

STATE OF NEW YORK

9509--B

IN ASSEMBLY

January 18, 2018

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 -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT intentionally omitted (Part A); to amend the real property tax law, in relation to making the STAR income verification program mandatory; to amend the tax law, in relation to the calculation of income for basic STAR purposes; to repeal subparagraphs (v) and (vi) of paragraph (b) of subdivision 4, paragraphs (b) and (c) of subdivision 5 and paragraph (c) of subdivision 6 of section 425 of the real property tax law relating to the school tax relief (STAR) exemption; and to repeal section 171-o of the tax law relating to income verification for a city with a population of one million or more (Part B); to amend the real property law, in relation to real property transfer reports (Part C); to amend the real property law, in relation to reports of manufactured housing park owners (Part D); to amend the general municipal law, the education law, the state finance law, the real property tax law and the tax law, in relation to making technical corrections to various statutes impacting property taxes; and to repeal subsection (bbb) of section 606 of the tax law, section 3-d of the general municipal law and section 2023-b of the education law, relating thereto (Part E); intentionally omitted (Part F); to amend the real property tax law, in relation to assessment ceilings; and to amend chapter 475 of the laws of 2013, amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to the effectiveness thereof (Part G); intentionally omitted (Part H); to amend the tax law, in relation to providing for employee wage reporting consistency between the department of taxation and finance and the department of labor (Part I); to amend the tax law, in relation to sales and compensating use taxes imposed on food and beverages sold by restaurants and similar establishments (Part J); to amend the tax law, in relation to allowing sharing with the comptroller information regarding unwarranted fixed and final debt (Part K); intentionally omitted (Part L); to amend the tax law, in relation to establishing a conditional tax on carried interest (Part M); inten-

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

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tionally omitted (Part N); to amend the tax law and the administrative code of the city of New York, in relation to the definition of resident for tax purposes of the personal income tax (Part O); to amend the tax law, in relation to the empire state child credit (Part P); to amend the tax law, in relation to extending the hire a veteran credit for an additional two years (Part Q); to amend the labor law and the tax law, in relation to enhancing the New York youth jobs program (Part R); intentionally omitted (Part S); to amend the tax law, in relation to extending the real estate transfer tax statute of limitations for refunds from two to three years and providing for consistent joint liability treatment within the real estate transfer tax (Part T); to amend the tax law, in relation to the taxation of cigars (Part U); to amend the tax law and the administrative code of the city of New York, in relation to sales and use taxes on gas and electric service; and repealing section 1105-C of the tax law relating thereto (Part V); to amend the tax law, in relation to exempting from sales and use tax certain veterinary drugs and medicines and removing the refund/credit therefor (Part W); to amend the tax law, in relation to providing relief from sales tax liability for certain partners of a limited partnership and members of a limited liability company (Part X); to amend the tax law, in relation to exempting items of food and drink when sold from certain vending machines from the sales and compensating use tax (Part Y); to amend part A of chapter 61 of the laws of 2017, amending the tax law relating to the imposition of sales and compensating use taxes in certain counties, in relation to extending the revenue distribution provisions for the additional rates of sales and use tax of Genesee, Monroe, Onondaga and Orange counties (Part Z); to amend the tax law, in relation to imposing an internet fairness conformity tax and requiring non-collecting sellers to provide specified information to New York purchasers and to the commissioner of taxation and finance; and to amend the tax law, in relation to marketplace providers (Part AA); to amend the tax law, in relation to imposing a health tax on vapor products (Part BB); to amend the tax law, in relation to the imposition of an opioid epidemic surcharge; and to amend the state finance law, in relation to establishing the opioid prevention, treatment and recovery account (Part CC); intentionally omitted (Part DD); to amend the racing, pari-mutuel wagering and breeding law, in relation to adjusting the franchise payment, and authorizing night races under certain circumstances; creating an equine drug testing advisory committee (Subpart A); and to amend the racing, pari-mutuel wagering and breeding law, in relation to the creation of a local advisory board for the Belmont racetrack facility (Subpart B) (Part EE); intentionally omitted (Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part GG); intentionally omitted (Part HH); to amend the tax law, in relation to commissions paid to the operator of a video lottery facil-



ity; to repeal certain provisions of such law relating thereto; and providing for the repeal of certain provisions upon expiration thereof (Part II); to amend the tax law and the administrative code of the city of New York, in relation to addressing changes made to the internal revenue code by Public Law 115-97 (Part JJ); to amend the tax law, in relation to federal gross income and federal deductions allowed pursuant to the internal revenue code; and to amend the administrative code of the city of New York, in relation to the taxation of business corporations (Part KK); to amend the education law and the general municipal law, in relation to authorizing school districts, counties and New York city to establish charitable funds; and to amend the real property tax law, in relation to authorizing such localities to provide a credit against real property taxes for such contributions (Part LL); to amend the tax law and the state finance law, in relation to the imposition of an employer compensation expense tax (Part MM); to amend the tax law, in relation to income tax reform (Part NN); to amend the tax law, in relation to freezing the property tax relief credit for taxable years 2018 and 2019 (Part OO); to amend the public housing law, in relation to the transfer of the low-income housing credit (Part PP); to amend the tax law, the state finance law and the public authorities law, in relation to implementing a transit sustainability improvement surcharge on transportation services and transportation network companies (Part QQ); to amend the tax law, the state finance law and the public authorities law, in relation to imposing an additional transfer tax on conveyances for consideration of five million dollars or more (Part RR); to amend the tax law, in relation to extending certain tax rates (Part SS); to amend the tax law, in relation to extending certain property rehabilitation credits (Part TT); to amend the administrative code of the city of New York and the public authorities law, in relation to a tax on the transfer of certain real property within three years of the prior transfer of such property (Part UU); to amend the tax law, in relation to the amount of credit for cider, wine, and liquor under the alcoholic beverage production credit (Part VV); to amend the tax law, in relation to business tax surcharges on certain corporations and providers of certain services (Part WW); to amend the tax law and the administrative code of the city of New York, in relation to extending the high income charitable contribution deduction limitation (Part XX); to amend the tax law, in relation to imposing a tax on taxicab trips and HAIL vehicle trips that enter, originate, terminate or originate and terminate in the transit sustainability improvement zone (Part YY); to amend the tax law, in relation to the enforcement of delinquent tax liabilities by means of the suspension of licenses to operate a motor vehicle (Part ZZ); to amend chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, in relation to extending the provisions thereof (Part AAA); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Inquiry Compensation Fund, Inc. (Part BBB); to amend the public housing law, in relation to the authority of certain municipalities to enact a tax on tobacco products other than cigarettes and on vapor products; and to amend the public housing law, in relation to the authority of the city of New York to impose a tax on tobacco products other than cigarettes and on vapor products (Part CCC); to amend the tax law, in relation to establishing a personal income tax credit for preceptor clinicians who provide preceptor instruction; and providing for the repeal of such provisions upon the expiration there-

of (Part DDD); and to amend the tax law, in relation to providing insurance corporations with a tax credit for investments made in rural business growth funds; and to amend the state finance law, in relation to establishing the New York agriculture and rural jobs fund (Part EEE)

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

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2018-2019
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through EEE. The effective date for each partic-
5 ular provision contained within such Part is set forth in the last
6 section of such Part. Any provision in any section contained within a
7 Part, including the effective date of the Part, which makes a reference
8 to a 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 Intentionally Omitted

14 PART B

15 Section 1. Subparagraph (ii) of paragraph (b) of subdivision 4 of
16 section 425 of the real property tax law, as amended by section 3 of
17 part E of chapter 83 of the laws of 2002, is amended to read as follows:
18 (ii) The term "income" as used herein shall mean the "adjusted gross
19 income" for federal income tax purposes as reported on the applicant's
20 federal or state income tax return for the applicable income tax year,
21 subject to any subsequent amendments or revisions, reduced by distrib-
22 utions, to the extent included in federal adjusted gross income,
23 received from an individual retirement account and an individual retire-
24 ment annuity; provided that if no such return was filed for the applica-
25 ble income tax year, "income" shall mean the adjusted gross income that
26 would have been so reported if such a return had been filed. Provided
27 further, that effective with exemption applications for final assessment
28 rolls to be completed in two thousand nineteen, where an income-eligi-
29 bility determination is wholly or partly based upon the income of one or
30 more individuals who did not file a return for the applicable income tax
31 year, then in order for the application to be considered complete, each
32 such individual must file a statement with the department showing the
33 source or sources of his or her income for that income tax year, and the
34 amount or amounts thereof, that would have been reported on such a
35 return if one had been filed. Such statement shall be filed at such
36 time, and in such form and manner, as may be prescribed by the depart-
37 ment, and shall be subject to the secrecy provisions of the tax law to
38 the same extent that a personal income tax return would be. The depart-
39 ment shall make such forms and instructions available for the filing of
40 such statements. The local assessor shall upon the request of a taxpayer
41 assist such taxpayer in the filing of the statement with the department.

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

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

24 (B) Where the commissioner finds that the enhanced exemption should be
25 replaced with a basic exemption because the income limitation applicable
26 to the enhanced exemption has been exceeded, he or she shall provide the
27 property owners with notice and an opportunity to submit to the commis-
28 sioner evidence to the contrary. Where the commissioner finds that the
29 enhanced exemption should be removed or denied without being replaced
30 with a basic exemption because the income limitation applicable to the
31 basic exemption has also been exceeded, he or she shall provide the
32 property owners with notice and an opportunity to submit to the commis-
33 sioner evidence to the contrary. In either case, if the owners fail to
34 respond to such notice within forty-five days from the mailing thereof,
35 or if their response does not show to the commissioner's satisfaction
36 that the property is eligible for the exemption claimed, the commis-
37 er shall direct the assessor or other person having custody or control
38 of the assessment roll or tax roll to either replace the enhanced
39 exemption with a basic exemption, or to remove or deny the enhanced
40 exemption without replacing it with a basic exemption, as appropriate.
41 The commissioner shall further direct such person to correct the roll
42 accordingly. Such a directive shall be binding upon the assessor or
43 other person having custody or control of the assessment roll or tax
44 roll, and shall be implemented by such person without the need for
45 further documentation or approval.

46 (C) Notwithstanding any provision of law to the contrary, neither an
47 assessor nor a board of assessment review has the authority to consider
48 an objection to the replacement or removal or denial of an exemption
49 pursuant to this subdivision, nor may such an action be reviewed in a
50 proceeding to review an assessment pursuant to title one or one-A of
51 article seven of this chapter. Such an action may only be challenged
52 before the department. If a taxpayer is dissatisfied with the depart-
53 ment's final determination, the taxpayer may appeal that determination
54 to the state board of real property tax services in a form and manner to
55 be prescribed by the commissioner. Such appeal shall be filed within
56 forty-five days from the issuance of the department's final determi-

1 nation. If dissatisfied with the state board's determination, the
2 taxpayer may seek judicial review thereof pursuant to article seventy-
3 eight of the civil practice law and rules. The taxpayer shall otherwise
4 have no right to challenge such final determination in a court action,
5 administrative proceeding or any other form of legal recourse against
6 the commissioner, the department, the state board of real property tax
7 services, the assessor or other person having custody or control of the
8 assessment roll or tax roll regarding such action.

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

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

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

18 (d) Third party notice. (i) A senior citizen eligible for the enhanced
19 exemption may request that a notice be sent to an adult third party.
20 Such request shall be made on a form prescribed by the commissioner and
21 shall be submitted to the assessor of the assessing unit in which the
22 eligible taxpayer resides no later than sixty days before the first
23 taxable status date to which it is to apply. Such form shall provide a
24 section whereby the designated third party shall consent to such desig-
25 nation. Such request shall be effective upon receipt by the assessor.
26 The assessor shall maintain a list of all eligible property owners who
27 have requested notices pursuant to this paragraph and shall furnish a
28 copy of such list to the department upon request.

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

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

42 (iii) In the case of a senior citizen who has elected to participate
43 in the STAR income verification program, a) A notice shall be sent to
44 the designated third party whenever the assessor or department sends a
45 notice to the senior citizen regarding the possible removal of the
46 enhanced STAR exemption. When the exemption is subject to removal
47 because the commissioner has determined that the income eligibility
48 requirement is not satisfied, such notice shall be sent to the third
49 party by the department. When the exemption is subject to removal
50 because the assessor has determined that any other eligibility require-
51 ment is not satisfied, such notice shall be sent to the third party by
52 the assessor. Such notice shall read substantially as follows:

53 "On behalf of (identify senior citizen or citizens), you are advised
54 that his, her, or their enhanced STAR exemption is at risk of being
55 removed. You are encouraged to make sure that he, she or they are aware
56 of that fact, and to offer assistance if needed, although you are under

1 no legal obligation to do so. Your cooperation and assistance are great-
2 ly appreciated."

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

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

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

13 9-b. Duration of exemption; enhanced exemption. (a) [In the case of
14 persons who have elected to participate in the STAR income verification
15 program, the] The enhanced exemption, once granted, shall remain in
16 effect until discontinued in the manner provided in this section.

17 (b) [In the case of persons who have not elected to participate in the
18 STAR income verification program, the enhanced exemption shall apply for
19 a term of one year. To continue receiving such enhanced exemption, a
20 renewal application must be filed annually with the assessor on or
21 before the applicable taxable status date on a form prescribed by the
22 commissioner. Provided, however, that if a renewal application is not so
23 filed, the assessor shall discontinue the enhanced exemption but shall
24 grant the basic exemption, subject to the provisions of subdivision
25 eleven of this section.

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

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

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

38 14-a. Implementation of certain eligibility determinations. When a
39 taxpayer's eligibility for exemption under this section for a school
40 year is affected by a determination made in accordance with subparagraph
41 (iv) of paragraph (b) of subdivision four of this section or paragraph
42 (c) or (d) of subdivision fourteen of this section, and the determi-
43 nation is made after the school district taxes for that school year have
44 been levied, the provisions of this subdivision shall be applicable.

45 (a) If the determination restores or increases the taxpayer's
46 exemption for that school year, the commissioner is authorized to remit
47 the excess directly to the property owner upon receiving confirmation
48 that the taxpayer's original school tax bill has been paid in full. The
49 amounts payable by the commissioner under this paragraph shall be paid
50 from the account established for the payment of STAR benefits to late
51 registrants pursuant to subparagraph (iii) of paragraph (a) of subdivi-
52 sion fourteen of this section. When the commissioner implements the
53 determination in this manner, he or she shall so notify the assessor and
54 county director of real property tax services, but no correction shall
55 be made to the assessment roll or tax roll for that school year, and no
56 refund shall be issued by the school authorities to the property owner

1 or his or her agent for the excessive amount of school taxes paid for
2 that school year.

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

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

16 § 10. Subparagraph (B) of paragraph 1 of subsection (eee) of section
17 606 of the tax law, as amended by section 8 of part A of chapter 73 of
18 the laws of 2016, is amended to read as follows:

19 (B) "Affiliated income" shall mean for purposes of the basic STAR
20 credit, the combined income of all of the owners of the parcel who
21 resided primarily thereon as of December thirty-first of the taxable
22 year, and of any owners' spouses residing primarily thereon as of such
23 date, and for purposes of the enhanced STAR credit, the combined income
24 of all of the owners of the parcel as of December thirty-first of the
25 taxable year, and of any owners' spouses residing primarily thereon as
26 of such date; provided that for both purposes the income to be so
27 combined shall be the "adjusted gross income" for the taxable year as
28 reported for federal income tax purposes, or that would be reported as
29 adjusted gross income if a federal income tax return were required to be
30 filed, reduced by distributions, to the extent included in federal
31 adjusted gross income, received from an individual retirement account
32 and an individual retirement annuity. For taxable years beginning on and
33 after January first, two thousand nineteen, where an income-eligibility
34 determination is wholly or partly based upon the income of one or more
35 individuals who did not file a return pursuant to section six hundred
36 fifty-one of this article for the applicable income tax year, then in
37 order to be eligible for the credit authorized by this subsection, each
38 such individual must file a statement with the department showing the
39 source or sources of his or her income for that income tax year, and the
40 amount or amounts thereof, that would have been reported on such a
41 return if one had been filed. Such statement shall be filed at such
42 time, and in such form and manner, as may be prescribed by the depart-
43 ment, and shall be subject to the provisions of section six hundred
44 ninety-seven of this article to the same extent that a return would be.
45 The department shall make such forms and instructions available for the
46 filing of such statements. The local assessor shall upon the request of
47 a taxpayer assist such taxpayer in the filing of the statement with the
48 department. Provided further, that if the qualified taxpayer was an
49 owner of the property during the taxable year but did not own it on
50 December thirty-first of the taxable year, then the determination as to
51 whether the income of an individual should be included in "affiliated
52 income" shall be based upon the ownership and/or residency status of
53 that individual as of the first day of the month during which the quali-
54 fied taxpayer ceased to be an owner of the property, rather than as of
55 December thirty-first of the taxable year.

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

12 § 12. This act shall take effect immediately.

13

PART C

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

16 ix. Whenever there has been a transfer or acquisition of a share or
17 shares in a cooperative housing corporation, and such share or shares
18 come with a right to occupy a unit or apartment located in property
19 owned by such corporation, a transfer report must be filed by the trans-
20 feree or transferees directly with the department of taxation and
21 finance, regardless of whether a deed is prepared, delivered or
22 recorded, as set forth in this paragraph. The fee imposed by subdivision
23 three of this section shall not apply to transfer reports filed directly
24 with the department of taxation and finance pursuant to this paragraph.
25 Such report shall be in a form prescribed by the commissioner of taxa-
26 tion and finance, must contain the information required to be included
27 by this subdivision, and in addition, must specify the number of shares
28 being transferred or acquired. When a real estate transfer tax return is
29 filed with such commissioner pursuant to section fourteen hundred nine
30 of the tax law in relation to such property, the report required by this
31 paragraph shall be filed concurrently therewith, but in no event shall
32 the report required by this paragraph be deemed to be a part of such
33 real estate transfer tax return.

34 x. Whenever there has been a transfer or acquisition of a controlling
35 interest in an entity with an interest in real property, a transfer
36 report must be filed by the transferee or transferees directly with the
37 department of taxation and finance, regardless of whether a deed is
38 prepared, delivered or recorded, as set forth in this paragraph. The fee
39 imposed by subdivision three of this section shall not apply to transfer
40 reports filed directly with the department of taxation and finance
41 pursuant to this paragraph. Such report shall be in a form prescribed by
42 the commissioner of taxation and finance, must contain the information
43 required to be included by this subdivision, and in addition, must spec-
44 ify the percentage of the ownership interest being transferred or
45 acquired. The transfer report shall indicate the percentage of the tran-
46 saction that is exempt from the real estate transfer tax as a mere
47 change in identity or form of ownership or organization where there is
48 no change in beneficial ownership pursuant to paragraph six of subdivi-
49 sion (b) of section fourteen hundred five of the tax law, if any. When
50 a real estate transfer tax return is filed with such commissioner pursu-
51 ant to section fourteen hundred nine of the tax law in relation to such
52 property, the report required by this paragraph shall be filed concu-
53 rently therewith, but in no event shall the report required by this
54 paragraph be deemed to be a part of such real estate transfer tax



1 return. For purposes of this paragraph, the terms "controlling interest"
2 and "interest in real property" shall have the same meaning as set forth
3 in section fourteen hundred one of the tax law, provided, however, that
4 the term "interest in real property" shall be limited to interests in
5 real property subject to real property tax assessment such as lands,
6 buildings, structures, and other improvements, and shall not include
7 development rights, air space, or air rights.

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

10

PART D

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

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

20 2. On or before January first, nineteen hundred eighty-nine, each
21 manufactured home park owner or operator shall file a registration
22 statement with the commissioner and shall thereafter file an annual
23 registration statement on or before January first of each succeeding
24 year. The commissioner, by regulation, shall provide that such registra-
25 tion statement shall include only the names of all persons owning an
26 interest in the park, the names of all tenants of the park, all services
27 provided by the park owner to the tenants, and a copy of all current
28 manufactured home park rules and regulations. Commencing April first,
29 two thousand eighteen and on a filing date set by the commissioner, each
30 manufactured home park owner or operator shall also annually file a
31 supplemental registration statement with the commissioner providing the
32 names and addresses of all persons owning a mobile home or manufactured
33 home and leasing a lot within the park. The commissioner shall provide
34 the commissioner of taxation and finance with a copy of each registra-
35 tion statement and supplemental registration statement to be used by the
36 department for the purposes of determining eligibility and administering
37 the school tax relief (STAR) exemption program authorized by section
38 four hundred twenty-five of the real property tax law and the school tax
39 relief (STAR) credit authorized by subsection (eee) of section six
40 hundred six of the tax law.

41 3. Whenever there shall be a violation of this section, an application
42 may be made by the commissioner of housing and community renewal in the
43 name of the people of the state of New York to a court or justice having
44 jurisdiction by a special proceeding to issue an injunction, and upon
45 notice to the defendant of not less than five days, to enjoin and
46 restrain the continuance of such violation; and if it shall appear to
47 the satisfaction of the court or justice that the defendant has, in
48 fact, violated this section, an injunction may be issued by such court
49 or justice, enjoining and restraining any further violation and with
50 respect to this subdivision, directing the filing of a registration
51 statement. In any such proceeding, the court may make allowances to the
52 commissioner of housing and community renewal of a sum not exceeding two
53 thousand dollars against each defendant, and direct restitution. When-
54 ever the court shall determine that a violation of this section has

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

10 § 2. This act shall take effect immediately.

11 PART E

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

13 § 1-a. Section 3-d of the general municipal law is REPEALED.

14 § 1-b. Section 2023-b of the education law is REPEALED.

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

17 § 3-d. Certification of compliance with tax levy limit. 1. Upon the
18 adoption of the budget of a local government unit, the chief executive
19 officer or budget officer of such local government unit shall certify to
20 the state comptroller and the commissioner of taxation and finance that
21 the budget so adopted does not exceed the tax levy limit prescribed in
22 section three-c of this article and, if the governing body of the local
23 government unit did enact a local law or approve a resolution to over-
24 ride the tax levy limit, that such local law or resolution was subse-
25 quently repealed. Such certification shall be made in a form and manner
26 prescribed by the state comptroller in consultation with the commis-
27 er of taxation and finance.

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

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

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

42 § 2023-b. Certification of compliance with tax levy limit. 1. Upon
43 the adoption of the budget of an eligible school district, the chief
44 executive officer of such school district shall certify to the state
45 comptroller, the commissioner of taxation and finance and the commis-
46 sioner that the budget so adopted does not exceed the tax levy limit
47 prescribed by section two thousand twenty-three-a of this part. Such
48 certification shall be made in a form and manner prescribed by the state
49 comptroller in consultation with the commissioner of taxation and
50 finance and the commissioner.

51 2. If such a certification has been made and the actual tax levy of
52 the school district exceeds the applicable tax levy limit, the excess
53 amount shall be placed in reserve and used in the manner prescribed by
54 subdivision five of section two thousand twenty-three-a of this part,



1 even if a tax levy in excess of the tax levy limit had been duly author-
2 ized for the applicable fiscal year by the school district voters.

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

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

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

18 § 5. Section 925-b of the real property tax law, as amended by chapter
19 161 of the laws of 2006, is amended to read as follows:

20 § 925-b. Extension; certain persons sixty-five years of age or over.
21 Notwithstanding any contrary provision of this chapter, or any general,
22 special or local law, code or charter, the governing body of a municipal
23 corporation other than a county may, by resolution adopted prior to the
24 levy of any taxes on real property located within such municipal corpo-
25 ration, authorize an extension of no more than five business days for
26 the payment of taxes without interest or penalty to any resident of such
27 municipal corporation who has received an exemption pursuant to subdivi-
28 sion four of section four hundred twenty-five or four hundred sixty-sev-
29 en of this chapter, or a credit pursuant to subsection (eee) of section
30 six hundred six of the tax law, related to a principal residence located
31 within such municipal corporation. If such an extension is granted, and
32 any taxes are not paid by the final date so provided, those taxes shall
33 be subject to the same interest and penalties that would have applied if
34 no extension had been granted.

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

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

42 (e) If the taxes of a city, town, village or school district are not
43 collected by a county official, but its tax bills are prepared by the
44 county, or its tax collection accounting software is provided by the
45 county, then before the city, town, village or school district may
46 implement a partial payment program pursuant to this section, it must
47 obtain written approval of the chief executive officer of the county or
48 the county director of real property tax services.

49 § 7. Subparagraph (B) of paragraph 7 of subsection (eee) of section
50 606 of the tax law, as amended by section 1 of part G of chapter 59 of
51 the laws of 2017, is amended to read as follows:

52 (B) Notwithstanding any provision of law to the contrary, the names
53 and addresses of individuals who have applied for or are receiving the
54 credit authorized by this subsection may be disclosed to assessors
55 [and], county directors of real property tax services, and municipal tax
56 collecting officers. In addition, where an agreement is in place between

1 the commissioner and the head of the tax department of another state,
2 such information may be disclosed to such official or his or her desig-
3 nees. Such information shall be considered confidential and shall not be
4 subject to further disclosure pursuant to the freedom of information law
5 or otherwise.

6 § 7-a. Paragraph (g) of subdivision 2 of section 425 of the real prop-
7 erty tax law, as added by section 1 of part B of chapter 389 of the laws
8 of 1997 and as further amended by subdivision (b) of section 1 of part W
9 of chapter 56 of the laws of 2010, is amended to read as follows:

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

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

30 (A) A married couple may not receive a credit pursuant to this
31 subsection on more than one residence during any given taxable year,
32 unless living apart due to legal separation. Nor may a married couple
33 receive a credit pursuant to this subsection on one residence while
34 receiving an exemption pursuant to section four hundred twenty-five of
35 the real property tax law on another residence, unless living apart due
36 to legal separation.

37 § 9. This act shall take effect immediately; provided, however, that
38 sections one, one-a, one-b, two and three of this act shall take effect
39 April 15, 2020; provided further, however, that section 3-d of the
40 general municipal law, as added by section two of this act, shall expire
41 and be deemed repealed on the same date and in the same manner as
42 section 1 of part A of chapter 97 of the laws of 2011, expires and is
43 deemed repealed, and provided that section 2023-b of the education law,
44 as added by section three of this act, shall expire and be deemed
45 repealed on the same date and in the same manner as section 2 of part A
46 of chapter 97 of the laws of 2011, expires and is deemed repealed, and
47 provided further that the amendments to paragraph 6 of subsection (eee)
48 of section 606 of the tax law made by section eight of this act shall
49 take effect immediately and shall apply to taxable years beginning on or
50 after January 1, 2016.

REPEAL NOTE: Section 606(bbb) of the Tax Law, section 3-d of the
General Municipal Law and section 2023-b of the Education Law collec-
tively constituted the enabling legislation for the tax freeze credit
program. By the terms of those statutes, the tax freeze credit was only
applicable to taxable years 2014, 2015 and 2016. Therefore, these
provisions no longer serve a purpose, except for the reporting

provisions, which facilitate the administration of the tax levy limit program and are being preserved in a reenacted section 3-d of the General Municipal Law and section 2023-b of the Education Law.

