on  
16 any day during which a franchised corporation is not conducting a race  
17 meeting in Saratoga county at Saratoga thoroughbred racetrack [until  
18 June thirtieth, two thousand twenty-five]. Every off-track betting  
19 corporation branch office and every simulcasting facility licensed in  
20 accordance with section one thousand seven that have entered into a  
21 written agreement with such facility's representative horsemen's organ-  
22 ization as approved by the commission, one thousand eight or one thou-  
23 sand nine of this article shall be authorized to accept wagers and  
24 display the live full-card simulcast signal of thoroughbred tracks  
25 (which may include quarter horse or mixed meetings provided that all  
26 such wagering on such races shall be construed to be thoroughbred races)  
27 located in another state or foreign country, subject to the following  
28 provisions; provided, however, no such written agreement shall be  
29 required of a franchised corporation licensed in accordance with section  
30 one thousand seven of this article:

31 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
32 wagering and breeding law, as amended by section 6 of part P of chapter  
33 59 of the laws of 2024, is amended to read as follows:

34 Notwithstanding any other provision of this chapter, for the period  
35 commencing July twenty-fifth, two thousand one [through September  
36 eighth, two thousand twenty-four], when a franchised corporation is  
37 conducting a race meeting within the state at Saratoga Race Course,  
38 every off-track betting corporation branch office and every simulcasting  
39 facility licensed in accordance with section one thousand seven (that  
40 has entered into a written agreement with such facility's representative  
41 horsemen's organization as approved by the commission), one thousand  
42 eight or one thousand nine of this article shall be authorized to accept  
43 wagers and display the live simulcast signal from thoroughbred tracks  
44 located in another state, provided that such facility shall accept  
45 wagers on races run at all in-state thoroughbred tracks which are  
46 conducting racing programs subject to the following provisions;  
47 provided, however, no such written agreement shall be required of a  
48 franchised corporation licensed in accordance with section one thousand  
49 seven of this article.

50 § 7. Section 32 of chapter 281 of the laws of 1994, amending the  
51 racing, pari-mutuel wagering and breeding law and other laws relating to  
52 simulcasting, as amended by section 7 of part P of chapter 59 of the  
53 laws of 2024, is amended to read as follows:

54 § 32. This act shall take effect immediately [and the pari-mutuel tax  
55 reductions in section six of this act shall expire and be deemed  
56 repealed on July 1, 2025]; provided, however, that nothing contained

1 herein shall be deemed to affect the application, qualification, expira-  
2 tion, or repeal of any provision of law amended by any section of this  
3 act, and such provisions shall be applied or qualified or shall expire  
4 or be deemed repealed in the same manner, to the same extent and on the  
5 same date as the case may be as otherwise provided by law; provided  
6 further, however, that sections twenty-three and twenty-five of this act  
7 shall remain in full force and effect only until May 1, 1997 and at such  
8 time shall be deemed to be repealed.

9 § 8. Section 54 of chapter 346 of the laws of 1990, amending the  
10 racing, pari-mutuel wagering and breeding law and other laws relating to  
11 simulcasting and the imposition of certain taxes, as amended by section  
12 8 of part P of chapter 59 of the laws of 2024, is amended to read as  
13 follows:

14 § 54. This act shall take effect immediately; provided, however,  
15 sections three through twelve of this act shall take effect on January  
16 1, 1991[, and section 1013 of the racing, pari-mutuel wagering and  
17 breeding law, as added by section thirty-eight of this act, shall expire  
18 and be deemed repealed on July 1, 2025]; and section eighteen of this  
19 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
20 two of this act shall take effect as of the same date as chapter 772 of  
21 the laws of 1989 took effect.