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PART F

Intentionally Omitted

PART G

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

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

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

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

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

(i) For assessment rolls with taxable status dates in two thousand eighteen, the assessment ceiling shall not be less than seventy-five percent or more than one hundred twenty-five percent of the assessment of such local public utility mass real property appearing on the municipi-

1 pal assessment roll with a taxable status date occurring in the year two
2 thousand thirteen.

3 (ii) For assessment rolls with taxable status dates in two thousand
4 nineteen, the assessment ceiling shall not be less than fifty percent or
5 more than one hundred fifty percent of the assessment of such local
6 public utility mass real property appearing on the municipal assessment
7 roll with a taxable status date occurring in the year two thousand thir-
8 teen.

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

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

19 PART H

20 Intentionally Omitted

21 PART I

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

25 (1) The commissioner of taxation and finance may prescribe regulations
26 and instructions requiring returns of information to be made and filed
27 on or before February twenty-eighth of each year as to the payment or
28 crediting in any calendar year of amounts of six hundred dollars or more
29 to any taxpayer under this article. Such returns may be required of any
30 person, including lessees or mortgagors of real or personal property,
31 fiduciaries, employers, and all officers and employees of this state, or
32 of any municipal corporation or political subdivision of this state,
33 having the control, receipt, custody, disposal or payment of interest,
34 rents, salaries, wages, premiums, annuities, compensations, remunera-
35 tions, emoluments or other fixed or determinable gains, profits or
36 income, except interest coupons payable to bearer. Information required
37 to be furnished pursuant to paragraph four of subsection (a) of section
38 six hundred seventy-four on a quarterly combined withholding and wage
39 reporting return covering [the last] each calendar quarter of each year
40 and relating to tax withheld on wages paid by an employer to an employee
41 for [the full] each calendar [year] quarter, shall constitute the return
42 of information required to be made under this section with respect to
43 such wages.

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

47 (A) All employers described in paragraph one of subsection (a) of
48 section six hundred seventy-one of this part, including those whose
49 wages paid are not sufficient to require the withholding of tax from the
50 wages of any of their employees, all employers required to provide the
51 wage reporting information for the employees described in subdivision
52 one of section one hundred seventy-one-a of this chapter, and all

1 employers liable for unemployment insurance contributions or for
2 payments in lieu of such contributions pursuant to article eighteen of
3 the labor law, shall file a quarterly combined withholding, wage report-
4 ing and unemployment insurance return detailing the preceding calendar
5 quarter's withholding tax transactions, such quarter's wage reporting
6 information, such quarter's withholding reconciliation information, such
7 quarter's unemployment insurance contributions, and such other related
8 information as the commissioner of taxation and finance or the commis-
9 sioner of labor, as applicable, may prescribe. [In addition, the return
10 covering the last calendar quarter of each year shall also include with-
11 holding reconciliation information for such calendar year.] Such returns
12 shall be filed no later than the last day of the month following the
13 last day of each calendar quarter.

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

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

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

35

PART J

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

40 (i) The receipts from every sale, other than sales for resale, of
41 beer, wine or other alcoholic beverages or any other drink of any
42 nature, or from every sale, other than sales for resale, of food and
43 drink of any nature or of food alone, when sold in or by restaurants,
44 taverns or other establishments in this state, or by caterers, including
45 in the amount of such receipts any cover, minimum, entertainment or
46 other charge made to patrons or customers (except those receipts taxed
47 pursuant to subdivision (f) of this section):

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

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

1 (3) in those instances where the sale is made through a vending
2 machine that is activated by use of coin, currency, credit card or debit
3 card (except the sale of drinks in a heated state made through such a
4 vending machine) or is for consumption off the premises of the vendor,
5 except where food (other than sandwiches) or drink or both are (A) sold
6 in an unheated state and, (B) are of a type commonly sold for consump-
7 tion off the premises and in the same form and condition, quantities and
8 packaging, in establishments which are food stores other than those
9 principally engaged in selling foods prepared and ready to be eaten.
10 § 2. This act shall take effect June 1, 2018 and shall apply to sales
11 made on and after such date.

12 PART K

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

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

32 2. The comptroller shall keep all information he or she obtains from
33 the commissioner confidential, and any employee, agent or representative
34 of the comptroller is prohibited from disclosing any taxpayer informa-
35 tion received under this section to anyone other than the commissioner
36 or staff of the department or staff of the department of audit and
37 control for the purposes described in this section.

38 § 2. This act shall take effect immediately.

39 PART L

40 Intentionally Omitted

41 PART M

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

44 § 44. Investment management services. (a) For purposes of this
45 section, the term "investment management services" to a partnership, S
46 corporation or entity includes (1) rendering investment advice regarding
47 the purchase or sale of securities as defined in paragraph two of
48 subsection (c) of section four hundred seventy-five of the internal
49 revenue code without regard to the last sentence thereof, real estate
50 held for rental or investment, interests in partnerships, commodities as

1 defined in paragraph two of subsection (e) of section four hundred
2 seventy-five of the internal revenue code, or options or derivative
3 contracts with respect to any of the foregoing; (2) managing, acquiring,
4 or disposing of any such asset; (3) arranging financing with respect to
5 the acquisition of any such asset; and (4) related activities in support
6 of any service described in paragraphs one, two, or three of this subdi-
7 vision.

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

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

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

34 (3) A partner or shareholder will not be deemed to be providing
35 investment management services under this section if at least eighty
36 percent of the average fair market value of the assets of the partner-
37 ship or S corporation during the taxable year consist of real estate
38 held for rental or investment.

39 (c) In addition to any other taxes or surcharges imposed pursuant to
40 article nine-A or twenty-two of this chapter, any corporation, partner
41 or shareholder providing investment management services shall be subject
42 to an additional tax, referred to as the "carried interest fairness
43 fee". Such carried interest fairness fee shall be equal to seventeen
44 percent of the excess amount determined pursuant to subdivision (b) of
45 this section; provided, however, (i) in the case of a corporation or
46 shareholder of an S corporation providing such investment management
47 services, such fee shall be equal to seventeen percent of the excess
48 amount apportioned to the state by applying the corporation's or S
49 corporation's apportionment factor determined under section two hundred
50 ten-A of this chapter; (ii) in the case of a nonresident partner provid-
51 ing such investment management services, such fee shall be equal to
52 seventeen percent of the excess amount derived from New York sources as
53 determined under section six hundred thirty-two of this chapter. Such
54 carried interest fairness fee shall be administered in accordance with
55 article nine-A or twenty-two of this chapter, as applicable, until such
56 time as the commissioner of taxation and finance has notified the legis-

1 lative bill drafting commission that federal legislation has been
2 enacted that treats the provision of investment management services for
3 federal tax purposes substantially the same as provided in this section.

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

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

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

27 (b) Character of items. [Each] Except as provided in section forty-
28 four of this chapter, each item of partnership and S corporation income,
29 gain, loss, or deduction shall have the same character for a partner or
30 shareholder under this article as for federal income tax purposes. Where
31 an item is not characterized for federal income tax purposes, it shall
32 have the same character for a partner or shareholder as if realized
33 directly from the source from which realized by the partnership or S
34 corporation or incurred in the same manner as incurred by the partner-
35 ship or S corporation.

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

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

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

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

53 § 6. For taxable years beginning on or after January 1, 2018 and
54 before January 1, 2019, (i) no addition to tax under subsection (c) of
55 section 685 or subsection (c) of section 1085 of the tax law shall be
56 imposed with respect to any underpayment attributable to the amendments

1 made by this act of any estimated taxes that are required to be paid
2 prior to the effective date of this act, provided that the taxpayer
3 timely made those payments; and (ii) the required installment of esti-
4 mated tax described in clause (ii) of subparagraph (B) of paragraph 3 of
5 subsection (c) of section 685 of the tax law, and the exception to addi-
6 tion for underpayment of estimated tax described in paragraph 1 or 2 of
7 subsection (d) of section 1085 of the tax law, in relation to the
8 preceding year's return, shall be calculated as if the amendments made
9 by this act had been in effect for that entire preceding year.

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

26

PART N

27

Intentionally Omitted

28

PART O

29 Section 1. Subparagraph (B) of paragraph 1 of subsection (b) of
30 section 605 of the tax law, as amended by chapter 28 of the laws of
31 1987, is amended to read as follows:

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

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

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

47 § 3. Subparagraph (B) of paragraph 1 of subdivision (b) of section
48 11-1705 of the administrative code of the city of New York, as amended
49 by chapter 333 of the laws of 1987, is amended to read as follows:

50 (B) who [is not domiciled in this city but] maintains a permanent
51 place of abode in this city and spends in the aggregate more than one
52 hundred eighty-three days of the taxable year in this city, whether or



1 not domiciled in this city for any portion of the taxable year, unless
2 such individual is in active service in the armed forces of the United
3 States.

4 § 4. This act shall take effect immediately and shall apply to taxable
5 years commencing on or after such date.

6

PART P

7 Section 1. Paragraph (1) of subsection (c-1) of section 606 of the tax
8 law, as amended by section 1 of part L1 of chapter 109 of the laws of
9 2006, is amended to read as follows:

10 (1) A resident taxpayer shall be allowed a credit as provided herein
11 equal to the greater of one hundred dollars times the number of qualify-
12 ing children of the taxpayer or the applicable percentage of the child
13 tax credit allowed the taxpayer under section twenty-four of the inter-
14 nal revenue code for the same taxable year for each qualifying child.
15 Provided, however, in the case of a taxpayer whose federal adjusted
16 gross income exceeds the applicable threshold amount set forth by
17 section 24(b)(2) of the Internal Revenue Code, the credit shall only be
18 equal to the applicable percentage of the child tax credit allowed the
19 taxpayer under section 24 of the Internal Revenue Code for each qualify-
20 ing child. For the purposes of this subsection, a qualifying child shall
21 be a child who meets the definition of qualified child under section
22 24(c) of the internal revenue code and is at least four years of age.
23 The applicable percentage shall be thirty-three percent. For purposes of
24 this subsection, any reference to section 24 of the Internal Revenue
25 Code shall be a reference to such section as it existed immediately
26 prior to the enactment of Public Law 115-97.

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

29

PART Q

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

33 (a) Allowance of credit. For taxable years beginning on or after Janu-
34 ary first, two thousand fifteen and before January first, two thousand
35 [nineteen] twenty-one, a taxpayer shall be allowed a credit, to be
36 computed as provided in this subdivision, against the tax imposed by
37 this article, for hiring and employing, for not less than one year and
38 for not less than thirty-five hours each week, a qualified veteran with-
39 in the state. The taxpayer may claim the credit in the year in which
40 the qualified veteran completes one year of employment by the taxpayer.
41 If the taxpayer claims the credit allowed under this subdivision, the
42 taxpayer may not use the hiring of a qualified veteran that is the basis
43 for this credit in the basis of any other credit allowed under this
44 article.

45 (b) Qualified veteran. A qualified veteran is an individual:

46 (1) who served on active duty in the United States army, navy, air
47 force, marine corps, coast guard or the reserves thereof, or who served
48 in active military service of the United States as a member of the army
49 national guard, air national guard, New York guard or New York naval
50 militia; who was released from active duty by general or honorable
51 discharge after September eleventh, two thousand one;



1 (2) who commences employment by the qualified taxpayer on or after
2 January first, two thousand fourteen, and before January first, two
3 thousand [eighteen] twenty; and

4 (3) who certifies by signed affidavit, under penalty of perjury, that
5 he or she has not been employed for thirty-five or more hours during any
6 week in the one hundred eighty day period immediately prior to his or
7 her employment by the taxpayer.

8 § 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax
9 law, as amended by section 2 of part I of chapter 60 of the laws of
10 2016, are amended to read as follows:

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

23 (2) Qualified veteran. A qualified veteran is an individual:

24 (A) who served on active duty in the United States army, navy, air
25 force, marine corps, coast guard or the reserves thereof, or who served
26 in active military service of the United States as a member of the army
27 national guard, air national guard, New York guard or New York naval
28 militia; who was released from active duty by general or honorable
29 discharge after September eleventh, two thousand one;

30 (B) who commences employment by the qualified taxpayer on or after
31 January first, two thousand fourteen, and before January first, two
32 thousand [eighteen] twenty; and

33 (C) who certifies by signed affidavit, under penalty of perjury, that
34 he or she has not been employed for thirty-five or more hours during any
35 week in the one hundred eighty day period immediately prior to his or
36 her employment by the taxpayer.

37 § 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the
38 tax law, as amended by section 3 of part I of chapter 60 of the laws of
39 2016, are amended to read as follows:

40 (1) Allowance of credit. For taxable years beginning on or after Janu-
41 ary first, two thousand fifteen and before January first, two thousand
42 [nineteen] twenty-one, a taxpayer shall be allowed a credit, to be
43 computed as provided in this subdivision, against the tax imposed by
44 this article, for hiring and employing, for not less than one year and
45 for not less than thirty-five hours each week, a qualified veteran with-
46 in the state. The taxpayer may claim the credit in the year in which
47 the qualified veteran completes one year of employment by the taxpayer.
48 If the taxpayer claims the credit allowed under this subdivision, the
49 taxpayer may not use the hiring of a qualified veteran that is the basis
50 for this credit in the basis of any other credit allowed under this
51 article.

52 (2) Qualified veteran. A qualified veteran is an individual:

53 (A) who served on active duty in the United States army, navy, air
54 force, marine corps, coast guard or the reserves thereof, or who served
55 in active military service of the United States as a member of the army
56 national guard, air national guard, New York guard or New York naval

1 militia; who was released from active duty by general or honorable
2 discharge after September eleventh, two thousand one;

3 (B) who commences employment by the qualified taxpayer on or after
4 January first, two thousand fourteen, and before January first, two
5 thousand [eighteen] twenty; and

6 (C) who certifies by signed affidavit, under penalty of perjury, that
7 he or she has not been employed for thirty-five or more hours during any
8 week in the one hundred eighty day period immediately prior to his or
9 her employment by the taxpayer.

10 § 4. This act shall take effect immediately.

11

PART R

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

15 (c) A qualified employer shall be entitled to a tax credit equal to
16 (1) [five] seven hundred fifty dollars per month for up to six months
17 for each qualified employee the employer employs in a full-time job or
18 [two] three hundred [fifty] seventy-five dollars per month for up to six
19 months for each qualified employee the employer employs in a part-time
20 job of at least twenty hours per week or ten hours per week when the
21 qualified employee is enrolled in high school full-time, (2) [one thou-
22 sand] fifteen hundred dollars for each qualified employee who is
23 employed for at least an additional six consecutive months by the quali-
24 fied employer in a full-time job or [five] seven hundred fifty dollars
25 for each qualified employee who is employed for at least an additional
26 six consecutive months by the qualified employer in a part-time job of
27 at least twenty hours per week or ten hours per week when the qualified
28 employee is enrolled in high school full-time, and (3) an additional
29 [one thousand] fifteen hundred dollars for each qualified employee who
30 is employed for at least an additional year after the [first year of the
31 employee's employment] completion of the time periods and satisfaction
32 of the conditions set forth in paragraphs one and two of this subdivi-
33 sion by the qualified employer in a full-time job or [five] seven
34 hundred fifty dollars for each qualified employee who is employed for at
35 least an additional year after the [first year of the employee's employ-
36 ment] completion of the time periods and satisfaction of the conditions
37 set forth in paragraphs one and two of this subdivision by the qualified
38 employer in a part-time job of at least twenty hours per week or ten
39 hours per week when the qualified employee is enrolled in high school
40 full time. The tax credits shall be claimed by the qualified employer as
41 specified in subdivision thirty-six of section two hundred ten-B and
42 subsection (tt) of section six hundred six of the tax law.

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

48 (d) To participate in the program established under this section, an
49 employer must submit an application (in a form prescribed by the commis-
50 sioner) to the commissioner after January first, two thousand twelve but
51 no later than November thirtieth, two thousand twelve for program one,
52 after January first, two thousand fourteen but no later than November
53 thirtieth, two thousand fourteen for program two, after January first,
54 two thousand fifteen but no later than November thirtieth, two thousand

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

48 (1) agree to allow the department of taxation and finance to share its
49 tax information with the commissioner. However, any information shared
50 as a result of this agreement shall not be available for disclosure or
51 inspection under the state freedom of information law, and

52 (2) allow the commissioner and its agents and the department of taxa-
53 tion and finance and its agents access to any and all books and records
54 of employers the commissioner may require to monitor compliance.

55 (e) If, after reviewing the application submitted by an employer, the
56 commissioner determines that such employer is eligible to participate in



1 the program established under this section, the commissioner shall issue
2 the employer a preliminary certificate of eligibility that establishes
3 the employer as a qualified employer. The preliminary certificate of
4 eligibility shall specify the maximum amount of tax credit that the
5 employer [will] may be allowed to claim and the program year under which
6 it [can] may be claimed. The maximum amount of tax credit the employer
7 is allowed to claim shall be computed as prescribed in subdivision (c)
8 of this section.

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

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

18 (e-1) (1) To receive an annual final certificate of tax credit, the
19 qualified employer must annually submit, on or before January thirty-
20 first of the calendar year subsequent to the payment of wages paid to an
21 eligible employee, a report to the commissioner, in a form prescribed by
22 the commissioner. The report must demonstrate that the employer has
23 satisfied all eligibility requirements and provided all the information
24 necessary for the commissioner to compute an actual amount of credit
25 allowed.

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

30 (i) The name and employer identification number of the qualified
31 employer;

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

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

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

40 (e-2) In determining the amount of credit for purposes of the annual
41 final certificate of tax credit, the portion of the credit described in
42 paragraph one of subdivision (c) of this section shall be allowed for
43 the calendar year in which the wages are paid to the qualified employee,
44 the portion of the credit described in paragraph two of subdivision (c)
45 of this section shall be allowed for the calendar year in which the
46 additional six consecutive month period ends, and the portion of the
47 credit described in paragraph three of subdivision (c) of this section
48 shall be allowed for the calendar year in which the additional year of
49 consecutive employment ends after the completion of the time periods and
50 satisfaction of the conditions set forth in paragraphs one and two of
51 subdivision (c) of this section. If the qualified employer's taxable
52 year is a calendar year, the employer shall be entitled to claim the
53 credit as calculated on the annual final certificate of tax credit on
54 the calendar year return for which the annual final certificate of tax
55 credit was issued. If the qualified employer's taxable year is a fiscal
56 year, the employer shall be entitled to claim the credit as calculated

1 on the annual final certificate of tax credit on the return for the
2 fiscal year that encompasses the date on which the annual final certif-
3 icate of tax credit is issued.

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

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

22 (a) A taxpayer that has been certified by the commissioner of labor as
23 a qualified employer pursuant to section twenty-five-a of the labor law
24 shall be allowed a credit against the tax imposed by this article equal
25 to (i) [five] seven hundred fifty dollars per month for up to six months
26 for each qualified employee the employer employs in a full-time job or
27 [two] three hundred [fifty] seventy-five dollars per month for up to six
28 months for each qualified employee the employer employs in a part-time
29 job of at least twenty hours per week or ten hours per week when the
30 qualified employee is enrolled in high school full-time, (ii) [one thou-
31 sand] fifteen hundred dollars for each qualified employee who is
32 employed for at least an additional six consecutive months by the quali-
33 fied employer in a full-time job or [five] seven hundred fifty dollars
34 for each qualified employee who is employed for at least an additional
35 six consecutive months by the qualified employer in a part-time job of
36 at least twenty hours per week or ten hours per week when the qualified
37 employee is enrolled in high school full-time, and (iii) an additional
38 [one thousand] fifteen hundred dollars for each qualified employee who
39 is employed for at least an additional year after the [first year of the
40 employee's employment] completion of the time periods and satisfaction
41 of the conditions set forth in subparagraphs (i) and (ii) of this para-
42 graph by the qualified employer in a full-time job or [five] seven
43 hundred fifty dollars for each qualified employee who is employed for at
44 least an additional year after the [first year of the employee's employ-
45 ment] completion of the time periods and satisfaction of the conditions
46 set forth in subparagraphs (i) and (ii) of this paragraph by the quali-
47 fied employer in a part-time job of at least twenty hours per week or
48 ten hours per week when the qualified employee is enrolled in high
49 school full-time. For purposes of this subdivision, the term "qualified
50 employee" shall have the same meaning as set forth in subdivision (b) of
51 section twenty-five-a of the labor law. The portion of the credit
52 described in subparagraph (i) of this paragraph shall be allowed for the
53 taxable year in which the wages are paid to the qualified employee, the
54 portion of the credit described in subparagraph (ii) of this paragraph
55 shall be allowed in the taxable year in which the additional six month
56 period ends, and the portion of the credit described in subparagraph

1 (iii) of this paragraph shall be allowed in the taxable year in which
2 the additional year after the first year of employment ends.

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

5 (a) A taxpayer that has been certified by the commissioner of labor as
6 a qualified employer pursuant to section twenty-five-a of the labor law
7 and received an annual final certificate of tax credit from such commis-
8 sioner shall be allowed a credit against the tax imposed by this article
9 equal to [(i) seven hundred fifty dollars per month for up to six months
10 for each qualified employee the employer employs in a full-time job or
11 three hundred seventy-five dollars per month for up to six months for
12 each qualified employee the employer employs in a part-time job of at
13 least twenty hours per week or ten hours per week when the qualified
14 employee is enrolled in high school full-time, (ii) fifteen hundred
15 dollars for each qualified employee who is employed for at least an
16 additional six consecutive months by the qualified employer in a full-
17 time job or seven hundred fifty dollars for each qualified employee who
18 is employed for at least an additional six consecutive months by the
19 qualified employer in a part-time job of at least twenty hours per week
20 or ten hours per week when the qualified employee is enrolled in high
21 school full-time, and (iii) an additional fifteen hundred dollars for
22 each qualified employee who is employed for at least an additional year
23 after the completion of the time periods and satisfaction of the condi-
24 tions set forth in subparagraphs (i) and (ii) of this paragraph by the
25 qualified employer in a full-time job or seven hundred fifty dollars for
26 each qualified employee who is employed for at least an additional year
27 after the completion of the time periods and satisfaction of the condi-
28 tions set forth in subparagraphs (i) and (ii) of this paragraph by the
29 qualified employer in a part-time job of at least twenty hours per week
30 or ten hours per week when the qualified employee is enrolled in high
31 school full-time. For purposes of this subdivision, the term "qualified
32 employee" shall have the same meaning as set forth in subdivision (b) of
33 section twenty-five-a of the labor law. The portion of the credit
34 described in subparagraph (i) of this paragraph shall be allowed for the
35 taxable year in which the wages are paid to the qualified employee, the
36 portion of the credit described in subparagraph (ii) of this paragraph
37 shall be allowed in the taxable year in which the additional six month
38 period ends, and the portion of the credit described in subparagraph
39 (iii) of this paragraph shall be allowed in the taxable year in which
40 the additional year after the first year of employment ends] the amount
41 listed on the annual final certificate of tax credit issued by the
42 commissioner of labor pursuant to section twenty-five-a of the labor
43 law. If the qualified employer's taxable year is a calendar year, the
44 employer shall be entitled to claim the credit as calculated on the
45 annual final certificate of tax credit on the calendar year return for
46 which the annual final certificate of tax credit was issued. If the
47 qualified employer's taxable year is a fiscal year, the employer shall
48 be entitled to claim the credit as calculated on the annual final
49 certificate of tax credit on the return for the fiscal year that encom-
50 passes the date on which the annual final certificate of tax credit is
51 issued. For the purposes of this subdivision, the term "qualified
52 employee" shall have the same meaning as set forth in subdivision (b) of
53 section twenty-five-a of the labor law.

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

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

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

17 (1) A taxpayer that has been certified by the commissioner of labor as
18 a qualified employer pursuant to section twenty-five-a of the labor law
19 shall be allowed a credit against the tax imposed by this article equal
20 to (A) [five] seven hundred fifty dollars per month for up to six months
21 for each qualified employee the employer employs in a full-time job or
22 [two] three hundred [fifty] seventy-five dollars per month for up to six
23 months for each qualified employee the employer employs in a part-time
24 job of at least twenty hours per week or ten hours per week when the
25 qualified employee is enrolled in high school full-time, and (B) [one
26 thousand] fifteen hundred dollars for each qualified employee who is
27 employed for at least an additional six consecutive months by the quali-
28 fied employer in a full-time job or [five] seven hundred fifty dollars
29 for each qualified employee who is employed for at least an additional
30 six consecutive months by the qualified employer in a part-time job of
31 at least twenty hours per week or ten hours per week when the qualified
32 employee is enrolled in high school full-time, and (C) an additional
33 [one thousand] fifteen hundred dollars for each qualified employee who
34 is employed for at least an additional year after the [first year of the
35 employee's employment] completion of the time periods and satisfaction
36 of the conditions set forth in subparagraphs A and B of this subsection
37 by the qualified employer in a full-time job or [five] seven hundred
38 fifty dollars for each qualified employee who is employed for at least
39 an additional year after the [first year of the employee's employment]
40 completion of the time periods and satisfaction of the conditions set
41 forth in subparagraphs A and B of this subsection by the qualified
42 employer in a part-time job of at least twenty hours per week or ten
43 hours per week when the qualified employee is enrolled in high school
44 full-time. A taxpayer that is a partner in a partnership, member of a
45 limited liability company or shareholder in an S corporation that has
46 been certified by the commissioner of labor as a qualified employer
47 pursuant to section twenty-five-a of the labor law shall be allowed its
48 pro rata share of the credit earned by the partnership, limited liabil-
49 ity company or S corporation. For purposes of this subsection, the term
50 "qualified employee" shall have the same meaning as set forth in subdi-
51 vision (b) of section twenty-five-a of the labor law. The portion of the
52 credit described in subparagraph (A) of this paragraph shall be allowed
53 for the taxable year in which the wages are paid to the qualified
54 employee, the portion of the credit described in subparagraph (B) of
55 this paragraph shall be allowed in the taxable year in which the addi-
56 tional six month period ends, and the portion of the credit described in

1 subparagraph (C) of this paragraph shall be allowed in the taxable year
2 in which the additional year after the first year of employment ends.

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

5 (1) A taxpayer that has been certified by the commissioner of labor as
6 a qualified employer pursuant to section twenty-five-a of the labor law
7 and received an annual final certificate of tax credit from such commis-
8 sioner shall be allowed a credit against the tax imposed by this article
9 equal to [(A) seven hundred fifty dollars per month for up to six months
10 for each qualified employee the employer employs in a full-time job or
11 three hundred seventy-five dollars per month for up to six months for
12 each qualified employee the employer employs in a part-time job of at
13 least twenty hours per week or ten hours per week when the qualified
14 employee is enrolled in high school full-time, and (B) fifteen hundred
15 dollars for each qualified employee who is employed for at least an
16 additional six consecutive months by the qualified employer in a full-
17 time job or seven hundred fifty dollars for each qualified employee who
18 is employed for at least an additional six consecutive months by the
19 qualified employer in a part-time job of at least twenty hours per week
20 or ten hours per week when the qualified employee is enrolled in high
21 school full-time, and (C) an additional fifteen hundred dollars for each
22 qualified employee who is employed for at least an additional year after
23 the completion of the time periods and satisfaction of the conditions
24 set forth in subparagraphs A and B of this subsection by the qualified
25 employer in a full-time job or seven hundred fifty dollars for each
26 qualified employee who is employed for at least an additional year after
27 the completion of the time periods and satisfaction of the conditions
28 set forth in subparagraphs A and B of this subsection by the qualified
29 employer in a part-time job of at least twenty hours per week or ten
30 hours per week when the qualified employee is enrolled in high school
31 full-time] the amount listed on the annual final certificate of tax
32 credit issued by the commissioner of labor pursuant to section twenty-
33 five-a of the labor law. A taxpayer that is a partner in a partnership,
34 member of a limited liability company or shareholder in an S corporation
35 that has [been certified by] received its annual final certificate of
36 tax credit from the commissioner of labor as a qualified employer pursu-
37 ant to section twenty-five-a of the labor law shall be allowed its pro
38 rata share of the credit earned by the partnership, limited liability
39 company or S corporation. [For purposes of this subsection, the term
40 "qualified employee" shall have the same meaning as set forth in subdi-
41 vision (b) of section twenty-five-a of the labor law. The portion of the
42 credit described in subparagraph (A) of this paragraph shall be allowed
43 for the taxable year in which the wages are paid to the qualified
44 employee, the portion of the credit described in subparagraph (B) of
45 this paragraph shall be allowed in the taxable year in which the addi-
46 tional six month period ends, and the portion of the credit described in
47 subparagraph (C) of this paragraph shall be allowed in the taxable year
48 in which the additional year after the first year of employment ends.]
49 If the qualified employer's taxable year is a calendar year, the employ-
50 er shall be entitled to claim the credit as calculated on the annual
51 final certificate of tax credit on the calendar year return for which
52 the annual final certificate of tax credit was issued. If the qualified
53 employer's taxable year is a fiscal year, the employer shall be entitled
54 to claim the credit as calculated on the annual final certificate of tax
55 credit on the return for the fiscal year that encompasses the date on
56 which the annual final certificate of tax credit is issued. For the



1 purposes of this subsection, the term "qualified employee" shall have
2 the same meaning as set forth in subdivision (b) of section
3 twenty-five-a of the labor law.

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

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

20 § 10. This act shall take effect immediately, provided however that
21 (i) section one of this act shall apply to tax years beginning on or
22 after January 1, 2018; (ii) sections four and seven of this act shall
23 apply to tax years beginning on or after January 1, 2018 and before
24 January 1, 2019; and (iii) sections two, three, five, six, eight, and
25 nine of this act shall take effect January 1, 2019 and shall apply to
26 tax years beginning on or after January 1, 2019.

27

PART S

28

Intentionally Omitted

29

PART T

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

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

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

40 (b) Notwithstanding the provisions of subdivision (a) of section four-
41 teen hundred four of this article, the additional tax imposed by this
42 section shall be paid by the grantee. If the grantee [is exempt from
43 such tax, the grantor shall have the duty to pay the tax] has failed to
44 pay the tax imposed by this article at the time required by section
45 fourteen hundred ten of this article or if the grantee is exempt from
46 such tax, the grantor shall have the duty to pay the tax. Where the
47 grantor has the duty to pay the tax because the grantee has failed to
48 pay, such tax shall be the joint and several liability of the grantor
49 and the grantee.

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

1

PART U

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

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

9 [In the absence of such an established price, a manufacturer's invoice
10 price of any tobacco product shall be presumptive evidence of the whole-
11 sale price of such tobacco product, and in its absence the price at
12 which such tobacco products were purchased shall be presumed to be the
13 wholesale price, unless evidence of a lower wholesale price shall be
14 established or any industry standard of markups relating to the purchase
15 price in relation to the wholesale price shall be established.]

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

19

PART V

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

23 (A) gas, electricity, refrigeration and steam, and gas, electric,
24 refrigeration and steam service of whatever nature, including the trans-
25 portation, transmission or distribution of gas or electricity, even if
26 sold separately;

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

28 § 3. Subparagraph (xi) of paragraph 4 of subdivision (a) of section
29 1210 of the tax law, as amended by section 2 of part WW of chapter 60 of
30 the laws of 2016, is amended to read as follows:

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

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

40 (8) [makes inapplicable section eleven hundred five-C of the tax law,
41 and] imposes tax on receipts from every sale, other than sales for
42 resale, of gas service or electric service of whatever nature, including
43 the transportation, transmission or distribution of gas or electricity,
44 even if sold separately, at the rate set forth in subdivision (a) of
45 this section.

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

50

PART W

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

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

19 (2) Drugs or medicine sold to or used by a veterinarian for use in
20 rendering services that are exempt pursuant to paragraph one of this
21 subdivision to livestock or poultry used in the production for sale of
22 tangible personal property by farming, or sold to a person qualifying
23 for the exemption provided for in paragraph six of subdivision (a) of
24 this section for use by such person on such livestock or poultry.

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

29 (a) Subject to the conditions and limitations provided for herein, a
30 refund or credit shall be allowed for a tax paid pursuant to subdivision
31 (a) of section eleven hundred five or section eleven hundred ten (1) on
32 the sale or use of tangible personal property if the purchaser or user,
33 in the performance of a contract, later incorporates that tangible
34 personal property into real property located outside this state, (2) on
35 the sale or use of tangible personal property purchased in bulk, or any
36 portion thereof, which is stored and not used by the purchaser or user
37 within this state if that property is subsequently reshipped by such
38 purchaser or user to a point outside this state for use outside this
39 state, (3) on the sale to or use by a contractor or subcontractor of
40 tangible personal property if that property is used by him solely in the
41 performance of a pre-existing lump sum or unit price construction
42 contract, (4) on the sale or use within this state of tangible personal
43 property, not purchased for resale, if the use of such property in this
44 state is restricted to fabricating such property (including incorporat-
45 ing it into or assembling it with other tangible personal property),
46 processing, printing or imprinting such property and such property is
47 then shipped to a point outside this state for use outside this state,
48 [(5) on the sale to or use by a veterinarian of drugs or medicine if
49 such drugs or medicine are used by such veterinarian in rendering
50 services, which are exempt pursuant to subdivision (f) of section eleven
51 hundred fifteen of this chapter, to livestock or poultry used in the
52 production for sale of tangible personal property by farming or if such
53 drugs or medicine are sold to a person qualifying for the exemption
54 provided for in paragraph (6) of subdivision (a) of section eleven
55 hundred fifteen of this chapter for use by such person on such livestock
56 or poultry,] or (6) on the sale of tangible personal property purchased

1 for use in constructing, expanding or rehabilitating industrial or
2 commercial real property (other than property used or to be used exclu-
3 sively by one or more registered vendors primarily engaged in the retail
4 sale of tangible personal property) located in an area designated as an
5 empire zone pursuant to article eighteen-B of the general municipal law,
6 but only to the extent that such property becomes an integral component
7 part of the real property. (For the purpose of clause (3) of the preced-
8 ing sentence, the term "pre-existing lump sum or unit price construction
9 contract" shall mean a contract for the construction of improvements to
10 real property under which the amount payable to the contractor or
11 subcontractor is fixed without regard to the costs incurred by him in
12 the performance thereof, and which (i) was irrevocably entered into
13 prior to the date of the enactment of this article or the enactment of a
14 law increasing the rate of tax imposed under this article, or (ii)
15 resulted from the acceptance by a governmental agency of a bid accompa-
16 nied by a bond or other performance guaranty which was irrevocably
17 submitted prior to such date.) Where the tax on the sale or use of such
18 tangible personal property has been paid to the vendor, to qualify for
19 such refund or credit, such tangible personal property must be incorpo-
20 rated into real property as required in clause (1) above, reshipped as
21 required in clause (2) above, used in the manner described in clauses
22 (3), (4) [, (5)] and (6) above within three years after the date such tax
23 was payable to the tax commission by the vendor pursuant to section
24 eleven hundred thirty-seven. Where the tax on the sale or use of such
25 tangible personal property was paid by the applicant for the credit or
26 refund directly to the tax commission, to qualify for such refund or
27 credit, such tangible personal property must be incorporated into real
28 property as required in clause (1) above, reshipped as required in
29 clause (2) above, used in the manner described in clauses (3), (4) [,
30 (5)] and (6) above within three years after the date such tax was paya-
31 ble to the tax commission by such applicant pursuant to this article. An
32 application for a refund or credit pursuant to this section must be
33 filed with such commission within the time provided by subdivision (a)
34 of section eleven hundred thirty-nine. Such application shall be in such
35 form as the tax commission may prescribe. Where an application for cred-
36 it has been filed, the applicant may immediately take such credit on the
37 return which is due coincident with or immediately subsequent to the
38 time that he files his application for credit. However, the taking of
39 the credit on the return shall be deemed to be part of the application
40 for credit and shall be subject to the provisions in respect to applica-
41 tions for credit in section eleven hundred thirty-nine as provided in
42 subdivision (e) of such section. With respect to a sale or use described
43 in clause (3) above where a pre-existing lump sum or unit price
44 construction contract was irrevocably entered into prior to the date of
45 the enactment of this article or the bid accompanied by the performance
46 guaranty was irrevocably submitted to the governmental agency prior to
47 such date, the purchaser or user shall be entitled to a refund or credit
48 only of the amount by which the tax on such sale or use imposed under
49 this article plus any tax imposed under the authority of article twen-
50 ty-nine exceeds the amount computed by applying against such sale or use
51 the local rate of tax, if any, in effect at the time such contract was
52 entered into or such bid was submitted.

53 In the case of the enactment of a law increasing the rate of tax
54 imposed by this article, the purchaser or user shall be entitled only to
55 a refund or credit of the amount by which the increased tax on such sale
56 or use imposed under this article plus any tax imposed under the author-

1 ity of article twenty-nine exceeds the amount computed by applying
2 against such sale or use the state and local rates of tax in effect at
3 the time such contract was entered into or such bid was submitted.
4 § 3. This act shall take effect June 1, 2018, and shall apply to sales
5 made and uses occurring on and after such date.

6

PART X

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

9 (1) "Persons required to collect tax" or "person required to collect
10 any tax imposed by this article" shall include: every vendor of tangible
11 personal property or services; every recipient of amusement charges; and
12 every operator of a hotel. Said terms shall also include any officer,
13 director or employee of a corporation or of a dissolved corporation, any
14 employee of a partnership, any employee or manager of a limited liabil-
15 ity company, or any employee of an individual proprietorship who as such
16 officer, director, employee or manager is under a duty to act for such
17 corporation, partnership, limited liability company or individual
18 proprietorship in complying with any requirement of this article, or has
19 so acted; and any member of a partnership or limited liability company.
20 Provided, however, that any person who is a vendor solely by reason of
21 clause (D) or (E) of subparagraph (i) of paragraph (8) of subdivision
22 (b) of section eleven hundred one of this article shall not be a "person
23 required to collect any tax imposed by this article" until twenty days
24 after the date by which such person is required to file a certificate of
25 registration pursuant to section eleven hundred thirty-four of this
26 part.

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

29 (a) (1) Except as otherwise provided in paragraph two of this subdivi-
30 sion and in section eleven hundred thirty-seven of this part, every
31 person required to collect any tax imposed by this article shall be
32 personally liable for the tax imposed, collected or required to be
33 collected under this article. Any such person shall have the same right
34 in respect to collecting the tax from his customer or in respect to
35 nonpayment of the tax by the customer as if the tax were a part of the
36 purchase price of the property or service, amusement charge or rent, as
37 the case may be, and payable at the same time; provided, however, that
38 the tax commission shall be joined as a party in any action or proceed-
39 ing brought to collect the tax.

40 (2) Notwithstanding any other provision of this article: (i) The
41 commissioner shall grant the relief described in subparagraph (iii) of
42 this paragraph to a limited partner of a limited partnership (but not a
43 partner of a limited liability partnership) or a member of a limited
44 liability company if such limited partner or member demonstrates to the
45 satisfaction of the commissioner that such limited partner's or member's
46 ownership interest and the percentage of the distributive share of the
47 profits and losses of such limited partnership or limited liability
48 company are each less than fifty percent, and such limited partner or
49 member was not under a duty to act for such limited partnership or
50 limited liability company in complying with any requirement of this
51 article. Provided, however, the commissioner may deny an application for
52 relief to any such limited partner or member who the commissioner finds
53 has acted on behalf of such limited partnership or limited liability
54 company in complying with any requirement of this article or has been



1 convicted of a crime provided in this chapter or who has a past-due
2 liability, as such term is defined in section one hundred seventy-one-v
3 of this chapter.

4 (ii) Such limited partner or member must submit an application for
5 relief, on a form prescribed by the commissioner, and the information
6 provided in such application must be true and complete in all material
7 respects. Providing materially false or fraudulent information on such
8 application shall disqualify such limited partner or member for the
9 relief described in subparagraph (iii) of this paragraph, shall void any
10 agreement with the commissioner with respect to such relief, and shall
11 result in such limited partner or member bearing strict liability for
12 the total amount of tax, interest and penalty owed by their respective
13 limited partnership or limited liability company pursuant to this subdi-
14 vision.

15 (iii) A limited partner of a limited partnership or member of a limit-
16 ed liability company, who meets the requirements set forth in this para-
17 graph and whose application for relief is approved by the commissioner,
18 shall be liable for the percentage of the original sales and use tax
19 liability of their respective limited partnership or limited liability
20 company that reflects such limited partner's or member's ownership
21 interest of distributive share of the profits and losses of such limited
22 partnership or limited liability company, whichever is higher. Such
23 original liability shall include any interest accrued thereon up to and
24 including the date of payment by such limited partner or member at the
25 underpayment rate set by the commissioner pursuant to section eleven
26 hundred forty-two of this part, and shall be reduced by the sum of any
27 payments made by (A) the limited partnership or limited liability compa-
28 ny; (B) any person required to collect tax not eligible for relief; and
29 (C) any person required to collect tax who was eligible for relief but
30 had not been approved for relief by the commissioner at the time such
31 payment was made. Provided, however, such limited partner or member
32 shall not be liable for any penalty owed by such limited partnership or
33 limited liability company or any other partner or member of such limited
34 partnership or limited liability company. Any payment made by a limited
35 partner or member pursuant to the provisions of this paragraph shall not
36 be credited against the liability of other limited partners or members
37 of their respective limited partnership or limited liability company who
38 are eligible for the same relief; provided, however that the sum of the
39 amounts owed by all of the persons required to collect tax of a limited
40 partnership or limited liability company shall not exceed the total
41 liability of such limited partnership or limited liability company.

42 § 3. This act shall take effect immediately.

43 PART Y

44 Section 1. Paragraph 1 of subdivision (a) of section 1115 of the tax
45 law, as amended by section 1 of part II of chapter 59 of the laws of
46 2014, is amended to read as follows:

47 (1) (A) Food, food products, beverages, dietary foods and health
48 supplements, sold for human consumption but not including (i) candy and
49 confectionery, (ii) fruit drinks which contain less than seventy percent
50 of natural fruit juice, (iii) soft drinks, sodas and beverages such as
51 are ordinarily dispensed at soda fountains or in connection therewith
52 (other than coffee, tea and cocoa) and (iv) beer, wine or other alcohol-
53 ic beverages, all of which shall be subject to the retail sales and
54 compensating use taxes, whether or not the item is sold in liquid form.

1 Nothing in this subparagraph shall be construed as exempting food or
2 drink from the tax imposed under subdivision (d) of section eleven
3 hundred five of this article.

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

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

20

PART Z

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

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

33 § 2. Section 2 of subpart Z of part A of chapter 61 of the laws of
34 2017, amending the tax law relating to the imposition of sales and
35 compensating use taxes by the county of Monroe, is amended to read as
36 follows:

37 § 2. Notwithstanding the provisions of subdivisions (b) and (c) of
38 section 1262 and section 1262-g of the tax law, net collections, as such
39 term is defined in section 1262 of the tax law, derived from the imposi-
40 tion of sales and compensating use taxes by the county of Monroe at the
41 additional rate of one percent as authorized pursuant to clause (25) of
42 subparagraph (i) of the opening paragraph of section 1210 of the tax
43 law, as amended by section one of this act, which are in addition to the
44 current net collections derived from the imposition of such taxes at the
45 three percent rate authorized by the opening paragraph of section 1210
46 of the tax law, shall be distributed and allocated as follows: for the
47 period of December 1, 2017 through November 30, [2019] 2020 in cash,
48 five percent to the school districts in the area of the county outside
49 the city of Rochester, three percent to the towns located within the
50 county, one and one-quarter percent to the villages located within the
51 county, and ninety and three-quarters percent to the city of Rochester
52 and county of Monroe. The amount of the ninety and three-quarters
53 percent to be distributed and allocated to the city of Rochester and
54 county of Monroe shall be distributed and allocated to each so that the



1 combined total distribution and allocation to each from the sales tax
2 revenues pursuant to sections 1262 and 1262-g of the tax law and this
3 section shall result in the same total amount being distributed and
4 allocated to the city of Rochester and county of Monroe. The amount so
5 distributed and allocated to the county shall be used for county
6 purposes. The foregoing cash payments to the school districts shall be
7 allocated on the basis of the enrolled public school pupils, thereof, as
8 such term is used in subdivision (b) of section 1262 of the tax law,
9 residing in the county of Monroe. The cash payments to the towns located
10 within the county of Monroe shall be allocated on the basis of the ratio
11 which the population of each town, exclusive of the population of any
12 village or portion thereof located within a town, bears to the total
13 population of the towns, exclusive of the population of the villages
14 located within such towns. The cash payments to the villages located
15 within the county shall be allocated on the basis of the ratio which the
16 population of each village bears to the total population of the villages
17 located within the county. The term population as used in this section
18 shall have the same meaning as used in subdivision (b) of section 1262
19 of the tax law.

20 § 3. Section 3 of subpart EE of part A of chapter 61 of the laws of
21 2017, amending the tax law relating to extending the authorization of
22 the county of Onondaga to impose an additional rate of sales and compen-
23 sating use taxes, is amended to read as follows:

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

35 § 4. Section 2 of subpart GG of part A of chapter 61 of the laws of
36 2017, amending the tax law relating to extending the authority of the
37 county of Orange to impose an additional rate of sales and compensating
38 use taxes, is amended to read as follows:

39 § 2. Notwithstanding subdivision (c) of section 1262 of the tax law,
40 net collections from any additional rate of sales and compensating use
41 taxes which may be imposed by the county of Orange during the period
42 commencing December 1, 2017, and ending November 30, [2019] 2020, pursu-
43 ant to the authority of section 1210 of the tax law, shall be paid to
44 the county of Orange and shall be used by such county solely for county
45 purposes and shall not be subject to any revenue distribution agreement
46 entered into pursuant to the authority of subdivision (c) of section
47 1262 of the tax law.

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

50

PART AA

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

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

4 (1) Marketplace provider. A person who, pursuant to an agreement with
5 a marketplace seller, facilitates sales of tangible personal property or
6 services taxable under section eleven hundred five of this article by
7 such marketplace seller or sellers. A person "facilitates a sale of
8 tangible personal property or services taxable under section eleven
9 hundred five of this article" for purposes of this paragraph when the
10 person meets both of the following conditions: (i) such person provides
11 the forum in which, or by means of which, the sale takes place or the
12 offer of sale is accepted, including a shop, store, booth, catalog, an
13 internet website, or similar forum; and (ii) such person or an affiliate
14 of such person collects the receipts paid by a customer to a marketplace
15 seller for a sale of tangible personal property or services taxable
16 under section eleven hundred five of this article, contracts with a
17 third party to collect such receipts for services taxable under section
18 eleven hundred five of this article by an unaffiliated third party oper-
19 ator through an app, as such term is defined by paragraph nine of subdi-
20 vision (c) of this section. For purposes of this paragraph, two persons
21 are affiliated if one person has an ownership interest of more than five
22 percent, whether direct or indirect, in the other, or where an ownership
23 interest of more than five percent, whether direct or indirect, is held
24 in each of such persons by another person or by a group of other persons
25 that are affiliated persons with respect to each other. Notwithstanding
26 anything in this paragraph, a person who facilitates sales exclusively
27 by means of the internet is not a marketplace provider for a sales tax
28 quarter when such person can show that it has facilitated less than one
29 hundred million dollars of sales annually for every calendar year after
30 two thousand sixteen.

31 (2) Marketplace seller. Any person, whether or not such person is
32 required to obtain a certificate of authority under section eleven
33 hundred thirty-four of this article, who has an agreement with a market-
34 place provider under which the marketplace provider will facilitate
35 sales of tangible personal property or services taxable under section
36 eleven hundred five of this article by such person within the meaning of
37 paragraph one of this subdivision.

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

40 (1) "Persons required to collect tax" or "person required to collect
41 any tax imposed by this article" shall include: every vendor of tangible
42 personal property or services; every recipient of amusement charges;
43 [and] every operator of a hotel, and every marketplace provider with
44 respect to sales of tangible personal property or services taxable under
45 section eleven hundred five of this article it facilitates as described
46 in paragraph one of subdivision (e) of section eleven hundred one of
47 this article. Said terms shall also include any officer, director or
48 employee of a corporation or of a dissolved corporation, any employee of
49 a partnership, any employee or manager of a limited liability company,
50 or any employee of an individual proprietorship who as such officer,
51 director, employee or manager is under a duty to act for such corpo-
52 ration, partnership, limited liability company or individual proprietor-
53 ship in complying with any requirement of this article; and any member
54 of a partnership or limited liability company. Provided, however, that
55 any person who is a vendor solely by reason of clause (D) or (E) of
56 subparagraph (i) of paragraph (8) of subdivision (b) of section eleven

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

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

7 (1) (1) A marketplace provider with respect to a sale of tangible
8 personal property or services taxable under section eleven hundred five
9 of this article it facilitates: (i) shall have all the obligations and
10 rights of a vendor under this article and article twenty-nine of this
11 chapter and under any regulations adopted pursuant thereto, including,
12 but not limited to, the duty to obtain a certificate of authority, to
13 collect tax, file returns, remit tax, and the right to accept a certif-
14 icate or other documentation from a customer substantiating an exemption
15 or exclusion from tax, the right to receive the refund authorized by
16 subdivision (e) of this section and the credit allowed by subdivision
17 (f) of section eleven hundred thirty-seven of this part subject to the
18 provisions of such subdivisions; and (ii) shall keep such records and
19 information and cooperate with the commissioner to ensure the proper
20 collection and remittance of tax imposed, collected or required to be
21 collected under this article and article twenty-nine of this chapter.

22 (2) A marketplace seller who is a vendor is relieved from the duty to
23 collect tax in regard to a particular sale of tangible personal property
24 or services subject to tax under section eleven hundred five of this
25 article and shall not include the receipts from such sale in its taxable
26 receipts for purposes of section eleven hundred thirty-six of this part
27 if, in regard to such sale: (i) the marketplace seller can show that
28 such sale was facilitated by a marketplace provider from whom such sell-
29 er has received in good faith a properly completed certificate of
30 collection in a form prescribed by the commissioner, certifying that the
31 marketplace provider is registered to collect sales tax and will collect
32 sales tax on all taxable sales of tangible personal property or services
33 taxable under section eleven hundred five of this article by the market-
34 place seller facilitated by such marketplace provider, and with such
35 other information as the commissioner may prescribe; and (ii) any fail-
36 ure of the marketplace provider to collect the proper amount of tax in
37 regard to such sale was not the result of such marketplace seller
38 providing the marketplace provider with incorrect information. This
39 provision shall be administered in a manner consistent with subparagraph
40 (i) of paragraph one of subdivision (c) of this section as if a certif-
41 icate of collection were a resale or exemption certificate for purposes
42 of such subparagraph, including with regard to the completeness of such
43 certificate of collection and the timing of its acceptance by the
44 marketplace seller. Provided that, with regard to any sales of tangible
45 personal property or services taxable under section eleven hundred five
46 of this article by a marketplace seller that are facilitated by a
47 marketplace provider who is affiliated with such marketplace seller
48 within the meaning of paragraph one of subdivision (e) of section eleven
49 hundred one of this article, the marketplace seller shall be deemed
50 liable as a person under a duty to act for such marketplace provider for
51 purposes of subdivision one of section eleven hundred thirty-one of this
52 part.

53 (3) The commissioner may, in his or her discretion: (i) develop a
54 standard provision, or approve a provision developed by a marketplace
55 provider, in which the marketplace provider obligates itself to collect
56 the tax on behalf of all the marketplace sellers for whom such market-

1 place provider facilitates sales of tangible personal property or
2 services taxable under section eleven hundred five of this article, with
3 respect to all sales that it facilitates for such sellers where delivery
4 occurs in the state; and (ii) provide by regulation or otherwise that
5 the inclusion of such provision in the publicly-available agreement
6 between the marketplace provider and marketplace seller will have the
7 same effect as a marketplace seller's acceptance of a certificate of
8 collection from such marketplace provider under paragraph two of this
9 subdivision.

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

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

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

23 (4) The return of a vendor of tangible personal property or services
24 shall show such vendor's receipts from sales and the number of gallons
25 of any motor fuel or diesel motor fuel sold and also the aggregate value
26 of tangible personal property and services and number of gallons of such
27 fuels sold by the vendor, the use of which is subject to tax under this
28 article, and the amount of tax payable thereon pursuant to the
29 provisions of section eleven hundred thirty-seven of this part. The
30 return of a recipient of amusement charges shall show all such charges
31 and the amount of tax thereon, and the return of an operator required to
32 collect tax on rents shall show all rents received or charged and the
33 amount of tax thereon. The return of a marketplace seller shall exclude
34 the receipts from a sale of tangible personal property or services
35 facilitated by a marketplace provider if, in regard to such sale: (A)
36 the marketplace seller has timely received in good faith a properly
37 completed certificate of collection from the marketplace provider or the
38 marketplace provider has included a provision approved by the commis-
39 sioner in the publicly-available agreement between themselves and such
40 marketplace seller as described in subdivision (1) of section eleven
41 hundred thirty-two of this part, and (B) the information provided by the
42 marketplace seller to the marketplace provider about such tangible
43 personal property or services is accurate.