22 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,  
23 pari-mutuel wagering and breeding law, as amended by section 9 of part P  
24 of chapter 59 of the laws of 2024, is amended to read as follows:

25 (a) The franchised corporation authorized under this chapter to  
26 conduct pari-mutuel betting at a race meeting or races run thereat shall  
27 distribute all sums deposited in any pari-mutuel pool to the holders of  
28 winning tickets therein, provided such tickets are presented for payment  
29 before April first of the year following the year of their purchase,  
30 less an amount that shall be established and retained by such franchised  
31 corporation of between twelve to seventeen percent of the total deposits  
32 in pools resulting from on-track regular bets, and fourteen to twenty-  
33 one percent of the total deposits in pools resulting from on-track  
34 multiple bets and fifteen to twenty-five percent of the total deposits  
35 in pools resulting from on-track exotic bets and fifteen to thirty-six  
36 percent of the total deposits in pools resulting from on-track super  
37 exotic bets, plus the breaks. The retention rate to be established is  
38 subject to the prior approval of the commission.

39 Such rate may not be changed more than once per calendar quarter to be  
40 effective on the first day of the calendar quarter. "Exotic bets" and  
41 "multiple bets" shall have the meanings set forth in section five  
42 hundred nineteen of this chapter. "Super exotic bets" shall have the  
43 meaning set forth in section three hundred one of this chapter. For  
44 purposes of this section, a "pick six bet" shall mean a single bet or  
45 wager on the outcomes of six races. The breaks are hereby defined as the  
46 odd cents over any multiple of five for payoffs greater than one dollar  
47 five cents but less than five dollars, over any multiple of ten for  
48 payoffs greater than five dollars but less than twenty-five dollars,  
49 over any multiple of twenty-five for payoffs greater than twenty-five  
50 dollars but less than two hundred fifty dollars, or over any multiple of  
51 fifty for payoffs over two hundred fifty dollars. Out of the amount so  
52 retained there shall be paid by such franchised corporation to the  
53 commissioner of taxation and finance, as a reasonable tax by the state  
54 for the privilege of conducting pari-mutuel betting on the races run at  
55 the race meetings held by such franchised corporation, the following  
56 percentages of the total pool for regular and multiple bets five percent

1 of regular bets and four percent of multiple bets plus twenty percent of  
2 the breaks; for exotic wagers seven and one-half percent plus twenty  
3 percent of the breaks, and for super exotic bets seven and one-half  
4 percent plus fifty percent of the breaks.

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

16 § 10. This act shall take effect immediately.

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

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

29

## PART GG

30 Section 1. Subdivision 1 of section 1351 of the racing, pari-mutuel  
31 wagering and breeding law, as amended by chapter 174 of the laws of  
32 2013, is amended to read as follows:

33 1. (a) For a gaming facility in zone two, there is hereby imposed a  
34 tax on gross gaming revenues. The amount of such tax imposed shall be as  
35 follows; provided, however, should a licensee have agreed within its  
36 application to supplement the tax with a binding supplemental fee  
37 payment exceeding the aforementioned tax rate, such tax and supplemental  
38 fee shall apply for a gaming facility:

39 [(a)] (1) in region two, forty-five percent of gross gaming revenue  
40 from slot machines and ten percent of gross gaming revenue from all  
41 other sources.

42 [(b)] (2) in region one, thirty-nine percent of gross gaming revenue  
43 from slot machines and ten percent of gross gaming revenue from all  
44 other sources.

45 [(c)] (3) in region five, thirty-seven percent of gross gaming revenue  
46 from slot machines and ten percent of gross gaming revenue from all  
47 other sources.

48 (b) (1) Notwithstanding the tax rates on gross gaming revenue from  
49 slot machines provided in paragraph (a) of this subdivision, for the  
50 period of April first, two thousand twenty-six through June thirtieth,  
51 two thousand twenty-eight, each gaming facility in zone two shall  
52 continue to be subject to the same tax rate on gross gaming revenue from  
53 slot machines as was imposed in the preceding fiscal year.



1 (2) As a condition of the lower slot machine tax rate, the licensed  
2 gaming facility must be current on all statutory obligations to the  
3 state or have entered into and be in compliance with a repayment agree-  
4 ment with the state. If the commission, in its sole discretion, deter-  
5 mines that a gaming facility has not adhered to this condition for any  
6 such time period, the gaming facility shall forfeit this lower slot  
7 machine tax rate for such time period.