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

46 15. To publish a list on the department's website of marketplace
47 providers whose certificates of authority has been revoked and, if
48 necessary to protect sales tax revenue, provide by regulation or other-
49 wise that a marketplace seller who is a vendor will be relieved of the
50 duty to collect tax for sales of tangible personal property or services
51 facilitated by a marketplace provider only if, in addition to the condi-
52 tions prescribed by paragraph two of subdivision (1) of section eleven
53 hundred thirty-two of this part being met, such marketplace provider is
54 not on such list at the commencement of the quarterly period covered
55 thereby.

1 16. To enforce the penalties imposed on non-collecting sellers and
2 non-collecting marketplace providers provided by subdivision (i) of
3 section eleven hundred forty-five of this part by commencing a proceed-
4 ing under article seventy-two of the civil practice law and rules. This
5 means enforcing such penalties is in addition to any other lawful means
6 the commissioner may use to enforce such penalties. The venue for such
7 proceeding shall be Albany county.

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

10 § 1135-a. Reporting requirements. (a) (1) The following definitions
11 apply to the taxes imposed by this article and pursuant to the authority
12 of article twenty-nine of this chapter:

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

20 (B) Non-collecting marketplace provider means a marketplace provider,
21 as defined by section eleven hundred one of this article, who is not
22 required to obtain a certificate of authority under section eleven
23 hundred thirty-four of this part and who does not collect tax or money
24 purportedly as tax imposed by this article in regard to tangible
25 personal property or services delivered to a location in this state.

26 (C) New York purchaser means any person who purchases tangible
27 personal property or services for delivery to a location in this state.

28 (D) Last known address of a New York purchaser means, for purposes of
29 this subdivision, subdivision sixteen of section eleven hundred forty-
30 two, and subdivision (i) of section eleven hundred forty-five of this
31 part, the purchaser's billing address or, if unknown, the purchaser's
32 shipping address. If no billing or shipping address is known, this term
33 shall mean the purchaser's last known e-mail address.

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

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

41 (B) Except as provided in paragraphs four and five of this subdivi-
42 sion, a non-collecting seller shall file an annual information return
43 with the commissioner. Such return shall include the total of the non-
44 collecting seller's receipts from purchases of tangible personal proper-
45 ty or services that were delivered to a location in this state for the
46 calendar year covered by the return, together with such other informa-
47 tion the commissioner may prescribe. Such return shall be filed on or
48 before January thirty-first of each year and shall cover the prior
49 calendar year, with the first such return due on January thirty-first,
50 two thousand twenty for the calendar year two thousand nineteen.

51 (C) Except as provided in paragraphs four and five of this subdivi-
52 sion, a non-collecting seller shall provide an annual statement of
53 purchases to each New York purchaser for purchases of tangible personal
54 property or services delivered to a location in this state from such
55 seller during the calendar year covered by the statement. Such annual
56 statement shall include: (i) a statement that sales or use tax was not

1 collected on the purchaser's transactions in the prior calendar year and
2 that the purchaser may be required to remit such tax directly to the
3 commissioner; (ii) a list of transactions entered into during the prior
4 calendar year by such purchaser for delivery to a location into this
5 state showing, the date of each purchase, a general description of each
6 item purchased, and the amount paid for each item, including any ship-
7 ping or delivery charges; (iii) instructions for obtaining additional
8 information regarding whether and how to remit the sales or use tax to
9 the commissioner; and (iv) a statement that such sellers may be required
10 to annually report the aggregate dollar value of the purchaser's
11 purchases to the commissioner. Such statement shall be sent to each New
12 York purchaser on or before January thirty-first of each year, starting
13 in the year two thousand twenty, covering sales made in the prior calen-
14 dar year. Such statement shall be sent by mail in an envelope bearing
15 the statement "important tax information" to the New York purchaser's
16 last known address as defined by subparagraph (D) of paragraph one of
17 this subdivision, unless the purchaser's last known address is an e-mail
18 address, in which case the statement is to be sent by e-mail, the
19 subject line of which shall state "important tax information".

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

30 (3) A non-collecting seller shall keep records of the information
31 described in subparagraphs (A), (B) and (C) of paragraph two of this
32 subdivision, along with proof that it has provided purchasers with any
33 per-purchase notices or annual statements of purchases required. The
34 non-collecting seller shall keep such records for such periods and in
35 such manner as prescribed for records required to be maintained under
36 subdivisions (a) and (g) of section eleven hundred thirty-five of this
37 part, or as the commissioner may otherwise require by regulation. The
38 non-collecting seller shall make those records available for inspection
39 and examination at any time upon demand by the commissioner.

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

45 (5) The requirements in subparagraphs (B), (C) and (D) of paragraph
46 two of this subdivision do not apply to a non-collecting seller in
47 regard to a particular sale of tangible personal property or services
48 subject to tax under subdivision (a) of section eleven hundred five of
49 this article if, the non-collecting seller can show that such sale was
50 facilitated by: (A) a marketplace provider from whom such non-collecting
51 seller has received in good faith a properly completed certificate of
52 collection as described in paragraph two of subdivision (1) of section
53 eleven hundred thirty-two of this part; or (B) a non-collecting market-
54 place provider who fulfilled the requirements of subparagraphs (B), (C)
55 and (D) of paragraph two of this subdivision on its behalf.

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

5 (2) Non-collecting marketplace providers shall also provide notice to
6 all non-collecting sellers for whom they facilitate sales of tangible
7 personal property or services that is delivered to a location in this
8 state, such notice shall include the following information:

9 (A) such sellers may be required to obtain a certificate of authority
10 under section eleven hundred thirty-four of this part and collect the
11 taxes imposed by this article and pursuant to the authority of article
12 twenty-nine of this chapter, or, where such sellers are not required to
13 obtain a certificate and collect tax, that such sellers are required to
14 comply with the requirements of this paragraph;

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

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

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

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

31 (i) (1) Every person required to file an information return by section
32 eleven hundred thirty-five-a or subdivision (i) of section eleven
33 hundred thirty-six of this part, or an annual statement or notice
34 required by section eleven hundred thirty-five-a of this part who [(A)]
35 fails to provide any of the information required [by paragraph one or
36 two of subdivision (i) of section eleven hundred thirty-six of this part
37 for a vendor, operator, or recipient] to be provided in such information
38 return or notice, or who fails to perform the requirements of paragraph
39 two of subdivision (b) of section eleven hundred thirty-five-a of this
40 part, or who fails to include any such information that is true and
41 correct [(whether or not such a report is filed) for a vendor, operator,
42 or recipient, or (B) fails to provide the information required by para-
43 graph four of subdivision (i) of section eleven hundred thirty-six of
44 this part to a vendor, operator, or recipient specified in paragraph
45 four of subdivision (i) of section eleven hundred thirty-six of this
46 part], will, in addition to any other penalty provided in this article
47 or otherwise imposed by law, be subject to a penalty of five hundred
48 dollars for ten or fewer failures, and up to fifty dollars for each
49 additional failure.

50 (2) Every person failing to file an information return required by
51 section eleven hundred thirty-five-a or subdivision (i) of section elev-
52 en hundred thirty-six of this part or an annual statement or notice by
53 section eleven hundred thirty-five-a of this part within the time
54 required [by subdivision (i) of section eleven hundred thirty-six of
55 this part], will, in addition to any other penalty provided for in this
56 article or otherwise imposed by law, be subject to a penalty in an

1 amount not to exceed two thousand dollars for each such failure,
2 provided that the minimum penalty under this paragraph is five hundred
3 dollars.

4 (3) In no event will the penalty imposed by paragraph one of this
5 subdivision, or the aggregate of the penalties imposed under paragraphs
6 one and two of this subdivision, exceed ten thousand dollars for any
7 annual filing period [as described by paragraph three of subdivision (i)
8 of section eleven hundred thirty-six of this part].

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

17 § 8-a. Subdivision (c) of section 1101 of the tax law is amended by
18 adding a new paragraph 9 to read as follows:

19 (9) App. A software application used on an internet website or smart-
20 phone.

21 § 8-b. Section 1132 of the tax law is amended by adding a new subdivi-
22 sion (m) to read as follows:

23 (m) (1) A marketplace provider under subdivision (e) of section eleven
24 hundred one of this article may enter into a voluntary agreement with
25 the commissioner, under which the marketplace provider shall collect and
26 remit taxes on or after the effective date of the voluntary agreement;
27 provided however, that when a marketplace provider enters into such a
28 voluntary agreement, it shall be required to: (i) collect the applicable
29 taxes arising from purchases of tangible personal property or services;
30 (ii) comply with all the provisions of this article and article twenty-
31 nine of this chapter and any regulations adopted pursuant thereto; (iii)
32 register to collect tax under section eleven hundred thirty-four of this
33 part; and (iv) retain records and information as required by the commis-
34 sioner and cooperate with the commissioner to ensure the proper
35 collection and remittance of tax imposed, collected, or required to be
36 collected under this article and article twenty-nine of this chapter.

37 (2) In carrying out the obligations imposed under this section, a
38 marketplace provider shall have all the duties, benefits, and entitle-
39 ments of a person required to collect tax under this article and article
40 twenty-nine of this chapter.

41 § 9. Severability clause. If any clause, sentence, paragraph, subdivi-
42 sion, section, or part of this act shall be adjudged by any court of
43 competent jurisdiction to be invalid, such judgment shall not affect,
44 impair, or invalidate the remainder thereof, but shall be confined in
45 its operation to the clause, sentence, paragraph, subdivision, section,
46 or part thereof directly involved in the controversy in which such judg-
47 ment shall have been rendered. It is hereby declared to be the intent of
48 the legislature that this act would have been enacted even if such
49 invalid provision had not been included herein.

50 § 10. This act shall take effect immediately and shall apply to sales
51 made on or after September 1, 2018; provided, however, that the require-
52 ments in subparagraphs (B) and (C) of paragraph 2 of subdivision (a) of
53 section 1135-a of the tax law, as added by section seven of this act,
54 shall apply to sales made on or after January 1, 2019. The marketplace
55 provider authorized to collect legal taxes pursuant to section eight-b

1 of this act shall comply with local laws and regulations consistent with
2 the requirements provided therein.

3

PART BB

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

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

10 § 2. Subdivision 12 of section 470 of the tax law, as added by chapter
11 61 of the laws of 1989, is amended to read as follows:

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

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

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

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

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

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

39 (d) Such tax on vapor products shall be at a rate of forty cents per
40 fluid milliliter, or part thereof, of the vapor product. All invoices
41 for vapor products issued by distributors and wholesalers must state the
42 amount of vapor product in milliliters.

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

48 (a) There is hereby imposed and shall be paid a tax on all tobacco
49 products used in the state by any person, except that no such tax shall
50 be imposed (1) if the tax provided in section four hundred seventy-one-b
51 of this article is paid, or (2) on the use of tobacco products which are
52 exempt from the tax imposed by said section, or (3) on the use of two
53 hundred fifty cigars or less, [or] five pounds or less of tobacco other
54 than roll-your-own tobacco, [or] thirty-six ounces or less of roll-your-

1 own tobacco or five hundred milliliters or less of vapor product brought
2 into the state on, or in the possession of, any person.

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

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

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

15 (iv) Such tax on vapor products shall be at a rate of forty cents per
16 fluid milliliter of the vapor product. All invoices for vapor products
17 issued by distributors and wholesalers must state the amount of vapor
18 product in milliliters.

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

21 2. Every person who shall possess or transport more than two hundred
22 fifty cigars, [or] more than five pounds of tobacco other than roll-
23 your-own tobacco, [or] more than thirty-six ounces of roll-your-own
24 tobacco or more than five hundred milliliters of vapor product upon the
25 public highways, roads or streets of the state, shall be required to
26 have in his actual possession invoices or delivery tickets for such
27 tobacco products. Such invoices or delivery tickets shall show the name
28 and address of the consignor or seller, the name and address of the
29 consignee or purchaser, the quantity and brands of the tobacco products
30 transported, and the name and address of the person who has or shall
31 assume the payment of the tax and the wholesale price or the tax paid or
32 payable. The absence of such invoices or delivery tickets shall be prima
33 facie evidence that such person is a dealer in tobacco products in this
34 state and subject to the requirements of this article.

35 § 8. Subdivision 3 of section 474 of the tax law, as added by chapter
36 61 of the laws of 1989, is amended to read as follows:

37 3. Every dealer or distributor or employee thereof, or other person
38 acting on behalf of a dealer or distributor, who shall possess or trans-
39 port more than fifty cigars [or], more than one pound of tobacco or more
40 than one hundred milliliters of vapor product upon the public highways,
41 roads or streets of the state, shall be required to have in his actual
42 possession invoices or delivery tickets for such tobacco products. Such
43 invoices or delivery tickets shall show the name and address of the
44 consignor or seller, the name and address of the consignee or purchaser,
45 the quantity and brands of the tobacco products transported, and the
46 name and address of the person who has or shall assume the payment of
47 the tax and the wholesale price or the tax paid or payable. The absence
48 of such invoices or delivery tickets shall be prima facie evidence that
49 the tax imposed by this article on tobacco products has not been paid
50 and is due and owing.

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

54 (i) In addition to any other penalty imposed by this article, the
55 commissioner may (A) impose a penalty of not more than six hundred
56 dollars for each two hundred cigarettes, or fraction thereof, in excess

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

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

38 (I) not less than twenty-five dollars but not more than one hundred
39 dollars for each fifty cigars [or], one pound of tobacco or one hundred
40 milliliters of vapor product, or fraction thereof, in excess of two
41 hundred fifty cigars [or], five pounds of tobacco or five hundred milli-
42 liters of vapor product knowingly in the possession or knowingly under
43 the control of any person, with respect to which the tobacco products
44 tax has not been paid or assumed by a distributor or tobacco products
45 dealer; and (II) not less than fifty dollars but not more than two
46 hundred dollars for each fifty cigars [or], pound of tobacco or one
47 hundred milliliters of vapor product, or fraction thereof, in excess of
48 five hundred cigars [or], ten pounds of tobacco or one thousand millili-
49 ters of vapor product knowingly in the possession or knowingly under the
50 control of any person, with respect to which the tobacco products tax
51 has not been paid or assumed by a distributor or tobacco products deal-
52 er; provided, however, that any such penalty imposed under this clause
53 shall not exceed ten thousand dollars in the aggregate.

54 (I) not less than twenty-five dollars but not more than one hundred
55 dollars for each fifty cigars [or], one pound of tobacco or one hundred
56 milliliters of vapor product, or fraction thereof, in excess of fifty

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

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

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

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

28 (a) Any person who willfully attempts in any manner to evade or defeat
29 the taxes imposed by article twenty of this chapter or payment thereof
30 on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars
31 or more, [or] (iii) four hundred forty pounds of tobacco or more, (iv)
32 forty-four thousand milliliters of vapor product or more or has previ-
33 ously been convicted two or more times of a violation of paragraph one
34 of this subdivision shall be guilty of a class E felony.

35 (h) (1) Any dealer, other than a distributor appointed by the commis-
36 sioner [of taxation and finance] under article twenty of this chapter,
37 who shall knowingly transport or have in his custody, possession or
38 under his control more than ten pounds of tobacco [or], more than five
39 hundred cigars or more than one thousand milliliters of vapor product
40 upon which the taxes imposed by article twenty of this chapter have not
41 been assumed or paid by a distributor appointed by the commissioner [of
42 taxation and finance] under article twenty of this chapter, or other
43 person treated as a distributor pursuant to section four hundred seven-
44 ty-one-d of this chapter, shall be guilty of a misdemeanor punishable by
45 a fine of not more than five thousand dollars or by a term of imprison-
46 ment not to exceed thirty days.

47 (2) Any person, other than a dealer or a distributor appointed by the
48 commissioner under article twenty of this chapter, who shall knowingly
49 transport or have in his custody, possession or under his control more
50 than fifteen pounds of tobacco [or], more than seven hundred fifty
51 cigars or more than fifteen hundred milliliters or more of vapor product
52 upon which the taxes imposed by article twenty of this chapter have not
53 been assumed or paid by a distributor appointed by the commissioner
54 under article twenty of this chapter, or other person treated as a
55 distributor pursuant to section four hundred seventy-one-d of this chap-
56 ter shall be guilty of a misdemeanor punishable by a fine of not more

1 than five thousand dollars or by a term of imprisonment not to exceed
2 thirty days.

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

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

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

26 (a) Any person who, while not appointed as a distributor of tobacco
27 products pursuant to the provisions of article twenty of this chapter,
28 imports or causes to be imported into the state more than fifty cigars
29 [or], more than one pound of tobacco[,] or more than one hundred milli-
30 liters of vapor product for sale within the state, or produces, manufac-
31 tures or compounds tobacco products within the state shall be guilty of
32 a misdemeanor punishable by a fine of not more than five thousand
33 dollars or by a term of imprisonment not to exceed thirty days. If,
34 within any ninety day period, one thousand or more cigars [or five
35 hundred], twenty pounds or more of tobacco or two thousand milliliters
36 or more of vapor product are imported or caused to be imported into the
37 state for sale within the state or are produced, manufactured or
38 compounded within the state by any person while not appointed as a
39 distributor of tobacco products, such person shall be guilty of a misde-
40 meanor. Provided further, that any person who has twice been convicted
41 under this section shall be guilty of a class E felony for any subse-
42 quent violation of this section, regardless of the amount of tobacco
43 products involved in such violation.

44 (b) For purposes of this section, the possession or transportation
45 within this state by any person, other than a tobacco products distribu-
46 tor appointed by the commissioner of taxation and finance, at any one
47 time of seven hundred fifty or more cigars [or], fifteen pounds or more
48 of tobacco or fifteen hundred milliliters or more of vapor product shall
49 be presumptive evidence that such tobacco products are possessed or
50 transported for the purpose of sale and are subject to the tax imposed
51 by section four hundred seventy-one-b of this chapter. With respect to
52 such possession or transportation, any provisions of article twenty of
53 this chapter providing for a time period during which the tax imposed by
54 such article may be paid shall not apply.

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

1 (a) Whenever a police officer designated in section 1.20 of the crimi-
2 nal procedure law or a peace officer designated in subdivision four of
3 section 2.10 of such law, acting pursuant to his special duties, shall
4 discover any tobacco products in excess of five hundred cigars [or], ten
5 pounds of tobacco or one thousand milliliters of vapor product which are
6 being imported for sale in the state where the person importing or caus-
7 ing such tobacco products to be imported has not been appointed as a
8 distributor pursuant to section four hundred seventy-two of this chap-
9 ter, such police officer or peace officer is hereby authorized and
10 empowered forthwith to seize and take possession of such tobacco
11 products. Such tobacco products seized by a police officer or peace
12 officer shall be turned over to the commissioner. Such seized tobacco
13 products shall be forfeited to the state. All tobacco products forfeited
14 to the state shall be destroyed or used for law enforcement purposes,
15 except that tobacco products that violate, or are suspected of violat-
16 ing, federal trademark laws or import laws shall not be used for law
17 enforcement purposes. If the commissioner determines the tobacco
18 products may not be used for law enforcement purposes, the commissioner
19 must, within a reasonable time thereafter, upon publication in the state
20 registry of a notice to such effect before the day of destruction,
21 destroy such forfeited tobacco products. The commissioner may, prior to
22 any destruction of tobacco products, permit the true holder of the
23 trademark rights in the tobacco products to inspect such forfeited
24 products in order to assist in any investigation regarding such tobacco
25 products.

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

28 (b) Any peace officer designated in subdivision four of section 2.10
29 of the criminal procedure law, acting pursuant to his special duties, or
30 any police officer designated in section 1.20 of the criminal procedure
31 law may seize any vehicle or other means of transportation used to
32 import tobacco products in excess of five hundred cigars [or], ten
33 pounds of tobacco or one thousand milliliters of vapor product for sale
34 where the person importing or causing such tobacco products to be
35 imported has not been appointed a distributor pursuant to section four
36 hundred seventy-two of this chapter, other than a vehicle or other means
37 of transportation used by any person as a common carrier in transaction
38 of business as such common carrier, and such vehicle or other means of
39 transportation shall be subject to forfeiture as hereinafter in this
40 section provided.

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

45

PART CC

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

ARTICLE 20-C

OPIOID EPIDEMIC SURCHARGE

48 Section 492. Definitions.

49 493. Imposition of surcharge.

50 494. Returns to be secret.

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



1 1. "Opioid" shall mean an "opiate" as defined by subdivision twenty-
2 three of section thirty-three hundred two of the public health law, and
3 any natural, synthetic, or semisynthetic "narcotic drug" as defined by
4 subdivision twenty-two of such section, that has agonist, partial agon-
5 ist, or agonist/antagonist morphine-like activities or effects similar
6 to natural opium alkaloids and any derivative, congener, or combination
7 thereof, listed in schedules II-IV of section thirty-three hundred six
8 of the public health law. Provided however, for the purposes of this
9 article, an "opioid" shall not include any drug approved by the food and
10 drug administration for the purpose of treating a substance use disor-
11 der, as defined in section 1.03 of the mental hygiene law, which shall
12 include but not be limited to methadone, buprenorphine and naltrexone.

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

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

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

22 5. "Morphine milligram equivalent" shall mean a unit multiplied by its
23 unit strength multiplied by the morphine milligram equivalent conversion
24 factor of the opioid contained in such unit.

25 6. "Establishment" shall mean any person, firm, corporation or associ-
26 ation required to be registered with the education department pursuant
27 to section sixty-eight hundred eight or section sixty-eight hundred
28 eight-b of the education law, as well as any person, firm, corporation
29 or association that would be required to be registered with the educa-
30 tion department pursuant to such section sixty-eight hundred eight-b but
31 for the exception in subdivision two of such section.

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

34 § 493. Imposition of surcharge. 1. There is hereby imposed a surcharge
35 on the sale of any opioid of two and one-half cents per morphine milli-
36 gram equivalent sold. Such surcharge shall be imposed on the first sale
37 of such opioid in the state, except that such surcharge shall not apply
38 when such sale is to any program operated pursuant to article thirty-two
39 of the mental hygiene law or article forty of the public health law or
40 to sales to pharmacies as defined by section sixty-eight hundred two of
41 the education law. This surcharge shall be charged against, and be paid
42 by, the establishment making the first sale of such opioid in the state,
43 and shall not be added as a separate charge or line item on any invoice
44 given to the customer or otherwise passed down to the customer. However,
45 an establishment liable for the surcharge imposed by this article shall
46 clearly note on the invoice for the first sale of an opioid in the state
47 its liability for the surcharge, along with its name, address, and
48 taxpayer identification number. All sales of an opioid in this state
49 shall be presumed to be the first sale of such, and shall also be
50 presumed to be subject to the surcharge imposed by this article, unless
51 the contrary is established by the seller.

52 2. Every establishment liable for the surcharge imposed by this arti-
53 cle shall file with the commissioner a return, on forms prescribed by
54 the commissioner, indicating the total morphine milligram equivalent of
55 opioids it sold in the state, the total morphine milligram equivalent of
56 such opioids that are subject to the surcharge imposed by this article,

1 the amount of surcharge due thereon, and such further information as the
2 commissioner may require. Such returns shall be due on or before the
3 twentieth day of each month, and shall cover all opioid sales in the
4 state made in the month prior, except that the first return required to
5 be filed pursuant to this section shall be due on or before January
6 twentieth, two thousand nineteen and shall cover all opioid sales occur-
7 ring in the period between the effective date of this article and Decem-
8 ber thirty-first, two thousand eighteen. Every establishment required
9 to file a return under this section shall, at the time of filing such
10 return, pay to the commissioner the total amount of surcharge due for
11 the period covered by such return. If a return is not filed when due,
12 the surcharge shall be due on the day on which the return is required to
13 be filed. The commissioner may require that the returns and payments
14 required by this article be filed or paid electronically.

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

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

38 5. The provisions of article twenty-seven of this chapter shall apply
39 to the surcharge imposed by this article in the same manner and with the
40 same force and effect as if the language of such article had been incor-
41 porated in full into this section and had expressly referred to the
42 surcharge imposed by this article, except to the extent that any
43 provision of such article is either inconsistent with a provision of
44 this article or is not relevant to this article.

45 6. (a) The surcharges, interest, and penalties imposed by this article
46 and collected or received by the commissioner shall be deposited daily
47 with such responsible banks, banking houses or trust companies, as may
48 be designated by the state comptroller, to the credit of the opioid
49 prevention, treatment and recovery account established pursuant to
50 section ninety-seven-aaaaa of the state finance law. An account may be
51 established in one or more of such depositories. Such deposits will be
52 kept separate and apart from all other money in the possession of the
53 state comptroller. The state comptroller shall require adequate security
54 from all such depositories. Of the total revenue collected or received
55 under this article, the state comptroller shall retain such amount as
56 the commissioner may determine to be necessary for refunds under this

1 article. The commissioner is authorized and directed to deduct from the
2 amounts it receives under this article, before deposit into the trust
3 accounts designated by the state comptroller, a reasonable amount neces-
4 sary to effectuate refunds of appropriations of the department to reim-
5 burse the department for the costs incurred to administer, collect and
6 distribute the surcharge imposed by this article.

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

17 7. The commissioners of education and health shall cooperate with the
18 commissioner in administering this surcharge, including sharing with the
19 commissioner pertinent information about establishments upon the request
20 of the commissioner.

21 § 494. Returns to be secret. 1. Except in accordance with proper judi-
22 cial order or as in this section or otherwise provided by law, it shall
23 be unlawful for the commissioner, any officer or employee of the depart-
24 ment, or any officer or person who, pursuant to this section, is permit-
25 ted to inspect any return or report or to whom a copy, an abstract or a
26 portion of any return or report is furnished, or to whom any information
27 contained in any return or report is furnished, or any person engaged or
28 retained by such department on an independent contract basis or any
29 person who in any manner may acquire knowledge of the contents of a
30 return or report filed pursuant to this article to divulge or make known
31 in any manner the contents or any other information relating to the
32 business of an establishment contained in any return or report required
33 under this article. The officers charged with the custody of such
34 returns or reports shall not be required to produce any of them or
35 evidence of anything contained in them in any action or proceeding in
36 any court, except on behalf of the state, the department of health, the
37 department of education or the commissioner in an action or proceeding
38 under the provisions of this chapter or on behalf of the state or the
39 commissioner in any other action or proceeding involving the collection
40 of a tax due under this chapter to which the state or the commissioner
41 is a party or a claimant or on behalf of any party to any action or
42 proceeding under the provisions of this article, when the returns or the
43 reports or the facts shown thereby are directly involved in such action
44 or proceeding, in any of which events the court may require the
45 production of, and may admit in evidence so much of said returns or
46 reports or of the facts shown thereby as are pertinent to the action or
47 proceeding and no more. Nothing in this section shall be construed to
48 prohibit the commissioner, in his or her discretion, from allowing the
49 inspection or delivery of a certified copy of any return or report filed
50 under this article, or from providing any information contained in any
51 such return or report, by or to a duly authorized officer or employee of
52 the state department of health or the department of education; nor to
53 prohibit the inspection or delivery of a certified copy of any return or
54 report filed under this article, or the provision of any information
55 contained therein, by or to the attorney general or other legal repre-
56 sentatives of the state when an action shall have been recommended or



1 commenced pursuant to this chapter in which such returns or reports or
2 the facts shown thereby are directly involved; nor to prohibit the
3 commissioner from providing or certifying to the division of budget or
4 the comptroller the total number of returns or reports filed under this
5 article in any reporting period and the total collections received there-
6 from; nor to prohibit the inspection of the returns or reports required
7 under this article by the comptroller or duly designated officer or
8 employee of the department of audit and control, for purposes of the
9 audit of a refund of any surcharge paid by an establishment or other
10 person under this article; nor to prohibit the delivery to an establish-
11 ment, or a duly authorized representative of such establishment, a
12 certified copy of any return or report filed by such establishment
13 pursuant to this article, nor to prohibit the publication of statistics
14 so classified as to prevent the identification of particular returns or
15 reports and the items thereof.

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

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

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

24 § 1825. Violation of secrecy provisions of the tax law.--Any person
25 who violates the provisions of [subdivision (b) of section twenty-one,]
26 subdivision one of section two hundred two, subdivision eight of section
27 two hundred eleven, subdivision (a) of section three hundred fourteen,
28 subdivision one or two of section four hundred thirty-seven, section
29 four hundred eighty-seven, section four hundred ninety-four, subdivision
30 one or two of section five hundred fourteen, subsection (e) of section
31 six hundred ninety-seven, subsection (a) of section nine hundred nine-
32 ty-four, subdivision (a) of section eleven hundred forty-six, section
33 twelve hundred eighty-seven, section twelve hundred ninety-six, subdivi-
34 sion (a) of section fourteen hundred eighteen, subdivision (a) of
35 section fifteen hundred eighteen, subdivision (a) of section fifteen
36 hundred fifty-five of this chapter, and subdivision (e) of section
37 11-1797 of the administrative code of the city of New York shall be
38 guilty of a misdemeanor.

39 § 3. The state finance law is amended by adding a new section 97-aaaa
40 to read as follows:

41 § 97-aaaa. Opioid prevention, treatment and recovery account. 1.
42 There is hereby established in the joint custody of the state comp-
43 troller and the commissioner of taxation and finance an account of the
44 miscellaneous special revenue account to be known as the "opioid
45 prevention, treatment and recovery account".

46 2. Moneys in the opioid prevention, treatment and recovery account
47 shall be kept separate and shall not be commingled with any other moneys
48 in the custody of the state comptroller and the commissioner of taxation
49 and finance.

50 3. The opioid prevention, treatment and recovery account shall consist
51 of moneys appropriated for the purpose of such account, moneys trans-
52 ferred to such account pursuant to law, contributions consisting of
53 promises or grants of any money or property of any kind or value, or any
54 other thing of value, including grants or other financial assistance
55 from any agency of government and moneys required by the provisions of
56 this section or any other law to be paid into or credited to this

1 account. The account shall also consist of moneys received from any
2 litigation or enforcement actions initiated against opioid pharmaceu-
3 tical manufacturers, distributors and wholesalers.

4 4. Moneys of the opioid prevention, treatment and recovery account,
5 when allocated, shall be available, subject to the approval of the
6 director of the budget, to support programs operated by the office of
7 alcoholism and substance abuse services or agencies certified, author-
8 ized, approved or otherwise funded by the office of alcoholism and
9 substance abuse services to provide opioid treatment, recovery and
10 prevention and education services; and to provide support for the
11 prescription monitoring program registry if established.

12 5. At the request of the budget director, the state comptroller shall
13 transfer moneys to support the costs of opioid treatment, recovery,
14 prevention, education services, and other related programs, from the
15 opioid prevention, treatment and recovery account to any other fund of
16 the state.

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

30 7. The moneys, when allocated, shall be paid out of the opioid
31 prevention, treatment and recovery account, pursuant to subdivision four
32 of this section, and subject to the approval of the director of the
33 budget, on the audit and warrant of the comptroller on vouchers certi-
34 fied or approved by (a) the commissioner of the office of alcoholism and
35 substance abuse services or his or her designee; or (b) the commissioner
36 of health or his or her designee.

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

38 PART DD

39 Intentionally Omitted

40 PART EE

41 Section 1. This act enacts into law major components of legislation
42 which are necessary for the proper operations of thoroughbred racing in
43 New York State. Each component is wholly contained within a Subpart
44 identified as Subpart A through B. The effective date for each partic-
45 ular provision contained within such Subpart is set forth in the last
46 section of such Subpart. Any provision in any section contained within a
47 Subpart, including the effective date of the Subpart, which makes refer-
48 ence to a section "of this act", when used in connection with that
49 particular component, shall be deemed to mean and refer to the corre-
50 sponding section of the Subpart in which it is found. Section three of
51 this act sets forth the general effective date of this act.

52 SUBPART A



1 Section 1. Subdivision 1 of section 208 of the racing, pari-mutuel
2 wagering and breeding law, as amended by chapter 140 of the laws of
3 2008, is amended to read as follows:

4 1. (a) In consideration of the franchise and in accordance with its
5 franchise agreement, the franchised corporation shall remit to the
6 state, each year, no later than April fifth, a franchise fee payment.
7 The franchise fee shall be calculated and equal to the lesser of [para-
8 graph (a) or (b) of this subdivision] subparagraphs (i) or (ii) of this
9 paragraph as follows: [(a)] (i) adjusted net income, including all
10 sources of audited generally accepted accounting principles net income
11 as of December thirty-first [(i)] (1) plus the amount of depreciation
12 and amortization for such year as set forth on the statement of cash
13 flows [(ii)] (2) less the amount received by the franchised corporation
14 for capital expenditures and [(iii)] (3) less principal payments made
15 for the repayment of debt; or [(b)] (ii) operating cash which is defined
16 as cash available on December thirty-first [(i)] (1) which excludes all
17 restricted cash accounts, segregated accounts as per audited financial
18 statements and cash on hand needed to fund the on-track pari-mutuel
19 operations through the vault, [(ii)] (2) less [forty-five] ninety days
20 of operating expenses pursuant to generally accepted accounting princi-
21 ples which shall be an average calculated by dividing the current year's
22 annual budget by the number of days in such year and multiplying that
23 number by [forty-five] ninety.

24 (b) The franchised corporation shall prepare an annual report on the
25 maintenance and use of operating reserves in order to protect the legit-
26 imate interests of the state and the thoroughbred racing industry. Such
27 report shall be submitted to the governor, speaker of the assembly, the
28 temporary president of the senate, the chair of the assembly ways and
29 means committee, the chair of the assembly standing committee on racing
30 and wagering, the chair of the senate standing committee on racing,
31 gaming and wagering, and the chair of the senate standing committee on
32 finance, no later than the first day of January, two thousand nineteen,
33 and each year thereafter. Such report shall also be made available to
34 the public and posted on the website of the gaming commission.

35 (c) Such annual report shall include the following information:

36 (i) average daily operating expenses at each track for the prior year;

37 (ii) all amounts received and disbursed to and from such operating
38 expenses account from the prior year;

39 (iii) all relevant data pertaining to the franchised corporation's use
40 of operating expenses from the prior year;

41 (iv) all franchise fee payments remitted to the state by the fran-
42 chised corporation in the prior year, or a statement including all rele-
43 vant information as to why such payment was not made;

44 (v) all pension costs for the franchised corporation for the prior
45 year; and

46 (vi) all amounts derived from the franchised corporation's split
47 handle for the prior year.

48 § 2. Intentionally omitted.

49 § 3. An advisory committee shall be established by the governor and
50 shall be comprised of fourteen individuals with demonstrated expertise
51 in the performance of Thoroughbred and Standardbred race horses and
52 equine health and safety to review the present structure, operations and
53 funding of equine drug testing and research conducted pursuant to arti-
54 cle 9 of the racing, pari-mutuel wagering and breeding law. Two desig-
55 nees shall be at the recommendation of each of the following; the gover-
56 nor, the speaker of the assembly, and the temporary president of the

1 senate. One designee shall be at the recommendation of each of the
2 following; the New York Racing Association, Inc.; New York Thoroughbred
3 Horsemen's Association; The Standardbred Owner's Association of New
4 York; New York Thoroughbred Breeders, Inc.; Harness Horse Breeders of
5 New York State; The Jockey Club; New York's Equine Drug Testing Program
6 at Morrisville State College, and; the American Association of Equine
7 Partitioners. Recommendations shall be delivered to the temporary pres-
8 ident of the senate, speaker of the assembly and governor by December 1,
9 2018 regarding the future of such research, testing and funding based
10 upon the findings of such report. Such report shall also be made avail-
11 able to the public and posted on the website of the New York state
12 Gaming Commission. Members of the board shall not be considered policy-
13 makers.

14 § 4. This act shall take effect immediately.

15

SUBPART B

16 Section 1. Subdivision 6 of section 212 of the racing, pari-mutuel
17 wagering and breeding law, as added by chapter 18 of the laws of 2008,
18 is amended by adding a new paragraph c to read as follows:

19 c. The local advisory board for the Belmont racetrack facility shall
20 be comprised of fifteen members and include four designees of Nassau
21 county, three of whom shall reside within the hamlet of Elmont; four
22 designees of the mayor of the village of Floral Park; four designees of
23 the Elmont Community Coalition of Civics; and three designees of the
24 franchised corporation.

25 § 2. This act shall take effect immediately; provided, however, that
26 the amendments to subdivision 6 of section 212 of the racing, pari-mutu-
27 el wagering and breeding law made by section one of this act shall not
28 affect the repeal of such section and shall be deemed repealed there-
29 with.

30 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
31 sion, section or Subpart of this act shall be adjudged by any court of
32 competent jurisdiction to be invalid, such judgment shall not affect,
33 impair, or invalidate the remainder thereof, but shall be confined in
34 its operation to the clause, sentence, paragraph, subdivision, section
35 or Subpart thereof directly involved in the controversy in which such
36 judgment shall have been rendered. It is hereby declared to be the
37 intent of the legislature that this act would have been enacted even if
38 such invalid provisions had not been included herein.

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

42

PART FF

43

Intentionally Omitted

44

PART GG

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

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

1 this chapter, desiring to display the simulcast of horse races on which
2 pari-mutuel betting shall be permitted in the manner and subject to the
3 conditions provided for in this article may apply to the commission for
4 a license so to do. Applications for licenses shall be in such form as
5 may be prescribed by the commission and shall contain such information
6 or other material or evidence as the commission may require. No license
7 shall be issued by the commission authorizing the simulcast transmission
8 of thoroughbred races from a track located in Suffolk county. The fee
9 for such licenses shall be five hundred dollars per simulcast facility
10 and for account wagering licensees that do not operate either a simul-
11 cast facility that is open to the public within the state of New York or
12 a licensed racetrack within the state, twenty thousand dollars per year
13 payable by the licensee to the commission for deposit into the general
14 fund. Except as provided in this section, the commission shall not
15 approve any application to conduct simulcasting into individual or group
16 residences, homes or other areas for the purposes of or in connection
17 with pari-mutuel wagering. The commission may approve simulcasting into
18 residences, homes or other areas to be conducted jointly by one or more
19 regional off-track betting corporations and one or more of the follow-
20 ing: a franchised corporation, thoroughbred racing corporation or a
21 harness racing corporation or association; provided (i) the simulcasting
22 consists only of those races on which pari-mutuel betting is authorized
23 by this chapter at one or more simulcast facilities for each of the
24 contracting off-track betting corporations which shall include wagers
25 made in accordance with section one thousand fifteen, one thousand
26 sixteen and one thousand seventeen of this article; provided further
27 that the contract provisions or other simulcast arrangements for such
28 simulcast facility shall be no less favorable than those in effect on
29 January first, two thousand five; (ii) that each off-track betting
30 corporation having within its geographic boundaries such residences,
31 homes or other areas technically capable of receiving the simulcast
32 signal shall be a contracting party; (iii) the distribution of revenues
33 shall be subject to contractual agreement of the parties except that
34 statutory payments to non-contracting parties, if any, may not be
35 reduced; provided, however, that nothing herein to the contrary shall
36 prevent a track from televising its races on an irregular basis primari-
37 ly for promotional or marketing purposes as found by the commission. For
38 purposes of this paragraph, the provisions of section one thousand thir-
39 teen of this article shall not apply. Any agreement authorizing an
40 in-home simulcasting experiment commencing prior to May fifteenth, nine-
41 teen hundred ninety-five, may, and all its terms, be extended until June
42 thirtieth, two thousand [eighteen] nineteen; provided, however, that any
43 party to such agreement may elect to terminate such agreement upon
44 conveying written notice to all other parties of such agreement at least
45 forty-five days prior to the effective date of the termination, via
46 registered mail. Any party to an agreement receiving such notice of an
47 intent to terminate, may request the commission to mediate between the
48 parties new terms and conditions in a replacement agreement between the
49 parties as will permit continuation of an in-home experiment until June
50 thirtieth, two thousand [eighteen] nineteen; and (iv) no in-home simul-
51 casting in the thoroughbred special betting district shall occur without
52 the approval of the regional thoroughbred track.

53 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
54 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
55 section 2 of part 00 of chapter 59 of the laws of 2017, is amended to
56 read as follows:

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

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

17 The provisions of this section shall govern the simulcasting of races
18 conducted at thoroughbred tracks located in another state or country on
19 any day during which a franchised corporation is conducting a race meet-
20 ing in Saratoga county at Saratoga thoroughbred racetrack until June
21 thirtieth, two thousand [eighteen] nineteen and on any day regardless of
22 whether or not a franchised corporation is conducting a race meeting in
23 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,
24 two thousand [eighteen] nineteen. On any day on which a franchised
25 corporation has not scheduled a racing program but a thoroughbred racing
26 corporation located within the state is conducting racing, every off-
27 track betting corporation branch office and every simulcasting facility
28 licensed in accordance with section one thousand seven (that have
29 entered into a written agreement with such facility's representative
30 horsemen's organization, as approved by the commission), one thousand
31 eight, or one thousand nine of this article shall be authorized to
32 accept wagers and display the live simulcast signal from thoroughbred
33 tracks located in another state or foreign country subject to the
34 following provisions:

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

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

43 § 5. The opening paragraph of subdivision 1 of section 1016 of the
44 racing, pari-mutuel wagering and breeding law, as amended by section 5
45 of part 00 of chapter 59 of the laws of 2017, is amended to read as
46 follows:

47 The provisions of this section shall govern the simulcasting of races
48 conducted at thoroughbred tracks located in another state or country on
49 any day during which a franchised corporation is not conducting a race
50 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
51 thirtieth, two thousand [eighteen] nineteen. Every off-track betting
52 corporation branch office and every simulcasting facility licensed in
53 accordance with section one thousand seven that have entered into a
54 written agreement with such facility's representative horsemen's organ-
55 ization as approved by the commission, one thousand eight or one thou-
56 sand nine of this article shall be authorized to accept wagers and

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

8 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
9 wagering and breeding law, as amended by section 6 of part 00 of chapter
10 59 of the laws of 2017, is amended to read as follows:

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

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

30 § 32. This act shall take effect immediately and the pari-mutuel tax
31 reductions in section six of this act shall expire and be deemed
32 repealed on July 1, [2018] 2019; provided, however, that nothing
33 contained herein shall be deemed to affect the application, qualifica-
34 tion, expiration, or repeal of any provision of law amended by any
35 section of this act, and such provisions shall be applied or qualified
36 or shall expire or be deemed repealed in the same manner, to the same
37 extent and on the same date as the case may be as otherwise provided by
38 law; provided further, however, that sections twenty-three and twenty-
39 five of this act shall remain in full force and effect only until May 1,
40 1997 and at such time shall be deemed to be repealed.

41 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
42 racing, pari-mutuel wagering and breeding law and other laws relating to
43 simulcasting and the imposition of certain taxes, as amended by section
44 8 of part 00 of chapter 59 of the laws of 2017, is amended to read as
45 follows:

46 § 54. This act shall take effect immediately; provided, however,
47 sections three through twelve of this act shall take effect on January
48 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
49 ing law, as added by section thirty-eight of this act, shall expire and
50 be deemed repealed on July 1, [2018] 2019; and section eighteen of this
51 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
52 two of this act shall take effect as of the same date as chapter 772 of
53 the laws of 1989 took effect.

54 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
55 pari-mutuel wagering and breeding law, as amended by section 9 of part
56 00 of chapter 59 of the laws of 2017, is amended to read as follows:

1 (a) The franchised corporation authorized under this chapter to
2 conduct pari-mutuel betting at a race meeting or races run thereat shall
3 distribute all sums deposited in any pari-mutuel pool to the holders of
4 winning tickets therein, provided such tickets be presented for payment
5 before April first of the year following the year of their purchase,
6 less an amount which shall be established and retained by such fran-
7 chised corporation of between twelve to seventeen per centum of the
8 total deposits in pools resulting from on-track regular bets, and four-
9 teen to twenty-one per centum of the total deposits in pools resulting
10 from on-track multiple bets and fifteen to twenty-five per centum of the
11 total deposits in pools resulting from on-track exotic bets and fifteen
12 to thirty-six per centum of the total deposits in pools resulting from
13 on-track super exotic bets, plus the breaks. The retention rate to be
14 established is subject to the prior approval of the gaming commission.
15 Such rate may not be changed more than once per calendar quarter to be
16 effective on the first day of the calendar quarter. "Exotic bets" and
17 "multiple bets" shall have the meanings set forth in section five
18 hundred nineteen of this chapter. "Super exotic bets" shall have the
19 meaning set forth in section three hundred one of this chapter. For
20 purposes of this section, a "pick six bet" shall mean a single bet or
21 wager on the outcomes of six races. The breaks are hereby defined as the
22 odd cents over any multiple of five for payoffs greater than one dollar
23 five cents but less than five dollars, over any multiple of ten for
24 payoffs greater than five dollars but less than twenty-five dollars,
25 over any multiple of twenty-five for payoffs greater than twenty-five
26 dollars but less than two hundred fifty dollars, or over any multiple of
27 fifty for payoffs over two hundred fifty dollars. Out of the amount so
28 retained there shall be paid by such franchised corporation to the
29 commissioner of taxation and finance, as a reasonable tax by the state
30 for the privilege of conducting pari-mutuel betting on the races run at
31 the race meetings held by such franchised corporation, the following
32 percentages of the total pool for regular and multiple bets five per
33 centum of regular bets and four per centum of multiple bets plus twenty
34 per centum of the breaks; for exotic wagers seven and one-half per
35 centum plus twenty per centum of the breaks, and for super exotic bets
36 seven and one-half per centum plus fifty per centum of the breaks. For
37 the period June first, nineteen hundred ninety-five through September
38 ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be
39 three per centum and such tax on multiple wagers shall be two and one-
40 half per centum, plus twenty per centum of the breaks. For the period
41 September tenth, nineteen hundred ninety-nine through March thirty-
42 first, two thousand one, such tax on all wagers shall be two and six-
43 tenths per centum and for the period April first, two thousand one
44 through December thirty-first, two thousand [eighteen] nineteen, such
45 tax on all wagers shall be one and six-tenths per centum, plus, in each
46 such period, twenty per centum of the breaks. Payment to the New York
47 state thoroughbred breeding and development fund by such franchised
48 corporation shall be one-half of one per centum of total daily on-track
49 pari-mutuel pools resulting from regular, multiple and exotic bets and
50 three per centum of super exotic bets provided, however, that for the
51 period September tenth, nineteen hundred ninety-nine through March thir-
52 ty-first, two thousand one, such payment shall be six-tenths of one per
53 centum of regular, multiple and exotic pools and for the period April
54 first, two thousand one through December thirty-first, two thousand
55 [eighteen] nineteen, such payment shall be seven-tenths of one per
56 centum of such pools.



1 § 10. This act shall take effect immediately.

2 PART HH

3 Intentionally Omitted

4 PART II

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

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

12 (A) when a vendor track is located within development zone one as
13 defined by section thirteen hundred ten of the racing, pari-mutuel
14 wagering and breeding law, at a rate of thirty-nine and one-half percent
15 of the total revenue wagered at the vendor track after payout for prizes
16 pursuant to this chapter;

17 (B) when a vendor track is located within development zone two as
18 defined by section thirteen hundred ten of the racing, pari-mutuel
19 wagering and breeding law, at a rate of forty-three and one-half percent
20 of the total revenue wagered at the vendor track after payout for prizes
21 pursuant to this chapter; provided, however, at a vendor track located
22 within fifteen miles of a destination resort gaming facility authorized
23 pursuant to article thirteen of the racing, pari-mutuel wagering and
24 breeding law or that is located more than fifteen miles but within fifty
25 miles of a Native American class III gaming facility as defined in 25
26 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of fifty-one
27 percent of the total revenue wagered at the vendor track after payout
28 for prizes pursuant to this chapter; and that at a vendor track located
29 within fifteen miles of a Native American class III gaming facility as
30 defined in 25 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of
31 fifty-six percent of the total revenue wagered at the vendor track after
32 payout for prizes pursuant to this chapter;

33 (C) when a video lottery facility is operated at Aqueduct racetrack,
34 at a rate of forty-seven percent of the total revenue wagered at the
35 video lottery gaming facility after payout for prizes pursuant to this
36 chapter; provided, however, upon the earlier of the designation of one
37 thousand video lottery devices as hosted pursuant to paragraph four of
38 subdivision a of section sixteen hundred seventeen-a of this article or
39 April first, two thousand nineteen, such rate shall be fifty percent of
40 the total revenue wagered at the video lottery gaming facility after
41 payout for prizes pursuant to this chapter;

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

48 (E) (I) Notwithstanding any provision to the contrary, when a vendor
49 track is located within regions one, two, or five of development zone
50 two as defined by section thirteen hundred ten of the racing, pari-mutu-
51 el wagering and breeding law, such vendor track shall receive an addi-
52 tional commission at a rate equal to the percentage of revenue wagered

1 at the vendor track after payout for prizes pursuant to this chapter,
2 which percentage shall be one hundred, less the sum of the percentages
3 of net revenue wagered at the vendor track retained by the commission
4 for operation, administration, and procurement purposes; and the
5 vendor's fee, marketing allowance and capital award paid to the vendor
6 track pursuant to this chapter; and the effective tax rate paid on all
7 gross gaming revenue paid by a gaming facility within the same region
8 pursuant to section thirteen hundred fifty-one of the racing, pari-mutu-
9 el wagering and breeding law, provided, however, such additional commis-
10 sion shall be applied to revenue wagered at the vendor track after
11 payout for prizes only while a gaming facility in the same region is
12 open and operational pursuant to an operation certificate issued pursu-
13 ant to section thirteen hundred thirty-one of the racing, pari-mutuel
14 wagering and breeding law. The additional commission set forth in this
15 clause shall be paid to the vendor track within sixty days after the
16 conclusion of the state fiscal year based on the calculated percentage
17 during the previous fiscal year.

18 (II) Notwithstanding any provision to the contrary, when a vendor
19 track is located within region six of development zone two as defined by
20 section thirteen hundred ten of the racing, pari-mutuel wagering and
21 breeding law and is located within Ontario county, such vendor track
22 shall receive an additional commission at a rate equal to the percentage
23 of revenue wagered at the vendor track after payout for prizes pursuant
24 to this chapter, which percentage shall be one hundred, less the sum of
25 the percentages of net revenue wagered at the vendor track retained by
26 the commission for operation, administration, and procurement purposes;
27 and the vendor's fee, marketing allowance and capital award paid to the
28 vendor track pursuant to this chapter; and the effective tax rate paid
29 on all gross gaming revenue paid by a gaming facility within Seneca or
30 Wayne counties pursuant to section thirteen hundred fifty-one of the
31 racing, pari-mutuel wagering and breeding law, provided, however, such
32 additional commission shall be applied to revenue wagered at the vendor
33 track after payout for prizes only while a gaming facility in Seneca or
34 Wayne counties is open and operational pursuant to an operation certif-
35 icate issued pursuant to section thirteen hundred thirty-one of the
36 racing, pari-mutuel wagering and breeding law. The additional commission
37 set forth in this clause shall be paid to the vendor track within sixty
38 days after the conclusion of the state fiscal year based on the calcu-
39 lated percentage during the previous fiscal year.

40 (F) Notwithstanding any provision of law to the contrary, any opera-
41 tors of a vendor track or the operators of any other video lottery
42 gaming facility eligible to receive a capital award as of December thir-
43 ty-first, two thousand seventeen shall deposit from their vendor fee
44 into a segregated account an amount equal to four percent of the first
45 sixty-two million five hundred thousand dollars of revenue wagered at
46 the vendor track after payout for prizes pursuant to this chapter to be
47 used exclusively for capital investments, except for Aqueduct, which
48 shall deposit into a segregated account an amount equal to one percent
49 of all revenue wagered at the video lottery gaming facility after payout
50 for prizes pursuant to this chapter until the earlier of the designation
51 of one thousand video lottery devices as hosted pursuant to paragraph
52 four of subdivision a of section sixteen hundred seventeen-a of this
53 article or April first, two thousand nineteen, when at such time four
54 percent of all revenue wagered at the video lottery gaming facility
55 after payout for prizes pursuant to this chapter shall be deposited into
56 a segregated account for capital investments. Vendor tracks and video



1 lottery gaming facilities shall be permitted to withdraw funds for
2 projects approved by the commission to improve the facilities of the
3 vendor track or video lottery gaming facility which enhance or maintain
4 the video lottery gaming facility including, but not limited to hotels,
5 other lodging facilities, entertainment facilities, retail facilities,
6 dining facilities, events arenas, parking garages and other improvements
7 and amenities customary to a gaming facility, provided, however, the
8 vendor tracks and video lottery gaming facilities shall be permitted to
9 withdraw funds for unreimbursed capital awards approved prior to the
10 effective date of this subparagraph. Any proceeds from the divestiture
11 of any assets acquired through these capital funds or any prior capital
12 award must be deposited into this segregated account, provided that if
13 the vendor track or video lottery gaming facility ceases use of such
14 asset for gaming purposes or transfers the asset to a related party,
15 such vendor track or video lottery gaming facility shall deposit an
16 amount equal to the fair market value of that asset into the account. In
17 the event a vendor track or video lottery gaming facility ceases gaming
18 operations, any balance in the account along with an amount equal to the
19 value of all remaining assets acquired through this fund or prior capi-
20 tal awards shall be returned to the state for deposit into the state
21 lottery fund for education aid, except for Aqueduct, which shall return
22 to the state for deposit into the state lottery fund for education aid
23 all amounts in excess of the amount needed to fund a project pursuant to
24 an agreement with the operator to construct an expansion of the facili-
25 ty, hotel, and convention and exhibition space requiring a minimum capi-
26 tal investment of three hundred million dollars and any subsequent
27 amendments to such agreement. The comptroller or his legally authorized
28 representative is authorized to audit any and all expenditures made out
29 of these segregated capital accounts. Notwithstanding the preceding, a
30 vendor track located in Ontario county may withdraw up to two million
31 dollars from this account for the purpose of constructing a turf course
32 at the vendor track.