8 (3) Each gaming facility shall provide an annual fiscal report to the  
9 governor, the speaker of the assembly, the temporary president of the  
10 senate, director of the division of budget and the commission detailing  
11 actual use of the funds resulting from the lower slot machine tax rate.  
12 Such report shall include, but not be limited to, any impact on employ-  
13 ment levels since receiving the lower slot machine tax rate, an account-  
14 ing of the use of such funds, any other measures implemented to improve  
15 the financial stability of the gaming facility and any other information  
16 as deemed necessary by the commission. Such report shall be due no later  
17 than January first of each year and shall be posted on the commission  
18 website.

19 § 2. Section 2 of part 000 of chapter 59 of the laws of 2021 amending  
20 the racing, pari-mutuel wagering and breeding law relating to the tax  
21 on gaming revenues, is amended to read as follows:

22 § 2. This act shall take effect immediately and shall expire and be  
23 deemed repealed [five years after such date] April 1, 2026.

24 § 3. This act shall take effect immediately; provided however, that  
25 section one of this act shall take effect on the same date as the rever-  
26 sion of subdivision 1 of section 1351 of the racing, pari-mutuel wager-  
27 ing and breeding law as provided in section 2 of part 000 of chapter 59  
28 of the laws of 2021, as amended; provided further, that section one of  
29 this act shall expire and be deemed repealed July 1, 2028.

30

## PART HH

31 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel  
32 wagering and breeding law, as amended by section 1 of part 0 of chapter  
33 59 of the laws of 2024, is amended to read as follows:

34 2. a. Notwithstanding any other provision of law or regulation to the  
35 contrary, from April nineteenth, two thousand twenty-one to March thir-  
36 ty-first, two thousand twenty-two, twenty-three percent of the funds,  
37 not to exceed two and one-half million dollars, in the Catskill off-  
38 track betting corporation's capital acquisition fund and twenty-three  
39 percent of the funds, not to exceed four hundred forty thousand dollars,  
40 in the Capital off-track betting corporation's capital acquisition fund  
41 established pursuant to this section shall also be available to such  
42 off-track betting corporation for the purposes of statutory obligations,  
43 payroll, and expenditures necessary to accept authorized wagers.

44 b. Notwithstanding any other provision of law or regulation to the  
45 contrary, from April first, two thousand twenty-two to March thirty-  
46 first, two thousand twenty-three, twenty-three percent of the funds, not  
47 to exceed two and one-half million dollars, in the Catskill off-track  
48 betting corporation's capital acquisition fund established pursuant to  
49 this section, and twenty-three percent of the funds, not to exceed four  
50 hundred forty thousand dollars, in the Capital off-track betting corpo-  
51 ration's capital acquisition fund established pursuant to this section,  
52 shall be available to such off-track betting corporations for the  
53 purposes of statutory obligations, payroll, and expenditures necessary  
54 to accept authorized wagers.



1 c. Notwithstanding any other provision of law or regulation to the  
2 contrary, from April first, two thousand twenty-three to March thirty-  
3 first, two thousand twenty-four, twenty-three percent of the funds, not  
4 to exceed two and one-half million dollars, in the Catskill off-track  
5 betting corporation's capital acquisition fund established pursuant to  
6 this section, and one million dollars in the Capital off-track betting  
7 corporation's capital acquisition fund established pursuant to this  
8 section, shall be available to such off-track betting corporation for  
9 the purposes of expenditures necessary to accept authorized wagers; past  
10 due statutory obligations to New York licensed or franchised racing  
11 corporations or associations; past due contractual obligations due to  
12 other racing associations or organizations for the costs of acquiring a  
13 simulcast signal; past due statutory payment obligations due to the New  
14 York state thoroughbred breeding and development fund corporation, agri-  
15 culture and New York state horse breeding development fund, and the  
16 Harry M. Zweig memorial fund for equine research; and past due obli-  
17 gations due the state.

18 d. Notwithstanding any other provision of law or regulation to the  
19 contrary, from April first, two thousand twenty-four to March thirty-  
20 first, two thousand twenty-five, 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 one million dollars in the Capital off-track betting  
24 corporation's capital acquisition fund established pursuant to this  
25 section, shall be available to such off-track betting corporation for  
26 the purposes of expenditures necessary to accept authorized wagers; past  
27 due statutory obligations to New York licensed or franchised racing  
28 corporations or associations; past due contractual obligations due to  
29 other racing associations or organizations for the costs of acquiring a  
30 simulcast signal; past due statutory payment obligations due to the New  
31 York state thoroughbred breeding and development fund corporation, agri-  
32 culture and New York state horse breeding development fund, and the  
33 Harry M. Zweig memorial fund for equine research; and past due obli-  
34 gations due the state.

35 e. Notwithstanding any other provision of law or regulation to the  
36 contrary, from April first, two thousand twenty-five to March thirty-  
37 first, two thousand twenty-six, one million dollars in the Capital off-  
38 track betting corporation's capital acquisition fund established pursu-  
39 ant to this section shall be available to such off-track betting  
40 corporation for the purposes of expenditures necessary to accept author-  
41 ized wagers; past due statutory obligations to New York licensed or  
42 franchised racing corporations or associations; past due contractual  
43 obligations due to other racing associations or organizations for the  
44 cost of acquiring a simulcast signal; past due statutory payment obli-  
45 gations due to the New York state thoroughbred breeding and development  
46 fund corporation, agriculture and New York state horse breeding develop-  
47 ment fund, and the Harry M. Zweig memorial fund for equine research; and  
48 past due obligations due the state.

49 f. Prior to a corporation being able to utilize the funds authorized  
50 by paragraph c [or], d or e of this subdivision, the corporation must  
51 attest that the surcharge monies from section five hundred thirty-two of  
52 this chapter are being held separate and apart from any amounts other-  
53 wise authorized to be retained from pari-mutuel pools and all surcharge  
54 monies have been and will continue to be paid to the localities as  
55 prescribed in law. Once this condition is satisfied, the corporation  
56 must submit an expenditure plan to the gaming commission for review.



1 Such plan shall include the corporation's outstanding liabilities,  
2 projected revenue for the upcoming year, a detailed explanation of how  
3 the funds will be used, and any other information necessary to detail  
4 such plan as determined by the commission. Upon review, the commission  
5 shall make a determination as to whether the requirements of this para-  
6 graph have been satisfied and notify the corporation of expenditure plan  
7 approval. In the event the commission determines the requirements of  
8 this paragraph have not been satisfied, the commission shall notify the  
9 corporation of all deficiencies necessary for approval. As a condition  
10 of such expenditure plan approval, the corporation shall provide a  
11 report to the commission no later than the last day of the calendar year  
12 for which the funds are requested, which shall include an accounting of  
13 the use of such funds. At such time, the commission may cause an inde-  
14 pendent audit to be conducted of the corporation's books to ensure that  
15 all moneys were spent as indicated in such approved plan. The audit  
16 shall be paid for from money in the fund established by this section. If  
17 the audit determines that a corporation used the money authorized under  
18 this section for a purpose other than one listed in their expenditure  
19 plan, then the corporation shall reimburse the capital acquisition fund  
20 for the unauthorized amount.  
21 § 2. This act shall take effect immediately.

22

## PART II

23 Section 1. Subdivision 6 of section 1012-a of the racing, pari-mutuel  
24 wagering and breeding law, as amended by chapter 243 of the laws of  
25 2020, is amended and a new subdivision 7 is added to read as follows:  
26 6. multi-jurisdictional account wagering providers shall pay a market  
27 origin fee equal to five percent on each wager accepted from New York  
28 residents. Multi-jurisdictional account wagering providers shall make  
29 the required payments to the market origin account on or before the  
30 fifth business day of each month and such required payments shall cover  
31 payments due for the period of the preceding calendar month; provided,  
32 however, that such payments required to be made on April fifteenth shall  
33 be accompanied by a report under oath, showing the total of all such  
34 payments, together with such other information as the commission may  
35 require. A penalty of five percent and interest at the rate of one  
36 percent per month from the date the report is required to be filed to  
37 the date the payment shall be payable in case any payments required by  
38 this subdivision are not paid when due. If the commission determines  
39 that any moneys received under this subdivision were paid in error, the  
40 commission may cause the same to be refunded without interest out of any  
41 moneys collected thereunder, provided an application therefor is filed  
42 with the commission within one year from the time the erroneous payment  
43 was made. The commission shall pay into the racing regulation account,  
44 under the joint custody of the comptroller and the commission, the total  
45 amount of the fee collected pursuant to this section[.]; and  
46 7. the multi-jurisdictional account wagering provider shall, at the  
47 same time and in addition to the fee established in subdivision six of  
48 this section, pay an additional fee equal to one percent on each wager  
49 accepted from New York residents. Such payments shall be subject to the  
50 same penalties and interest payments as the market origin fee. Moneys  
51 collected pursuant to this subdivision shall be paid by the multi-juris-  
52 dictional account wagering provider to the commission for deposit into  
53 the general fund of the state treasury.