33 (G) Notwithstanding any provision of law to the contrary, free play
34 allowance credits authorized by the division pursuant to subdivision f
35 of section sixteen hundred seventeen-a of this article shall not be
36 included in the calculation of the total amount wagered on video lottery
37 games, the total amount wagered after payout of prizes, the vendor fees
38 payable to the operators of video lottery gaming facilities, fees paya-
39 ble to the division's video lottery gaming equipment contractors, or
40 racing support payments.

41 (H) Notwithstanding any provision of law to the contrary, the operator
42 of a vendor track or the operator of any other video lottery gaming
43 facility shall fund a marketing and promotion program out of the
44 vendor's fee. Each operator shall submit an annual marketing plan for
45 the review and approval of the commission and any other required docu-
46 ments detailing promotional activities as prescribed by the commission.
47 The commission shall have the right to reject any advertisement or
48 promotion that does not properly represent the mission or interests of
49 the lottery or its programs.

50 (I) Notwithstanding clause (F) of this subparagraph, the commission
51 shall be able to authorize a vendor track located within Oneida county,
52 within fifteen miles of a Native American class III gaming facility, and
53 who has maintained at least ninety percent of full-time equivalent
54 employees as they employed in the year two thousand sixteen, to withdraw
55 funds from the segregated account established in clause (F) of this
56 subparagraph up to an amount equal to four percent of the total revenue

1 wagered at the vendor track after payout for prizes pursuant to this
2 chapter each year, for operations.

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

7

PART JJ

8 Section 1. Subsection (a) of section 614 of the tax law, as amended by
9 chapter 170 of the laws of 1994, is amended to read as follows:

10 (a) Unmarried individual. For taxable years beginning after nineteen
11 hundred ninety-six, the New York standard deduction of a resident indi-
12 vidual who is not married nor the head of a household nor a surviving
13 spouse nor an individual [whose federal exemption amount is zero] who is
14 claimed as a dependent by another New York state taxpayer shall be seven
15 thousand five hundred dollars; for taxable years beginning in nineteen
16 hundred ninety-six, such standard deduction shall be seven thousand four
17 hundred dollars; for taxable years beginning in nineteen hundred nine-
18 ty-five, such standard deduction shall be six thousand six hundred
19 dollars; and for taxable years beginning after nineteen hundred eighty-
20 nine and before nineteen hundred ninety-five, such standard deduction
21 shall be six thousand dollars.

22 § 2. Section 612 of the tax law is amended by adding two new
23 subsections (w) and (x) to read as follows:

24 (w) Alimony modifications. (1) In the case of applicable alimony or
25 separate maintenance payments, the following modifications shall apply:

26 (A) There shall be subtracted from federal adjusted gross income any
27 applicable alimony or separate maintenance payments made by the taxpayer
28 during the taxable year.

29 (B) There shall be added to federal adjusted gross income any applica-
30 ble alimony or separate maintenance payments received by the taxpayer
31 during the taxable year.

32 (2) (A) The term "alimony or separate maintenance payments" means
33 payments as defined under section seventy-one of the internal revenue
34 code in effect immediately prior to the enactment of Public Law 115-97.

35 (B) The term "applicable alimony or separate maintenance payments"
36 means payments made under an alimony or separation instrument (as
37 defined in section seventy-one of the internal revenue code in effect
38 immediately prior to the enactment of Public Law 115-97) that was
39 executed after December thirty-first, two thousand eighteen, and any
40 divorce or separation instrument executed on or before such date and
41 modified after such date if the modification expressly provides that the
42 amendments made by this section apply to such modification.

43 (x) Qualified moving expense reimbursement and moving expenses. (1) In
44 the case of applicable qualified moving expense reimbursement and moving
45 expenses, the following modifications shall apply:

46 (A) There shall be subtracted from federal adjusted gross income any
47 applicable qualified moving expense reimbursement received by the
48 taxpayer during the taxable year.

49 (B) There shall be subtracted from federal adjusted gross income any
50 applicable moving expenses paid by the taxpayer during the taxable year.

51 (2) Applicable qualified moving expense reimbursement and moving
52 expenses are those deductions as allowed by paragraph (g) of sections
53 one hundred thirty-two and section two hundred seventeen, respectively,

1 of the internal revenue code immediately prior to the enactment of
2 Public Law 115-97.

3 § 3. Subsection (a) of section 615 of the tax law, as amended by
4 section 1 of part HH of chapter 57 of the laws of 2010, is amended to
5 read as follows:

6 (a) General. If federal taxable income of a resident individual is
7 determined by itemizing deductions or claiming the federal standard
8 deduction from his or her federal adjusted gross income, he or she may
9 elect to deduct his or her New York itemized deduction [in lieu of] or
10 claim his or her New York standard deduction. The New York itemized
11 deduction of a resident individual means the total amount of his or her
12 deductions from federal adjusted gross income allowed, other than feder-
13 al deductions for personal exemptions, as provided in the laws of the
14 United States for the taxable year, as such deductions existed imme-
15 diately prior to the enactment of Public Law 115-97 with the modifica-
16 tions specified in this section, except as provided for under
17 subsections (f) and (g) of this section.

18 § 4. Subdivision (a) of section 11-1714 of the administrative code of
19 the city of New York, as amended by chapter 170 of the laws of 1994, is
20 amended to read as follows:

21 (a) Unmarried individual. For taxable years beginning after nineteen
22 hundred ninety-six, the city standard deduction of a city resident indi-
23 vidual who is not married nor the head of a household nor a surviving
24 spouse nor an individual [whose federal exemption amount is zero] who is
25 claimed as a dependent by another New York state taxpayer shall be seven
26 thousand five hundred dollars; for taxable years beginning in nineteen
27 hundred ninety-six, such standard deduction shall be seven thousand four
28 hundred dollars; for taxable years beginning in nineteen hundred nine-
29 ty-five, such standard deduction shall be six thousand six hundred
30 dollars; and for taxable years beginning after nineteen hundred eighty-
31 nine and before nineteen hundred ninety-five, such standard deduction
32 shall be six thousand dollars.

33 § 5. Section 11-1712 of the administrative code of the city of New
34 York is amended by adding two new subdivisions (u) and (v) to read as
35 follows:

36 (u) Alimony modifications. (1) In the case of applicable alimony or
37 separate maintenance payments, the following modifications shall apply:

38 (A) There shall be subtracted from federal adjusted gross income any
39 applicable alimony or separate maintenance payments made by the taxpayer
40 during the taxable year.

41 (B) There shall be added to federal adjusted gross income any applica-
42 ble alimony or separate maintenance payments received by the taxpayer
43 during the taxable year.

44 (2) (A) The term "alimony or separate maintenance payments" means
45 payments as defined under section seventy-one of the internal revenue
46 code in effect immediately prior to the enactment of Public Law 115-97.

47 (B) The term "applicable alimony or separate maintenance payments"
48 means payments made under an alimony or separation instrument (as
49 defined in section seventy-one of the internal revenue code in effect
50 immediately prior to the enactment of Public Law 115-97) that was
51 executed after December thirty-first, two thousand eighteen, and any
52 divorce or separation instrument executed on or before such date and
53 modified after such date if the modification expressly provides that the
54 amendments made by this section apply to such modification.

1 (v) Qualified moving expense reimbursement and moving expenses. (1) In
2 the case of applicable qualified moving expense reimbursement and moving
3 expenses, the following modifications shall apply:

4 (A) There shall be subtracted from federal adjusted gross income any
5 applicable qualified moving expense reimbursement received by the
6 taxpayer during the taxable year.

7 (B) There shall be subtracted from federal adjusted gross income any
8 applicable moving expenses paid by the taxpayer during the taxable year.

9 (2) Applicable qualified moving expense reimbursement and moving
10 expenses are those deductions as allowed by paragraph (g) of section one
11 hundred thirty-two and section two hundred seventeen, respectfully, of
12 the internal revenue code immediately prior to the enactment of Public
13 Law 115-97.

14 § 6. Subdivision (a) of section 11-1715 of the administrative code of
15 the city of New York, as amended by section 5 of part HH of chapter 57
16 of the laws of 2010, is amended to read as follows:

17 (a) General. If federal taxable income of a city resident individual
18 is determined by itemizing deductions or claiming the federal standard
19 deduction from his or her federal adjusted gross income, such resident
20 individual may elect to deduct his or her city itemized deduction [in
21 lieu of] or claim his or her city standard deduction. The city itemized
22 deduction of a city resident individual means the total amount of his or
23 her deductions from federal adjusted gross income allowed, other than
24 federal deductions for personal exemptions, as provided in the laws of
25 the United States for the taxable year, as such deductions existed imme-
26 diately prior to the enactment of Public Law 115-97 with the modifica-
27 tions specified in this section, except as provided for under subdivi-
28 sions (f) and (g) of this section.

29 § 7. This act shall take effect immediately and shall apply to taxable
30 years beginning on or after January 1, 2018.

31

PART KK

32 Section 1. Paragraph (b) of subdivision 6-a of section 208 of the tax
33 law, as amended by section 5-a of part T of chapter 59 of the laws of
34 2015, is amended to read as follows:

35 (b) "Exempt CFC income" means (i) the income required to be included
36 in the taxpayer's federal gross income pursuant to subsection (a) of
37 section 951 of the internal revenue code, received from a corporation
38 that is conducting a unitary business with the taxpayer but is not
39 included in a combined report with the taxpayer, and (ii) to the extent
40 not included in subparagraph (i) of this paragraph, such income required
41 to be included in the taxpayer's federal gross income pursuant to
42 subsection (a) of such section 951 of the internal revenue code by
43 reason of subsection (a) of section 965 of the internal revenue code, as
44 adjusted by subsection (b) of section 965 of the internal revenue code,
45 and without regard to subsection (c) of such section, received from a
46 corporation that is not included in a combined report with the taxpayer,
47 less, (iii) in the discretion of the commissioner, any interest
48 deductions directly or indirectly attributable to that income. In lieu
49 of subtracting from its exempt CFC income the amount of those interest
50 deductions, the taxpayer may make a revocable election to reduce its
51 total exempt CFC income by forty percent. If the taxpayer makes this
52 election, the taxpayer must also make the elections provided for in
53 paragraph (b) of subdivision six of this section and paragraph (c) of
54 this subdivision. If the taxpayer subsequently revokes this election,



1 the taxpayer must revoke the elections provided for in paragraph (b) of
2 subdivision six of this section and paragraph (c) of this subdivision. A
3 taxpayer which does not make this election because it has no exempt CFC
4 income will not be precluded from making those other elections.

5 § 2. Subparagraph 6 of paragraph (a) of subdivision 9 of section 208
6 of the tax law, as amended by section 4 of part A of chapter 59 of the
7 laws of 2014, is amended to read as follows:

8 (6) any amount treated as dividends pursuant to section seventy-eight
9 of the internal revenue code to the extent that such dividends are not
10 included in the computation of the deduction allowed under section two
11 hundred fifty of such code;

12 § 3. Paragraph (b) of subdivision 9 of section 208 of the tax law is
13 amended by adding a new subparagraph 23 to read as follow:

14 (23) The amount of any federal deduction allowed pursuant to
15 subsection (c) of section 965 of the internal revenue code.

16 § 4. Paragraph 1 of subsection (c) of section 1085 of the tax law, as
17 amended by section 13-a of part Q of chapter 60 of the laws of 2016, is
18 amended to read as follows:

19 (1) If any taxpayer fails to file a declaration of estimated tax under
20 article nine-A of this chapter, or fails to pay all or any part of an
21 amount which is applied as an installment against such estimated tax, it
22 shall be deemed to have made an underpayment of estimated tax. There
23 shall be added to the tax for the taxable year an amount at the under-
24 payment rate set by the commissioner pursuant to section one thousand
25 ninety-six of this article, or if no rate is set, at the rate of seven
26 and one-half percent per annum upon the amount of the underpayment for
27 the period of the underpayment but not beyond the fifteenth day of the
28 [third] fourth month following the close of the taxable year. Provided,
29 however, that, for taxable years beginning on or after January first,
30 two thousand seventeen and before January first, two thousand eighteen,
31 no amount shall be added to the tax with respect to the portion of such
32 tax related to the amount of any interest deductions directly or indi-
33 rectly attributable to the amount included in exempt CFC income pursuant
34 to subparagraph (ii) of paragraph (b) of subdivision six-a of section
35 two hundred eight of this chapter or the forty percent reduction of such
36 exempt CFC income in lieu of interest attribution if the election
37 described in paragraph (b) of subdivision six-a of such section is made.

38 The amount of the underpayment shall be, with respect to any installment
39 of estimated tax computed on the basis of either the preceding year's
40 tax or the second preceding year's tax, the excess of the amount
41 required to be paid over the amount, if any, paid on or before the last
42 day prescribed for such payment or, with respect to any other install-
43 ment of estimated tax, the excess of the amount of the installment which
44 would be required to be paid if the estimated tax were equal to ninety-
45 one percent of the tax shown on the return for the taxable year (or if
46 no return was filed, ninety-one percent of the tax for such year) over
47 the amount, if any, of the installment paid on or before the last day
48 prescribed for such payment. In any case in which there would be no
49 underpayment if "eighty percent" were substituted for "ninety-one
50 percent" each place it appears in this subsection, the addition to the
51 tax shall be equal to seventy-five percent of the amount otherwise
52 determined. No underpayment shall be deemed to exist with respect to a
53 declaration or installment otherwise due on or after the termination of
54 existence of the taxpayer.

1 § 5. Paragraph (b) of subdivision 5-a of section 11-652 of the admin-
2 istrative code of the city of New York, as added by section 1 of part D
3 of chapter 60 of the laws of 2015, is amended to read as follows:

4 (b) "Exempt CFC income" means (i) the income required to be included
5 in the taxpayer's federal gross income pursuant to subsection (a) of
6 section nine hundred fifty-one of the internal revenue code, received
7 from a corporation that is conducting a unitary business with the
8 taxpayer but is not included in a combined report with the taxpayer, and
9 (ii) to the extent not included in subparagraph (i) of this paragraph,
10 such income required to be included in the taxpayer's federal gross
11 income pursuant to subsection (a) of such section nine hundred fifty-one
12 of the internal revenue code by reason of subsection (a) of section nine
13 hundred sixty-five of the internal revenue code, as adjusted by
14 subsection (b) of section nine hundred sixty-five of the internal reven-
15 ue code, and without regard to subsection (c) of such section, received
16 from a corporation that is not included in a combined report with the
17 taxpayer, less, (iii) in the discretion of the commissioner of finance,
18 any interest deductions directly or indirectly attributable to that
19 income. In lieu of subtracting from its exempt CFC income the amount of
20 those interest deductions, the taxpayer may make a revocable election to
21 reduce its total exempt CFC income by forty percent. If the taxpayer
22 makes this election, the taxpayer must also make the elections provided
23 for in paragraph (b) of subdivision five of this section and paragraph
24 (c) of this subdivision. If the taxpayer subsequently revokes this
25 election, the taxpayer must revoke the elections provided for in para-
26 graph (b) of subdivision five of this section and paragraph (c) of this
27 subdivision. A taxpayer which does not make this election because it
28 has no exempt CFC income will not be precluded from making those other
29 elections.

30 § 6. Subparagraph 2-a of paragraph (a) of subdivision 8 of section
31 11-652 of the administrative code of the city of New York, as added by
32 section 1 of part D of chapter 60 of the laws of 2015, is amended to
33 read as follows:

34 (2-a) any amounts treated as dividends pursuant to section seventy-
35 eight of the internal revenue code to the extent that such dividends are
36 not included in the computation of the deduction allowed under section
37 two hundred fifty of such code;

38 § 7. Subparagraph 19 of paragraph (b) of subdivision 8 of section
39 11-652 of the administrative code of the city of New York, as added by
40 section 1 of part D of chapter 60 of the laws of 2015, is amended and a
41 new subparagraph 20 is added to read as follows:

42 (19) the amount of any federal deduction for taxes imposed under arti-
43 cle twenty-three of the tax law[.];

44 (20) the amount of any federal deduction allowed pursuant to
45 subsection (c) of section nine hundred sixty-five of the internal reven-
46 ue code.

47 § 8. Subdivision 3 of section 11-676 of the administrative code of the
48 city of New York, as amended by section 12 of part D of chapter 60 of
49 the laws of 2015, is amended to read as follows:

50 3. Failure to file declaration or underpayment of estimated tax. If
51 any taxpayer fails to file a declaration of estimated tax under subchap-
52 ter two, three or three-A of this chapter, or fails to pay all or any
53 part of an amount which is applied as an installment against such esti-
54 mated tax, it shall be deemed to have made an underpayment of estimated
55 tax. There shall be added to the tax for the taxable year an amount at
56 the underpayment rate set by the commissioner of finance pursuant to

1 section 11-687 of this subchapter, or, if no rate is set, at the rate of
2 seven and one-half percent per annum upon the amount of the underpayment
3 for the period of the underpayment but not beyond the fifteenth day of
4 the [third] forth month following the close of the taxable year.
5 Provided, however, that, for taxpayers under subchapter three-A of this
6 chapter, for taxable years beginning on or after January first, two
7 thousand seventeen and before January first, two thousand eighteen, no
8 amount shall be added to the tax with respect to the portion of such tax
9 related to the amount of any interest deductions directly or indirectly
10 attributable to the amount included in exempt CFC income pursuant to
11 subparagraph (ii) of paragraph (b) of subdivision five-a of section
12 11-652 of this chapter or the forty percent reduction of such exempt CFC
13 income in lieu of interest attribution if such election is made. The
14 amount of the underpayment shall be, with respect to any installment of
15 estimated tax computed on the basis of either the preceding year's tax
16 or the second preceding year's tax, the excess of the amount required to
17 be paid over the amount, if any, paid on or before the last day
18 prescribed for such payment or, with respect to any other installment of
19 estimated tax, the excess of the amount of the installment which would
20 be required to be paid if the estimated tax were equal to ninety percent
21 of the tax shown on the return for the taxable year (or if no return was
22 filed, ninety percent of the tax for such year) over the amount, if any,
23 of the installment paid on or before the last day prescribed for such
24 payment. In any case in which there would be no underpayment if "eighty
25 percent" were substituted for "ninety percent" each place it appears in
26 this subdivision, the addition to the tax shall be equal to seventy-five
27 percent of the amount otherwise determined. No underpayment shall be
28 deemed to exist with respect to a declaration or installment otherwise
29 due on or after the termination of existence of the taxpayer.
30 § 9. This act shall take effect immediately and shall apply to taxable
31 years beginning on or after January 1, 2017.

32 PART LL

33 Section 1. Intentionally omitted.

34 § 2. Intentionally omitted.

35 § 3. Section 1604 of the education law is amended by adding a new
36 subdivision 44 to read as follows:

37 44. To establish a charitable fund, by resolution of the trustees, to
38 receive unrestricted charitable monetary donations made to such fund for
39 use by the district for public educational purposes. The monies of such
40 charitable fund shall be deposited and secured in the manner provided by
41 section ten of the general municipal law. The monies of such charitable
42 fund may be invested in the manner provided by section eleven of the
43 general municipal law. Any interest earned or capital gain realized on
44 the money so invested shall accrue to and become part of such fund. At
45 such time and in such amounts as determined by the trustees, the monies
46 of such charitable fund shall be transferred to the school district's
47 general fund for expenditure consistent with the charitable purposes of
48 the fund, provided that the amount of taxes to be levied by the school
49 district for any school year shall be determined without regard to any
50 such transfer. The school district shall maintain an accounting of all
51 such deposits, interest or capital gain, transfers, and expenditures.

52 § 4. Section 1709 of the education law is amended by adding a new
53 subdivision 12-b to read as follows:

1 12-b. To establish a charitable fund, by resolution of the board, to
2 receive unrestricted charitable monetary donations made to such fund for
3 use by the district for public educational purposes. The monies of such
4 charitable fund shall be deposited and secured in the manner provided by
5 section ten of the general municipal law. The monies of such charitable
6 fund may be invested in the manner provided by section eleven of the
7 general municipal law. Any interest earned or capital gain realized on
8 the money so invested shall accrue to and become part of such fund. At
9 such time and in such amounts as determined by the board, the monies of
10 such charitable fund shall be transferred to the school district's
11 general fund for expenditure consistent with the charitable purposes of
12 the fund, provided that the amount of taxes to be levied by the school
13 district for any school year shall be determined without regard to any
14 such transfer. The school district shall maintain an accounting of all
15 such deposits, interest or capital gain, transfers, and expenditures.

16 § 5. Section 2590-h of the education law is amended by adding a new
17 subdivision 54 to read as follows:

18 54. To establish a charitable fund to receive unrestricted charitable
19 monetary donations made to such fund for use by the city school district
20 for public educational purposes. The monies of such charitable fund
21 shall be deposited and secured in the manner provided by section ten of
22 the general municipal law. The monies of such charitable fund may be
23 invested in the manner provided by section eleven of the general municipi-
24 pal law. Any interest earned or capital gain realized on the money so
25 invested shall accrue to and become part of such fund. At such time and
26 in such amounts as determined by the chancellor, the monies of such
27 charitable fund shall be transferred to the city school district's
28 general fund for expenditure consistent with the charitable purposes of
29 the fund, provided that the amount of taxes to be levied by the city for
30 any school year shall be determined without regard to any such transfer.
31 The city school district shall maintain an accounting of all such depos-
32 its, interest or capital gain, transfers, and expenditures.

33 § 6. The general municipal law is amended by adding two new sections
34 6-t and 6-u to read as follows:

35 § 6-t. Charitable gifts reserve fund; counties and cities with a popu-
36 lation of one million or more. 1. The governing board of any county or
37 New York city may establish a reserve fund to be known as a charitable
38 gifts reserve fund, the moneys of which are to be used for exclusively
39 public purposes.

40 2. Such fund may receive unrestricted charitable contributions and the
41 moneys in such fund shall be deposited and secured in the manner
42 provided by section ten of this article. The governing board, or the
43 chief fiscal officer of such county, or New York city, if the governing
44 board shall delegate such duty to him or her, may invest the moneys in
45 such fund in the manner provided by section eleven of this article. Any
46 interest earned or capital gain realized on the money so deposited or
47 invested shall accrue to and become part of such fund. The separate
48 identity of such fund shall be maintained whether its assets consist of
49 cash or investments or both.

50 3. At the end of the fiscal year, the governing board of the county or
51 New York city, within sixty days of the close of the fiscal year, shall
52 transfer the funds to the general fund or other fund of the municipal
53 corporation for exclusively public purposes.

54 4. The governing board shall establish a procedure for the donation of
55 unrestricted contributions to the charitable gifts reserve fund, which

1 shall include the provision of a written acknowledgment of the gift to
2 the contributor.

3 § 6-u. Charitable gifts reserve fund. 1. The governing board of any
4 city with a population less than one million, town or village may estab-
5 lish a reserve fund to be known as a charitable gifts reserve fund.

6 2. Such fund may receive unrestricted charitable contributions and the
7 moneys in such fund shall be deposited and secured in the manner
8 provided by section ten of this article. The governing board, or the
9 chief fiscal officer of such town, village or city, if the governing
10 board shall delegate such duty to him or her, may invest the moneys in
11 such fund in the manner provided by section eleven of this article. Any
12 interest earned or capital gain realized on the money so deposited or
13 invested shall accrue to and become part of such fund. The separate
14 identity of such fund shall be maintained whether its assets consist of
15 cash or investments or both.

16 3. At the end of the fiscal year, the governing board of the town,
17 village or city, within sixty days of the close of the fiscal year, may
18 transfer the funds to the general fund or other fund of the municipal
19 corporation, so that the funds may be used for charitable purposes.

20 4. The governing board shall establish a procedure for the donation of
21 unrestricted contributions to the charitable gifts reserve fund, which
22 shall include the provision of a written acknowledgment of the gift to
23 the contributor.

24 § 7. The real property tax law is amended by adding a new section
25 980-a to read as follows:

26 § 980-a. Tax credits for contributions to certain funds. 1. (a) A
27 municipal corporation that has established a fund pursuant to subdivi-
28 sion forty-four of section sixteen hundred four of the education law,
29 subdivision twelve-b of section seventeen hundred nine of the education
30 law, subdivision fifty-four of section twenty-five hundred ninety-h of
31 the education law, or section six-t or six-u of the general municipal
32 law, may adopt a local law, or in the case of a school district, a
33 resolution, authorizing a tax credit to be provided pursuant to this
34 section for contributions to such fund. For purposes of this section, a
35 municipal corporation that has established such a fund and authorized
36 such a credit shall be referred to as a "participating" municipal corpo-
37 ration.

38 (b) On and after a date specified in the local law or resolution
39 adopted by a participating municipal corporation pursuant to paragraph
40 (a) of this subdivision, the owner or owners of real property shall be
41 allowed a credit against the real property taxes of a participating
42 municipal corporation that have been imposed upon such property. The
43 amount of such credit shall equal ninety-five percent of the amount
44 contributed by one or more of the owners of such property during the
45 "associated credit year" as defined in this section, to any or all of
46 the funds established by such municipal corporation, subject to the
47 limit established pursuant to paragraph (c) of this subdivision, if any.

48 (c) The participating municipal corporation may establish a limit upon
49 the amount of such credit to be allowed in any given fiscal year, in
50 which case the amount of such credit shall not exceed the limit so
51 established. Any such limit shall be adopted by local law, or in the
52 case of a school district, by resolution, which local law or resolution
53 may either be the same as or separate from the local law or resolution
54 that initially authorized the credit. Once such a limit has been
55 adopted, it may be amended or repealed thereafter by local law, or in
56 the case of a school district, by resolution, provided that any such

1 amendment or repeal shall only apply to taxes of the participating
2 municipal corporation for fiscal years commencing after the adoption of
3 such local law or resolution. A copy of any local law or resolution
4 establishing, amending or repealing such a limit shall be provided to
5 the collecting officer who collects the taxes of the participating
6 municipal corporation.

7 2. For purposes of this section, the "associated credit year" shall be
8 the twelve-month period during which the owner of the property has made
9 a contribution described in subdivision one of this section that ends on
10 the last day prescribed by law on which the taxes of the participating
11 municipal corporation may be paid without interest or penalties, subject
12 to the following:

13 (a) Where such taxes are payable in installments, such twelve-month
14 period shall end on the last day prescribed by law on which the first
15 installment of such taxes may be paid without interest or penalties.

16 (b) Where a participating municipal corporation is a city school
17 district that is subject to article fifty-two of the education law, such
18 twelve-month period shall end on the last day prescribed by law on which
19 city taxes may be paid without interest or penalties, or if applicable,
20 on the last day prescribed by law on which the first installment of such
21 taxes may be paid without interest or penalties.