1 § 2. Section 703 of the racing, pari-mutuel wagering and breeding law  
2 is amended by adding a new subdivision 1-a to read as follows:

3 1-a. In addition to the moneys specified in subdivision one of this  
4 section, up to an amount equivalent to all moneys collected pursuant to  
5 subdivision seven of section one thousand twelve-a of this chapter shall  
6 be appropriated or transferred to the fund from the general fund of the  
7 state treasury to be used for the purposes contained in the agreement  
8 established pursuant to subdivision seven of section seven hundred four  
9 of this article, provided that such amount shall not exceed what is  
10 necessary to cover all expenses as contained in such agreement.

11 § 3. Section 704 of the racing, pari-mutuel wagering and breeding law  
12 is amended by adding a new subdivision 7 to read as follows:

13 7. (a) The moneys appropriated or transferred to the fund from the  
14 general fund of the state treasury pursuant to subdivision one-a of  
15 section seven hundred three of this article shall be expended for a  
16 three-year research proposal conducted pursuant to an agreement between  
17 the dean of the Cornell University College of Veterinary Medicine and  
18 the executive director of the commission. Such agreement shall, at a  
19 minimum, require the following:

20 (i) proposed research to identify the incident of fetlock fractures  
21 and pre-fracture pathology in thoroughbred racehorses, with and without  
22 lameness;

23 (ii) proposed research to determine the sensitivity and specificity of  
24 standing computed tomography, positron emission tomography, and magnetic  
25 resonance imaging of thoroughbred racehorses compared to that of digital  
26 radiographs;

27 (iii) use of photo-counting computed tomography and high field magnet-  
28 ic resonance imaging to further define early bone pathology in thorough-  
29 bred racehorses that suffer fatal fractures of the fetlock joint, to  
30 further characterize blood biomarker findings in healthy and clinically  
31 lame horses in a large population of thoroughbred racehorses; and

32 (iv) attempted refinement of a risk factor index for fatal musculoskel-  
33 etal injury for thoroughbred racing based on epidemiological findings,  
34 preliminary scanning technology, clinical examination, and advance imag-  
35 ing.

36 (b) The moneys appropriated or transferred to the fund from the gener-  
37 al fund of the state treasury pursuant to subdivision one-a of section  
38 seven hundred three of this article may be used to purchase equipment  
39 and fund staffing needs necessary to carry out the research tasks speci-  
40 fied in paragraph (a) of this subdivision.

41 (c) Any residual unexpended funds collected pursuant to subdivision  
42 seven of section one thousand twelve-a of this chapter shall remain in  
43 the general fund of the state treasury.

44 § 4. Section 208 of the racing, pari-mutuel wagering and breeding law  
45 is amended by adding a new subdivision 10 to read as follows:

46 10. It is incumbent upon the franchised corporation to ensure the  
47 health and safety of its equine participants. To accomplish that goal,  
48 the franchised corporation shall, by September first, two thousand twen-  
49 ty-five, remit a one-time payment of two million dollars to the Harry M.  
50 Zweig memorial fund, established under section seven hundred one of this  
51 chapter, to be used for the conduct of research as specified in subdivi-  
52 sion seven of section seven hundred four of this chapter.

53 § 5. This act shall take effect immediately, and shall apply to wagers  
54 from New York residents accepted on and after September 1, 2025 through  
55 August 31, 2028; provided, however that the provisions of this act shall  
56 expire and be deemed repealed on September 1, 2028.

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 date of Parts A through II of this act shall be  
12 as specifically set forth in the last section of such Parts.