22 (c) Each such twelve-month period shall be determined without regard
23 to the possibility that the period prescribed by law for paying such
24 taxes without interest or penalties may be extended due to a delay in
25 the first publication of the collecting officer's notice as provided by
26 sections thirteen hundred twenty-two or thirteen hundred twenty-four of
27 this chapter or a comparable law, or due to an executive order issued in
28 connection with a state disaster emergency as provided by subdivision
29 two of section nine hundred twenty-five-a of this chapter.

30 3. The credit authorized by this section shall be administered as
31 follows:

32 (a) The administrator of the account or its designated agent shall,
33 upon receiving a contribution to an account specified in subdivision one
34 of this section during a credit year, furnish the property owner with an
35 acknowledgement in duplicate. Such acknowledgement shall be provided on
36 a form prescribed by the commissioner and shall specify the amount of
37 the contribution, the name and address of the donor, the date the
38 contribution was received, the authorized signature of the administrator
39 or agent, and such other information as the commissioner shall require.

40 (b) After receiving such an acknowledgement, the property owner may
41 present it to the appropriate collecting officer on or before the last
42 day prescribed by law on which taxes may be paid without interest or
43 penalty, together with a credit claim on a form prescribed by the
44 commissioner. Such credit claim form shall contain the name of the
45 property owner or owners, the date and amount of the contributions made
46 to the account during the associated credit year, the address of the
47 property to which the credit claim relates, and such other information
48 as the commissioner shall require. Notwithstanding any provision of law
49 to the contrary, the collecting officer shall thereupon be authorized
50 and directed to grant the property owner a tax credit equal to ninety-
51 five percent of the amount of the contributions made during the associ-
52 ated credit year as specified in the acknowledgement, and to reduce the
53 tax liability on the parcel accordingly, provided that such credit may
54 not exceed the limit established by the participating municipal corpo-
55 ration pursuant to paragraph (c) of subdivision one of this section, if
56 such a limit has been established. Where taxes are payable in install-



1 ments, if the credit exceeds the amount of the first installment, the
 2 excess shall be applied to future installments until exhausted. Where a
 3 property owner submits a credit claim form to the collecting officer
 4 prior to the collecting officer's receipt of the tax warrant, the asso-
 5 ciated property tax bill shall reflect a reduction in the tax liability
 6 equal to the credit authorized by this section. Where a property owner
 7 submits a credit claim form to the collecting officer subsequent to the
 8 collecting officer's receipt of the tax warrant, but prior to the mail-
 9 ing of the property tax bills, the collecting officer shall make a
 10 reasonable attempt to provide that the associated property tax bill
 11 reflect a reduction in the tax liability equal to the credit authorized
 12 by this section. The department of financial services, in consultation
 13 with the department, shall promulgate regulations related to the adjust-
 14 ment of mortgage escrow accounts to reflect the credits provided pursu-
 15 ant to this section.

16 (c) If the property owner fails to present the acknowledgment and
 17 credit claim form to the collecting officer on or before the last day
 18 prescribed by law on which taxes may be paid without interest or penal-
 19 ty, he or she may present the same to the chief fiscal officer or chief
 20 financial officer of the participating municipal corporation, or to a
 21 member of his or her staff. Such officer shall thereupon be authorized
 22 and directed to grant the property owner a refund of property taxes of a
 23 participating municipal corporation in the amount of the credit, which
 24 amount shall be equal to ninety-five percent of the total contributions
 25 made during the associated credit year, provided that such refund shall
 26 not exceed the amount of taxes of the participating municipal corpo-
 27 ration that have been paid on the property or the limit established
 28 pursuant to paragraph (c) of subdivision one of this section, if any.
 29 Provided further, that no interest shall be payable on such refund if
 30 paid within forty-five days of the receipt of the acknowledgment and
 31 credit claim form. The owner of the property may file such refund claim
 32 with the authorized officer at any time during the three year period
 33 beginning immediately after the last day such taxes were payable without
 34 interest or penalty.

35 4. The amount of the itemized deduction that may be claimed by a
 36 taxpayer under section six hundred fifteen of the tax law with respect
 37 to the taxes paid on such property may not exceed the amount of the
 38 taxes of a participating municipal corporation that have been imposed
 39 upon such property minus the amount of the credit provided pursuant to
 40 this section.

41 § 8. This act shall take effect immediately; provided, however, that
 42 the amendments to section 2590-h of the education law made by section
 43 five of this act shall not affect the expiration and reversion of such
 44 section and shall expire and be deemed repealed therewith; and provided
 45 further that if section 2590-h of the education law expires or is
 46 repealed and is reverted prior to the effective date of this act,
 47 section five of this act shall not take effect.

48

PART MM

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

51

ARTICLE 24

52

EMPLOYER COMPENSATION EXPENSE TAX

53

Section 850. Definitions.

54

851. Employer election.

1 852. Imposition and rate of tax.

2 853. Pass through of tax.

3 854. Payment of tax.

4 855. Employee credit.

5 856. Deposit and disposition of revenue.

6 857. Procedural provisions.

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

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

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

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

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

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

26 (b) In order to be effective, the election must be made by (1) each
27 member of the employer who is an owner at the time the election is
28 filed; or (2) any officer, manager or member of the employer who is
29 authorized under the law of the state where the corporation is incorpo-
30 rated or under the employer's organizational documents to make the
31 election and who represents to having such authorization under penalty
32 of perjury; or (3) if the employer is a trust, by the unanimous consent
33 of all trustees; or (4) if the employer is a governmental entity, by the
34 chief executive officer of such governmental entity.

35 (c) The election must be made by October first of a calendar year and
36 will take effect for the immediately succeeding calendar year. If an
37 election is made after October first of a calendar year, it will first
38 take effect in the second succeeding calendar year.

39 § 852. Imposition and rate of tax. A tax is hereby imposed on the
40 payroll expense paid by electing employers to covered employees. For two
41 thousand nineteen, the tax shall be equal to one and one-half percent of
42 the payroll expense paid by electing employers to covered employees
43 during the calendar quarter. For two thousand twenty, the tax shall be
44 equal to three percent of the payroll expense paid by electing employers
45 to covered employees during the calendar quarter. For two thousand twen-
46 ty-one and thereafter, the tax shall be equal to five percent of the
47 payroll expense paid by electing employers to covered employees during
48 the calendar quarter. An electing employer shall only be subject to the
49 tax imposed under this article on the payroll expense paid to any
50 covered employee during the calendar year in excess of forty thousand
51 dollars.

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

55 § 854. Payment of tax. (a) Employers with payroll expense. The tax
56 imposed on the payroll expense of electing employers under section eight

1 hundred fifty-two of this article must be paid at the same time the
2 electing employer is required to remit payments under section six
3 hundred seventy-four of this chapter; provided however, that electing
4 employers subject to the provisions in section nine of this chapter must
5 pay the tax on the payroll expense at the same time as the withholding
6 tax remitted under the electronic payment reporting system and the elec-
7 tronic funds transfer system authorized by section nine of this chapter.

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

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

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

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

36 (b) Notwithstanding the provisions of section six hundred ninety-seven
37 of this chapter, if the commissioner determines that a person is liable
38 for any tax, penalty or interest under this article pursuant to
39 subsection (b) of section eight hundred fifty-four of this article, upon
40 request in writing of such person, the commissioner shall disclose in
41 writing to such person (1) the name of any other person the commissioner
42 has determined to be liable for such tax, penalty or interest under this
43 article for the electing employer, and (2) whether the commissioner has
44 attempted to collect such tax, penalty or interest from such other
45 person or electing employer, the general nature of such collection
46 activities, and the amount collected.

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

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

55 (aaaa) Article twenty-four employee credit. A covered employee of an
56 electing employer shall be entitled to a credit against the tax imposed

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

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

41 1. All taxes, interest, penalties and fees collected or received by
42 the commissioner or the commissioner's duly authorized agent under arti-
43 cles nine (except section one hundred eighty-two-a thereof and except as
44 otherwise provided in section two hundred five thereof), nine-A,
45 twelve-A (except as otherwise provided in section two hundred eighty-
46 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
47 section three hundred twelve thereof), eighteen, nineteen, twenty
48 (except as otherwise provided in section four hundred eighty-two there-
49 of), twenty-B, twenty-one, twenty-two, twenty-four, twenty-six, twenty-
50 eight (except as otherwise provided in section eleven hundred two or
51 eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one
52 (except as otherwise provided in section fourteen hundred twenty-one
53 thereof), thirty-three and thirty-three-A of this chapter shall be
54 deposited daily in one account with such responsible banks, banking
55 houses or trust companies as may be designated by the comptroller, to
56 the credit of the comptroller. Such an account may be established in one

1 or more of such depositories. Such deposits shall be kept separate and
2 apart from all other money in the possession of the comptroller. The
3 comptroller shall require adequate security from all such depositories.
4 Of the total revenue collected or received under such articles of this
5 chapter, the comptroller shall retain in the comptroller's hands such
6 amount as the commissioner may determine to be necessary for refunds or
7 reimbursements under such articles of this chapter out of which amount
8 the comptroller shall pay any refunds or reimbursements to which taxpay-
9 ers shall be entitled under the provisions of such articles of this
10 chapter. The commissioner and the comptroller shall maintain a system of
11 accounts showing the amount of revenue collected or received from each
12 of the taxes imposed by such articles. The comptroller, after reserving
13 the amount to pay such refunds or reimbursements, shall, on or before
14 the tenth day of each month, pay into the state treasury to the credit
15 of the general fund all revenue deposited under this section during the
16 preceding calendar month and remaining to the comptroller's credit on
17 the last day of such preceding month, (i) except that the comptroller
18 shall pay to the state department of social services that amount of
19 overpayments of tax imposed by article twenty-two of this chapter and
20 the interest on such amount which is certified to the comptroller by the
21 commissioner as the amount to be credited against past-due support
22 pursuant to subdivision six of section one hundred seventy-one-c of this
23 article, (ii) and except that the comptroller shall pay to the New York
24 state higher education services corporation and the state university of
25 New York or the city university of New York respectively that amount of
26 overpayments of tax imposed by article twenty-two of this chapter and
27 the interest on such amount which is certified to the comptroller by the
28 commissioner as the amount to be credited against the amount of defaults
29 in repayment of guaranteed student loans and state university loans or
30 city university loans pursuant to subdivision five of section one
31 hundred seventy-one-d and subdivision six of section one hundred seven-
32 ty-one-e of this article, (iii) and except further that, notwithstanding
33 any law, the comptroller shall credit to the revenue arrearage account,
34 pursuant to section ninety-one-a of the state finance law, that amount
35 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-
36 ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest
37 thereon, which is certified to the comptroller by the commissioner as
38 the amount to be credited against a past-due legally enforceable debt
39 owed to a state agency pursuant to paragraph (a) of subdivision six of
40 section one hundred seventy-one-f of this article, provided, however, he
41 shall credit to the special offset fiduciary account, pursuant to
42 section ninety-one-c of the state finance law, any such amount credita-
43 ble as a liability as set forth in paragraph (b) of subdivision six of
44 section one hundred seventy-one-f of this article, (iv) and except
45 further that the comptroller shall pay to the city of New York that
46 amount of overpayment of tax imposed by article nine, nine-A, twenty-
47 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any
48 interest thereon that is certified to the comptroller by the commission-
49 er as the amount to be credited against city of New York tax warrant
50 judgment debt pursuant to section one hundred seventy-one-l of this
51 article, (v) and except further that the comptroller shall pay to a
52 non-obligated spouse that amount of overpayment of tax imposed by arti-
53 cle twenty-two of this chapter and the interest on such amount which has
54 been credited pursuant to section one hundred seventy-one-c, one hundred
55 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or
56 one hundred seventy-one-l of this article and which is certified to the



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

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

19 1. All taxes, interest, penalties and fees collected or received by
20 the commissioner or the commissioner's duly authorized agent under arti-
21 cles nine (except section one hundred eighty-two-a thereof and except as
22 otherwise provided in section two hundred five thereof), nine-A,
23 twelve-A (except as otherwise provided in section two hundred eighty-
24 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
25 section three hundred twelve thereof), eighteen, nineteen, twenty
26 (except as otherwise provided in section four hundred eighty-two there-
27 of), twenty-one, twenty-two, twenty-four, twenty-six, twenty-eight
28 (except as otherwise provided in section eleven hundred two or eleven
29 hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one
30 (except as otherwise provided in section fourteen hundred twenty-one
31 thereof), thirty-three and thirty-three-A of this chapter shall be
32 deposited daily in one account with such responsible banks, banking
33 houses or trust companies as may be designated by the comptroller, to
34 the credit of the comptroller. Such an account may be established in one
35 or more of such depositories. Such deposits shall be kept separate and
36 apart from all other money in the possession of the comptroller. The
37 comptroller shall require adequate security from all such depositories.
38 Of the total revenue collected or received under such articles of this
39 chapter, the comptroller shall retain in the comptroller's hands such
40 amount as the commissioner may determine to be necessary for refunds or
41 reimbursements under such articles of this chapter out of which amount
42 the comptroller shall pay any refunds or reimbursements to which taxpay-
43 ers shall be entitled under the provisions of such articles of this
44 chapter. The commissioner and the comptroller shall maintain a system of
45 accounts showing the amount of revenue collected or received from each
46 of the taxes imposed by such articles. The comptroller, after reserving
47 the amount to pay such refunds or reimbursements, shall, on or before
48 the tenth day of each month, pay into the state treasury to the credit
49 of the general fund all revenue deposited under this section during the
50 preceding calendar month and remaining to the comptroller's credit on
51 the last day of such preceding month, (i) except that the comptroller
52 shall pay to the state department of social services that amount of
53 overpayments of tax imposed by article twenty-two of this chapter and
54 the interest on such amount which is certified to the comptroller by the
55 commissioner as the amount to be credited against past-due support
56 pursuant to subdivision six of section one hundred seventy-one-c of this



1 article, (ii) and except that the comptroller shall pay to the New York
2 state higher education services corporation and the state university of
3 New York or the city university of New York respectively that amount of
4 overpayments of tax imposed by article twenty-two of this chapter and
5 the interest on such amount which is certified to the comptroller by the
6 commissioner as the amount to be credited against the amount of defaults
7 in repayment of guaranteed student loans and state university loans or
8 city university loans pursuant to subdivision five of section one
9 hundred seventy-one-d and subdivision six of section one hundred seven-
10 ty-one-e of this article, (iii) and except further that, notwithstanding
11 any law, the comptroller shall credit to the revenue arrearage account,
12 pursuant to section ninety-one-a of the state finance law, that amount
13 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-
14 ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest
15 thereon, which is certified to the comptroller by the commissioner as
16 the amount to be credited against a past-due legally enforceable debt
17 owed to a state agency pursuant to paragraph (a) of subdivision six of
18 section one hundred seventy-one-f of this article, provided, however, he
19 shall credit to the special offset fiduciary account, pursuant to
20 section ninety-one-c of the state finance law, any such amount credita-
21 ble as a liability as set forth in paragraph (b) of subdivision six of
22 section one hundred seventy-one-f of this article, (iv) and except
23 further that the comptroller shall pay to the city of New York that
24 amount of overpayment of tax imposed by article nine, nine-A, twenty-
25 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any
26 interest thereon that is certified to the comptroller by the commission-
27 er as the amount to be credited against city of New York tax warrant
28 judgment debt pursuant to section one hundred seventy-one-l of this
29 article, (v) and except further that the comptroller shall pay to a
30 non-obligated spouse that amount of overpayment of tax imposed by arti-
31 cle twenty-two of this chapter and the interest on such amount which has
32 been credited pursuant to section one hundred seventy-one-c, one hundred
33 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or
34 one hundred seventy-one-l of this article and which is certified to the
35 comptroller by the commissioner as the amount due such non-obligated
36 spouse pursuant to paragraph six of subsection (b) of section six
37 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct
38 a like amount which the comptroller shall pay into the treasury to the
39 credit of the general fund from amounts subsequently payable to the
40 department of social services, the state university of New York, the
41 city university of New York, or the higher education services corpo-
42 ration, or the revenue arrearage account or special offset fiduciary
43 account pursuant to section ninety-one-a or ninety-one-c of the state
44 finance law, as the case may be, whichever had been credited the amount
45 originally withheld from such overpayment, and (vii) with respect to
46 amounts originally withheld from such overpayment pursuant to section
47 one hundred seventy-one-l of this article and paid to the city of New
48 York, the comptroller shall collect a like amount from the city of New
49 York.

50 § 5. Subdivisions 2, 3 and paragraph (a) of subdivision 5 of section
51 92-z of the state finance law, subdivision 2 as amended by section 30 of
52 part T of chapter 57 of the laws of 2007, and subdivision 3 and para-
53 graph (a) of subdivision 5 as added by section 1 of part I of chapter
54 383 of the laws of 2001, are amended to read as follows:

55 2. Such fund shall consist of [twenty-five] (a) fifty percent of
56 receipts from the imposition of personal income taxes pursuant to arti-

1 cle twenty-two of the tax law, less such amounts as the commissioner of
2 taxation and finance may determine to be necessary for refunds, and (b)
3 fifty percent of receipts from the imposition of employer compensation
4 expense taxes pursuant to article twenty-four of the tax law, less such
5 amounts as the commissioner of taxation and finance may determine to be
6 necessary for refunds.

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

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

33 (a) The state comptroller shall from time to time, but in no event
34 later than the fifteenth day of each month (other than the last month of
35 the fiscal year) and no later than the thirty-first day of the last
36 month of each fiscal year, pay over and distribute to the credit of the
37 general fund of the state treasury all moneys in the revenue bond tax
38 fund, if any, in excess of the aggregate amount required to be set aside
39 for the payment of cash requirements pursuant to paragraph (b) of this
40 subdivision, provided that an appropriation has been made to pay all
41 amounts specified in any certificate or certificates delivered by the
42 director of the budget pursuant to paragraph (b) of this subdivision as
43 being required by each authorized issuer as such term is defined in
44 section sixty-eight-a of this chapter for the payment of cash require-
45 ments of such issuers for such fiscal year. Subject to the rights of
46 holders of debt of the state, in no event shall the state comptroller
47 pay over and distribute any moneys on deposit in the revenue bond tax
48 fund to any person other than an authorized issuer pursuant to such
49 certificate or certificates (i) unless and until the aggregate of all
50 cash requirements certified to the state comptroller as required by such
51 authorized issuers to be set aside pursuant to paragraph (b) of this
52 subdivision for such fiscal year shall have been appropriated to such
53 authorized issuers in accordance with the schedule specified in the
54 certificate or certificates filed by the director of the budget or (ii)
55 if, after having been so certified and appropriated, any payment
56 required to be made pursuant to paragraph (b) of this subdivision has

1 not been made to the authorized issuers which was required to have been
2 made pursuant to such certificate or certificates; provided, however,
3 that no person, including such authorized issuers or the holders of
4 revenue bonds, shall have any lien on moneys on deposit in the revenue
5 bond tax fund. Any agreement entered into pursuant to section sixty-
6 eight-c of this chapter related to any payment authorized by this
7 section shall be executory only to the extent of such revenues available
8 to the state in such fund. Notwithstanding subdivisions two and three of
9 this section, in the event the aggregate of all cash requirements certi-
10 fied to the state comptroller as required by such authorized issuers to
11 be set aside pursuant to paragraph (b) of this subdivision for the
12 fiscal year beginning on April first shall not have been appropriated to
13 such authorized issuers in accordance with the schedule specified in the
14 certificate or certificates filed by the director of the budget or, (ii)
15 if, having been so certified and appropriated, any payment required to
16 be made pursuant to paragraph (b) of this subdivision has not been made
17 pursuant to such certificate or certificates, all receipts collected
18 pursuant to section six hundred seventy-one of the tax law and section
19 eight hundred fifty-four of the tax law shall be deposited in the reven-
20 ue bond tax fund until the greater of [twenty-five] forty percent of the
21 aggregate of the receipts from the imposition of (A) the personal income
22 tax imposed by article twenty-two of the tax law and (B) the employer
23 compensation expense tax imposed by article twenty-four of the tax law
24 for the fiscal year beginning on April first and as specified in the
25 certificate or certificates filed by the director of the budget pursuant
26 to this paragraph or [six] a total of twelve billion dollars has been
27 deposited in the revenue bond tax fund. Notwithstanding any other
28 provision of law, if the state has appropriated and paid to the author-
29 ized issuers the amounts necessary for the authorized issuers to meet
30 their requirements for the current fiscal year pursuant to the certifi-
31 cate or certificates submitted by the director of the budget pursuant
32 to paragraph (b) of this section, the state comptroller shall, on the
33 last day of each fiscal year, pay to the general fund of the state all
34 sums remaining in the revenue bond tax fund on such date except such
35 amounts as the director of the budget may certify are needed to meet the
36 cash requirements of authorized issuers during the subsequent fiscal
37 year.

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

41 5. Nothing contained in this article shall be deemed to restrict the
42 right of the state to amend, repeal, modify or otherwise alter statutes
43 imposing or relating to the taxes imposed pursuant to article twenty-two
44 and article twenty-four of the tax law. The authorized issuers shall not
45 include within any resolution, contract or agreement with holders of the
46 revenue bonds issued under this article any provision which provides
47 that a default occurs as a result of the state exercising its right to
48 amend, repeal, modify or otherwise alter the taxes imposed pursuant to
49 article twenty-two and article twenty-four of the tax law.

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



1 Section 1. Clause (ii) of subparagraph (B) of paragraph 1 of
 2 subsection (a) of section 601 of the tax law, as added by section 1 of
 3 part R of chapter 59 of the laws of 2017, is amended to read as follows:

4 (ii) For taxable years beginning in two thousand nineteen the follow-
 5 ing rates shall apply:

| 6 If the New York taxable income is: | The tax is: |
|--|--|
| 7 Not over \$17,150 | 4% of the New York taxable income |
| 8 | |
| 9 Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over \$17,150 |
| 10 | |
| 11 Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over \$23,600 |
| 12 | |
| 13 Over \$27,900 but not over \$43,000 | \$1,202 plus 5.9% of excess over \$27,900 |
| 14 | |
| 15 Over \$43,000 but not over \$161,550 | \$2,093 plus 6.21% of excess over \$43,000 |
| 16 | |
| 17 Over \$161,550 but not over \$323,200 | \$9,455 plus 6.49% of excess over \$161,550 |
| 18 | |
| 19 Over \$323,200 but not over \$2,155,350 | \$19,946 plus 6.85% of excess over \$323,200 |
| 20 | |
| 21 Over \$2,155,350 <u>but not over</u> | \$145,448 plus 8.82% of excess over |
| 22 <u>\$5,000,000</u> | <u>\$2,155,350</u> |
| 23 <u>Over \$5,000,000 but not over</u> | <u>\$396,346 plus 9.32% of excess over</u> |
| 24 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 25 <u>Over \$10,000,000 but not over</u> | <u>\$862,346 plus 9.82% of excess over</u> |
| 26 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 27 <u>Over \$100,000,000</u> | <u>\$9,700,346 plus 10.32% excess</u> <u>over \$100,000,000</u> |
| 28 | |

29 § 2. Clause (iii) of subparagraph (B) of paragraph 1 of subsection (a)
 30 of section 601 of the tax law, as added by section 1 of part R of chap-
 31 ter 59 of the laws of 2017, is amended to read as follows:

32 (iii) For taxable years beginning in two thousand twenty the following
 33 rates shall apply:

| 34 If the New York taxable income is: | The tax is: |
|--|---|
| 35 Not over \$17,150 | 4% of the New York taxable income |
| 36 Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over \$17,150 |
| 37 | |
| 38 Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over \$23,600 |
| 39 | |
| 40 Over \$27,900 but not over \$43,000 | \$1,202 plus 5.9% of excess over \$27,900 |
| 41 | |
| 42 Over \$43,000 but not over \$161,550 | \$2,093 plus 6.09% of excess over \$43,000 |
| 43 | |
| 44 Over \$161,550 but not over \$323,200 | \$9,313 plus 6.41% of excess over \$161,550 |
| 45 | |
| 46 Over \$323,200 <u>but not over</u> | \$19,674 plus 6.85% of excess over |
| 47 <u>\$2,155,350</u> | <u>\$323,200</u> |
| 48 <u>Over \$2,155,350 but not over</u> | <u>\$145,177 plus 8.82% of excess over</u> |
| 49 <u>\$5,000,000</u> | <u>\$2,155,350</u> |
| 50 <u>Over \$5,000,000 but not over</u> | <u>\$396,075 plus 9.32% of excess over</u> |
| 51 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 52 <u>Over \$10,000,000 but not over</u> | <u>\$862,075 plus 9.82% of excess over</u> |
| 53 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 54 <u>Over \$100,000,000</u> | <u>\$9,700,075 plus 10.32% of excess over</u> <u>\$100,000,000</u> |
| 55 | |



1 § 3. Clause (iv) of subparagraph (B) of paragraph 1 of subsection (a)
 2 of section 601 of the tax law, as added by section 1 of part R of chap-
 3 ter 59 of the laws of 2017, is amended to read as follows:

4 (iv) For taxable years beginning in two thousand twenty-one the
 5 following rates shall apply:

| 6 If the New York taxable income is: | The tax is: |
|--|--|
| 7 Not over \$17,150 | 4% of the New York taxable income |
| 8 Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over |
| 9 | \$17,150 |
| 10 Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over |
| 11 | \$23,600 |
| 12 Over \$27,900 but not over \$43,000 | \$1,202 plus 5.9% of excess over |
| 13 | \$27,900 |
| 14 Over \$43,000 but not over \$161,550 | \$2,093 plus 5.97% of excess over |
| 15 | \$43,000 |
| 16 Over \$161,550 but not over \$323,200 | \$9,170 plus 6.33% of excess over |
| 17 | \$161,550 |
| 18 Over \$323,200 <u>but not</u> | \$19,403 plus 6.85% of excess over |
| 19 | \$323,200 |
| 20 <u>over \$2,155,350</u> | |
| 21 <u>Over \$2,155,350 but not over</u> | <u>\$144,905 plus 8.82% of excess over</u> |
| 22 <u>\$5,000,000</u> | <u>\$2,155,350</u> |
| 23 <u>Over \$5,000,000 but not over</u> | <u>\$395,803 plus 9.32% of excess over</u> |
| 24 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 25 <u>Over \$10,000,000 but not over</u> | <u>\$861,803 plus 9.82% of excess over</u> |
| 26 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 27 <u>Over \$100,000,000</u> | <u>\$9,699,803 plus 10.32% of excess</u> |
| 28 | <u>over \$100,000,000</u> |

29 § 4. Clause (v) of subparagraph (B) of paragraph 1 of subsection (a)
 30 of section 601 of the tax law, as added by section 1 of part R of chap-
 31 ter 59 of the laws of 2017, is amended to read as follows:

32 (v) For taxable years beginning in two thousand twenty-two the follow-
 33 ing rates shall apply:

| 34 If the New York taxable income is: | The tax is: |
|--|---|
| 35 Not over \$17,150 | 4% of the New York taxable income |
| 36 Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over |
| 37 | \$17,150 |
| 38 Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over |
| 39 | \$23,600 |
| 40 Over \$27,900 but not over \$161,550 | \$1,202 plus 5.85% of excess over |
| 41 | \$27,900 |
| 42 Over \$161,550 but not over \$323,200 | \$9,021 plus 6.25% of excess over |
| 43 | \$161,550 |
| 44 Over \$323,200 <u>but not over</u> | \$19,124 plus 6.85% of excess over |
| 45 <u>\$2,155,350</u> | <u>\$323,200</u> |
| 46 <u>Over \$2,155,350 but not over</u> | <u>\$144,626 plus 8.82% of excess over</u> |
| 47 <u>\$5,000,000</u> | <u>\$2,155,350</u> |
| 48 <u>Over \$5,000,000 but not over</u> | <u>\$395,524 plus 9.32% of excess over</u> |
| 49 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 50 <u>Over \$10,000,000 but not over</u> | <u>\$861,524 plus 9.82% of excess over</u> |
| 51 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 52 <u>Over \$100,000,000</u> | <u>\$9,699,524 plus 10.32% of excess over</u> |
| 53 | <u>\$100,000,000</u> |

54 § 5. Clause (vi) of subparagraph (B) of paragraph 1 of subsection (a)
 55 of section 601 of the tax law, as added by section 1 of part R of chap-
 56 ter 59 of the laws of 2017, is amended to read as follows:

| | | |
|----|---------------------------------------|---|
| 1 | (vi) For taxable years beginning | in two thousand twenty-three the |
| 2 | following rates shall apply: | |
| 3 | If the New York taxable income is: | The tax is: |
| 4 | Not over \$17,150 | 4% of the New York taxable income |
| 5 | Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over |
| 6 | | \$17,150 |
| 7 | Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over |
| 8 | | \$23,600 |
| 9 | Over \$27,900 but not over \$161,550 | \$1,202 plus 5.73% of excess over |
| 10 | | \$27,900 |
| 11 | Over \$161,550 but not over \$323,200 | \$8,860 plus 6.17% of excess over |
| 12 | | \$161,550 |
| 13 | Over \$323,200 <u>but not</u> | \$18,834 plus 6.85% of excess over |
| 14 | <u>over \$2,155,350</u> | \$323,200 |
| 15 | <u>Over \$2,155,350 but not over</u> | <u>\$144,336 plus 8.82% of excess over</u> |
| 16 | <u>\$5,000,000</u> | <u>\$2,155,350</u> |
| 17 | <u>Over \$5,000,000 but not over</u> | <u>\$395,234 plus 9.32% of excess over</u> |
| 18 | <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 19 | <u>Over \$10,000,000 but not over</u> | <u>\$861,234 plus 9.82% of excess over</u> |
| 20 | <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 21 | <u>Over \$100,000,000</u> | <u>\$9,699,234 plus 10.32% of excess over</u> |
| 22 | | <u>\$100,000,000</u> |

23 § 6. Clause (vii) of subparagraph (B) of paragraph 1 of subsection (a)
 24 of section 601 of the tax law, as added by section 1 of part R of chap-
 25 ter 59 of the laws of 2017, is amended to read as follows:

26 (vii) For taxable years beginning in two thousand twenty-four the
 27 following rates shall apply:

| | | |
|----|---------------------------------------|--|
| 28 | If the New York taxable income is: | The tax is: |
| 29 | Not over \$17,150 | 4% of the New York taxable income |
| 30 | Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over |
| 31 | | \$17,150 |
| 32 | Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over |
| 33 | | \$23,600 |
| 34 | Over \$27,900 but not over \$161,550 | \$1,202 plus 5.61% of excess over |
| 35 | | \$27,900 |
| 36 | Over \$161,550 but not over \$323,200 | \$8,700 plus 6.09% of excess over |
| 37 | | \$161,550 |
| 38 | Over \$323,200 <u>but not</u> | \$18,544 plus 6.85% of excess over |
| 39 | <u>over \$2,155,350</u> | \$323,200 |
| 40 | <u>Over \$2,155,350 but not over</u> | <u>\$144,047 plus 8.82% of excess over</u> |
| 41 | <u>\$5,000,000</u> | <u>\$2,155,350</u> |
| 42 | <u>Over \$5,000,000 but not over</u> | <u>\$394,945 plus 9.32% of excess over</u> |
| 43 | <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 44 | <u>Over \$10,000,000 but not over</u> | <u>\$860,945 plus 9.82% of excess over</u> |
| 45 | <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 46 | <u>Over \$100,000,000</u> | <u>\$9,698,945 plus 10.32% of excess</u> |
| 47 | | <u>over \$100,000,000</u> |

48 § 7. Clause (viii) of subparagraph (B) of paragraph 1 of subsection
 49 (a) of section 601 of the tax law, as added by section 1 of part R of
 50 chapter 59 of the laws of 2017, is amended to read as follows:

51 (viii) For taxable years beginning after two thousand twenty-four the
 52 following rates shall apply:

| | | |
|----|-------------------------------------|-----------------------------------|
| 53 | If the New York taxable income is: | The tax is: |
| 54 | Not over \$17,150 | 4% of the New York taxable income |
| 55 | Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over |

| | | |
|----|--|--|
| 1 | | \$17,150 |
| 2 | Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over |
| 3 | | \$23,600 |
| 4 | Over \$27,900 but not over \$161,550 | \$1,202 plus 5.5% of excess over |
| 5 | | \$27,900 |
| 6 | Over \$161,550 but not over \$323,200 | \$8,553 plus 6.00% of excess over |
| 7 | | \$161,550 |
| 8 | Over \$323,200 <u>but not over \$2,155,350</u> | \$18,252 plus 6.85% of |
| 9 | | excess over \$323,200 |
| 10 | <u>Over \$2,155,350 but not over</u> | <u>\$143,754 plus 8.82% of excess</u> |
| 11 | <u>\$5,000,000</u> | <u>over \$2,155,350</u> |
| 12 | Over \$5,000,000 but not over | \$394,652 plus 9.32% of excess |
| 13 | <u>\$10,000,000</u> | <u>over \$5,000,000</u> |
| 14 | <u>Over \$10,000,000 but not</u> | <u>\$860,652 plus 9.82% of excess</u> |
| 15 | <u>over \$100,000,000</u> | <u>over \$10,000,000</u> |
| 16 | <u>Over \$100,000,000</u> | <u>\$9,698,652 plus 10.32% of excess</u> |
| 17 | | <u>over \$100,000,000</u> |

18 § 8. Clause (ii) of subparagraph (B) of paragraph 1 of subsection (b)
 19 of section 601 of the tax law, as added by section 2 of part R of chap-
 20 ter 59 of the laws of 2017, is amended to read as follows:

21 (ii) For taxable years beginning in two thousand nineteen the follow-
 22 ing rates shall apply:

| | | |
|----|---|--|
| 23 | If the New York taxable income is: | The tax is: |
| 24 | Not over \$12,800 | 4% of the New York taxable income |
| 25 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over \$12,800 |
| 26 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 27 | | \$17,650 |
| 28 | Over \$20,900 but not over \$32,200 | \$901 plus 5.9% of excess over \$20,900 |
| 29 | Over \$32,200 but not over \$107,650 | \$1,568 plus 6.21% of excess over |
| 30 | | \$32,200 |
| 31 | Over \$107,650 but not over \$269,300 | \$6,253 plus 6.49% of excess over |
| 32 | | \$107,650 |
| 33 | Over \$269,300 but not over \$1,616,450 | \$16,744 plus 6.85% |
| 34 | | of excess over \$269,300 |
| 35 | Over \$1,616,450 <u>but not over</u> | \$109,024 plus 8.82% |
| 36 | <u>\$5,000,000</u> | of excess over \$1,616,450 |
| 37 | <u>Over \$5,000,000 but not over</u> | <u>\$407,453 plus 9.32% of excess</u> |
| 38 | <u>\$10,000,000</u> | <u>over \$5,000,000</u> |
| 39 | <u>Over \$10,000,000 but not</u> | <u>\$873,453 plus 9.82% of excess</u> |
| 40 | <u>over \$100,000,000</u> | <u>over \$10,000,000</u> |
| 41 | <u>Over \$100,000,000</u> | <u>\$9,711,453 plus 10.32% of excess</u> |
| 42 | | <u>over \$100,000,000</u> |

43 § 9. Clause (iii) of subparagraph (B) of paragraph 1 of subsection (b)
 44 of section 601 of the tax law, as added by section 2 of part R of chap-
 45 ter 59 of the laws of 2017, is amended to read as follows:

46 (iii) For taxable years beginning in two thousand twenty the following
 47 rates shall apply:

| | | |
|----|---------------------------------------|---|
| 48 | If the New York taxable income is: | The tax is: |
| 49 | Not over \$12,800 | 4% of the New York taxable income |
| 50 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over \$12,800 |
| 51 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 52 | | \$17,650 |
| 53 | Over \$20,900 but not over \$32,200 | \$901 plus 5.9% of excess over \$20,900 |
| 54 | Over \$32,200 but not over \$107,650 | \$1,568 plus 6.09% of excess over |
| 55 | | \$32,200 |
| 56 | Over \$107,650 but not over \$269,300 | \$6,162 plus 6.41% of excess over |

| | | |
|----|--------------------------------------|-------------------------------------|
| 1 | | \$107,650 |
| 2 | Over \$269,300 <u>but not over</u> | \$16,524 plus 6.85% |
| 3 | <u>\$1,616,450</u> | of excess over \$269,300 |
| 4 | Over \$1,616,450 <u>but not over</u> | \$108,804 plus 8.82% of excess over |
| 5 | <u>\$5,000,000</u> | \$1,616,450 |
| 6 | Over \$5,000,000 <u>but not over</u> | \$407,233 plus 9.32% of excess |
| 7 | <u>\$10,000,000</u> | over \$5,000,000 |
| 8 | Over \$10,000,000 <u>but not</u> | \$873,233 plus 9.82% of excess |
| 9 | <u>over \$100,000,000</u> | over \$10,000,000 |
| 10 | Over \$100,000,000 | \$9,711,233 plus 10.32% of excess |
| 11 | | over \$100,000,000 |

12 § 10. Clause (iv) of subparagraph (B) of paragraph 1 of subsection (b)
 13 of section 601 of the tax law, as added by section 2 of part R of chap-
 14 ter 59 of the laws of 2017, is amended to read as follows:

15 (iv) For taxable years beginning in two thousand twenty-one the
 16 following rates shall apply:

| | | |
|----|---------------------------------------|------------------------------------|
| 17 | If the New York taxable income is: | The tax is: |
| 18 | Not over \$12,800 | 4% of the New York taxable income |
| 19 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over |
| 20 | | \$12,800 |
| 21 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 22 | | \$17,650 |
| 23 | Over \$20,900 but not over \$32,200 | \$901 plus 5.9% of excess over |
| 24 | | \$20,900 |
| 25 | Over \$32,200 but not over \$107,650 | \$1,568 plus 5.97% of excess over |
| 26 | | \$32,200 |
| 27 | Over \$107,650 but not over \$269,300 | \$6,072 plus 6.33% of excess over |
| 28 | | \$107,650 |
| 29 | Over \$269,300 <u>but not over</u> | \$16,304 plus 6.85% of excess over |
| 30 | <u>\$1,616,450</u> | \$269,300 |
| 31 | Over \$1,616,450 <u>but not over</u> | \$108,584 plus 8.82% of excess |
| 32 | <u>\$5,000,000</u> | over \$1,616,450 |
| 33 | Over \$5,000,000 <u>but not over</u> | \$407,013 plus 9.32% of excess |
| 34 | <u>\$10,000,000</u> | over \$5,000,000 |
| 35 | Over \$10,000,000 <u>but not over</u> | \$873,013 plus 9.82% of excess |
| 36 | <u>\$100,000,000</u> | over \$10,000,000 |
| 37 | Over \$100,000,000 | \$9,711,013 plus 10.32% of excess |
| 38 | | over \$100,000,000 |

39 § 11. Clause (v) of subparagraph (B) of paragraph 1 of subsection (b)
 40 of section 601 of the tax law, as added by section 2 of part R of chap-
 41 ter 59 of the laws of 2017, is amended to read as follows:

42 (v) For taxable years beginning in two thousand twenty-two the follow-
 43 ing rates shall apply:

| | | |
|----|---------------------------------------|-----------------------------------|
| 44 | If the New York taxable income is: | The tax is: |
| 45 | Not over \$12,800 | 4% of the New York taxable income |
| 46 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over |
| 47 | | \$12,800 |
| 48 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 49 | | \$17,650 |
| 50 | Over \$20,900 but not over \$107,650 | \$901 plus 5.85% of excess over |
| 51 | | \$20,900 |
| 52 | Over \$107,650 but not over \$269,300 | \$5,976 plus 6.25% of excess over |
| 53 | | \$107,650 |
| 54 | Over \$269,300 <u>but not over</u> | \$16,079 plus 6.85% of excess |
| 55 | <u>\$1,616,450</u> | over \$269,300 |



| | | |
|---|---------------------------------------|--|
| 1 | <u>Over \$1,616,450 but not over</u> | <u>\$108,359 plus 8.82% of excess</u> |
| 2 | <u>\$5,000,000</u> | <u>over \$1,616,450</u> |
| 3 | <u>Over \$5,000,000 but not over</u> | <u>\$406,788 plus 9.32% of excess</u> |
| 4 | <u>\$10,000,000</u> | <u>over \$5,000,000</u> |
| 5 | <u>Over \$10,000,000 but not over</u> | <u>\$872,788 plus 9.82% of excess</u> |
| 6 | <u>\$100,000,000</u> | <u>over \$10,000,000</u> |
| 7 | <u>Over \$100,000,000</u> | <u>\$9,710,788 plus 10.32% of excess</u> |
| 8 | | <u>over \$100,000,000</u> |

9 § 12. Clause (vi) of subparagraph (B) of paragraph 1 of subsection (b)
10 of section 601 of the tax law, as added by section 2 of part R of chap-
11 ter 59 of the laws of 2017, is amended to read as follows:

12 (vi) For taxable years beginning in two thousand twenty-three the
13 following rates shall apply:

| | | |
|----|--|--|
| 14 | If the New York taxable income is: | The tax is: |
| 15 | Not over \$12,800 | 4% of the New York taxable income |
| 16 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over |
| 17 | | \$12,800 |
| 18 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 19 | | \$17,650 |
| 20 | Over \$20,900 but not over \$107,650 | \$901 plus 5.73% of excess over |
| 21 | | \$20,900 |
| 22 | Over \$107,650 but not over \$269,300 | \$5,872 plus 6.17% of excess over |
| 23 | | \$107,650 |
| 24 | Over \$269,300 <u>but not over \$1,616,450</u> | \$15,845 plus 6.85% |
| 25 | | of excess over \$269,300 |
| 26 | <u>Over \$1,616,450 but not over</u> | <u>\$108,125 plus 8.82% of excess over</u> |
| 27 | <u>\$5,000,000</u> | <u>\$1,616,450</u> |
| 28 | <u>Over \$5,000,000 but not over</u> | <u>\$406,554 plus 9.32% of excess</u> |
| 29 | <u>\$10,000,000</u> | <u>over \$5,000,000</u> |
| 30 | <u>Over \$10,000,000 but not over</u> | <u>\$872,554 plus 9.82% of excess</u> |
| 31 | <u>\$100,000,000</u> | <u>over \$10,000,000</u> |
| 32 | <u>Over \$100,000,000</u> | <u>\$9,710,554 plus 10.32% of excess</u> |
| 33 | | <u>over \$100,000,000</u> |

34 § 13. Clause (vii) of subparagraph (B) of paragraph 1 of subsection
35 (b) of section 601 of the tax law, as added by section 2 of part R of
36 chapter 59 of the laws of 2017, is amended to read as follows:

37 (vii) For taxable years beginning in two thousand twenty-four the
38 following rates shall apply:

| | | |
|----|---------------------------------------|--|
| 39 | If the New York taxable income is: | The tax is: |
| 40 | Not over \$12,800 | 4% of the New York taxable income |
| 41 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over |
| 42 | | \$12,800 |
| 43 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 44 | | \$17,650 |
| 45 | Over \$20,900 but not over \$107,650 | \$901 plus 5.61% of excess over |
| 46 | | \$20,900 |
| 47 | Over \$107,650 but not over \$269,300 | \$5,768 plus 6.09% of excess over |
| 48 | | \$107,650 |
| 49 | Over \$269,300 <u>but not over</u> | <u>\$15,612 plus 6.85%</u> |
| 50 | <u>\$1,616,450</u> | <u>of excess over \$269,300</u> |
| 51 | <u>Over \$1,616,450 but not over</u> | <u>\$107,892 plus 8.82% of excess over</u> |
| 52 | <u>\$5,000,000</u> | <u>\$1,616,450</u> |
| 53 | <u>Over \$5,000,000 but not over</u> | <u>\$406,321 plus 9.32% of excess</u> |
| 54 | <u>\$10,000,000</u> | <u>over \$5,000,000</u> |
| 55 | <u>Over \$10,000,000 but not over</u> | <u>\$872,321 plus 9.82% of excess</u> |

| | | |
|---|---------------------------|--|
| 1 | <u>\$100,000,000</u> | <u>over \$10,000,000</u> |
| 2 | <u>Over \$100,000,000</u> | <u>\$9,710,321 plus 10.32% of excess</u> |
| 3 | | <u>over \$100,000,000</u> |

4 § 14. Clause (viii) of subparagraph (B) of paragraph 1 of subsection
5 (b) of section 601 of the tax law, as added by section 2 of part R of
6 chapter 59 of the laws of 2017, is amended to read as follows:

7 (viii) For taxable years beginning after two thousand twenty-four the
8 following rates shall apply:

| | | |
|----|---------------------------------------|--|
| 9 | If the New York taxable income is: | The tax is: |
| 10 | Not over \$12,800 | 4% of the New York taxable income |
| 11 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over |
| 12 | | \$12,800 |
| 13 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 14 | | \$17,650 |
| 15 | Over \$20,900 but not over \$107,650 | \$901 plus 5.5% of excess over |
| 16 | | \$20,900 |
| 17 | Over \$107,650 but not over \$269,300 | \$5,672 plus 6.00% of excess over |
| 18 | | \$107,650 |
| 19 | Over \$269,300 <u>but not over</u> | \$15,371 plus 6.85% of excess over |
| 20 | <u>\$1,616,450</u> | <u>\$269,300</u> |
| 21 | <u>Over \$1,616,450 but not over</u> | <u>\$107,651 plus 8.82% of excess over</u> |
| 22 | <u>\$5,000,000</u> | <u>\$1,616,450</u> |
| 23 | <u>Over \$5,000,000 but not over</u> | <u>\$406,080 plus 9.32% of excess</u> |
| 24 | <u>\$10,000,000</u> | <u>over \$5,000,000</u> |
| 25 | <u>Over \$10,000,000 but not over</u> | <u>\$872,080 plus 9.82% of excess</u> |
| 26 | <u>\$100,000,000</u> | <u>over \$10,000,000</u> |
| 27 | <u>Over \$100,000,000</u> | <u>\$9,710,080 plus 10.32% of excess</u> |
| 28 | | <u>over \$100,000,000</u> |

29 § 15. Clause (ii) of subparagraph (B) of paragraph 1 of subsection (c)
30 of section 601 of the tax law, as added by section 3 of part R of chap-
31 ter 59 of the laws of 2017, is amended to read as follows:

32 (ii) For taxable years beginning in two thousand nineteen the follow-
33 ing rates shall apply:

| | | |
|----|---|---|
| 34 | If the New York taxable income is: | The tax is: |
| 35 | Not over \$8,500 | 4% of the New York taxable income |
| 36 | Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over |
| 37 | | \$8,500 |
| 38 | Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over |
| 39 | | \$11,700 |
| 40 | Over \$13,900 but not over \$21,400 | \$600 plus 5.9% of excess over |
| 41 | | \$13,900 |
| 42 | Over \$21,400 but not over \$80,650 | \$1,042 plus 6.21% of excess over |
| 43 | | \$21,400 |
| 44 | Over \$80,650 but not over \$215,400 | \$4,721 plus 6.49% of excess over |
| 45 | | \$80,650 |
| 46 | Over \$215,400 but not over \$1,077,550 | \$13,467 plus 6.85% of excess over |
| 47 | | \$215,400 |
| 48 | Over \$1,077,550 <u>but not over</u> | \$72,524 plus 8.82% of |
| 49 | <u>\$5,000,000</u> | <u>excess over \$1,077,550</u> |
| 50 | <u>Over \$5,000,000 but not over</u> | <u>\$418,484 plus 9.32% of excess over</u> |
| 51 | <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 52 | <u>Over \$10,000,000 but not over</u> | <u>\$884,484 plus 9.82% of excess over</u> |
| 53 | <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 54 | <u>Over \$100,000,000</u> | <u>\$9,722,484 plus 10.32% of excess over</u> |
| 55 | | <u>\$100,000,000</u> |



1 § 16. Clause (iii) of subparagraph (B) of paragraph 1 of subsection
 2 (c) of section 601 of the tax law, as added by section 3 of part R of
 3 chapter 59 of the laws of 2017, is amended to read as follows:

4 (iii) For taxable years beginning in two thousand twenty the following
 5 rates shall apply:

| 6 If the New York taxable income is: | The tax is: |
|--|--|
| 7 Not over \$8,500 | 4% of the New York taxable income |
| 8 Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over 9 \$8,500 |
| 10 Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over 11 \$11,700 |
| 12 Over \$13,900 but not over \$21,400 | \$600 plus 5.9% of excess over 13 \$13,900 |
| 14 Over \$21,400 but not over \$80,650 | \$1,042 plus 6.09% of excess over 15 \$21,400 |
| 16 Over \$80,650 but not over \$215,400 | \$4,650 plus 6.41% of excess over 17 \$80,650 |
| 18 Over \$215,400 <u>but not over</u> | \$13,288 plus 6.85% of excess |
| 19 <u>\$1,077,550</u> | over \$215,400 |
| 20 <u>Over \$1,077,550 but not over</u> | <u>\$72,345 plus 8.82% of excess over</u> |
| 21 <u>\$5,000,000</u> | <u>\$1,077,550</u> |
| 22 <u>Over \$5,000,000 but not over</u> | <u>\$418,305 plus 9.32% of excess over</u> |
| 23 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 24 <u>Over \$10,000,000 but not over</u> | <u>\$884,305 plus 9.82% of excess over</u> |
| 25 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 26 <u>Over \$100,000,000</u> | <u>\$9,722,305 plus 10.32% of excess</u> |
| 27 | <u>over \$100,000,000</u> |

28 § 17. Clause (iv) of subparagraph (B) of paragraph 1 of subsection (c)
 29 of section 601 of the tax law, as added by section 3 of part R of chap-
 30 ter 59 of the laws of 2017, is amended to read as follows:

31 (iv) For taxable years beginning in two thousand twenty-one the
 32 following rates shall apply:

| 33 If the New York taxable income is: | The tax is: |
|--|--|
| 34 Not over \$8,500 | 4% of the New York taxable income |
| 35 Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over 36 \$8,500 |
| 37 Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over 38 \$11,700 |
| 39 Over \$13,900 but not over \$21,400 | \$600 plus 5.9% of excess over 40 \$13,900 |
| 41 Over \$21,400 but not over \$80,650 | \$1,042 plus 5.97% of excess over 42 \$21,400 |
| 43 Over \$80,650 but not over \$215,400 | \$4,579 plus 6.33% of excess over 44 \$80,650 |
| 45 Over \$215,400 <u>but not over</u> | \$13,109 plus 6.85% of excess |
| 46 <u>\$1,077,550</u> | over \$215,400 |
| 47 <u>Over \$1,077,550 but not over</u> | <u>\$72,166 plus 8.82% of excess over</u> |
| 48 <u>\$5,000,000</u> | <u>\$1,077,550</u> |
| 49 <u>Over \$5,000,000 but not over</u> | <u>\$418,126 plus 9.32% of excess over</u> |
| 50 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 51 <u>Over \$10,000,000 but not over</u> | <u>\$884,126 plus 9.82% of excess over</u> |
| 52 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 53 <u>Over \$100,000,000</u> | <u>\$9,722,126 plus 10.32% of excess</u> |
| 54 | <u>over \$100,000,000</u> |



1 § 18. Clause (v) of subparagraph (B) of paragraph 1 of subsection (c)
 2 of section 601 of the tax law, as added by section 3 of part R of chap-
 3 ter 59 of the laws of 2017, is amended to read as follows:

4 (v) For taxable years beginning in two thousand twenty-two the follow-
 5 ing rates shall apply:

| 6 If the New York taxable income is: | The tax is: |
|--|--|
| 7 Not over \$8,500 | 4% of the New York taxable income |
| 8 Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over 9 \$8,500 |
| 10 Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over 11 \$11,700 |
| 12 Over \$13,900 but not over \$80,650 | \$600 plus 5.85% of excess over 13 \$13,900 |
| 14 Over \$80,650 but not over \$215,400 | \$4,504 plus 6.25% of excess over 15 \$80,650 |
| 16 Over \$215,400 <u>but not over</u> | \$12,926 plus 6.85% of excess |
| 17 <u>\$1,077,550</u> | over \$215,400 |
| 18 <u>Over \$1,077,550 but not over</u> | <u>\$71,984 plus 8.82% of excess over</u> |
| 19 <u>\$5,000,000</u> | <u>\$1,077,550</u> |
| 20 <u>Over \$5,000,000 but not over</u> | <u>\$417,944 plus 9.32% of excess over</u> |
| 21 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 22 <u>Over \$10,000,000 but not over</u> | <u>\$883,944 plus 9.82% of excess over</u> |
| 23 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 24 <u>Over \$100,000,000</u> | <u>\$9,721,944 plus 10.32% of excess</u> 25 <u>over \$100,000,000</u> |

26 § 19. Clause (vi) of subparagraph (B) of paragraph 1 of subsection (c)
 27 of section 601 of the tax law, as added by section 3 of part R of chap-
 28 ter 59 of the laws of 2017, is amended to read as follows:

29 (vi) For taxable years beginning in two thousand twenty-three the
 30 following rates shall apply:

| 31 If the New York taxable income is: | The tax is: |
|--|--|
| 32 Not over \$8,500 | 4% of the New York taxable income |
| 33 Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over 34 \$8,500 |
| 35 Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over 36 \$11,700 |
| 37 Over \$13,900 but not over \$80,650 | \$600 plus 5.73% of excess over 38 \$13,900 |
| 39 Over \$80,650 but not over \$215,400 | \$4,424 plus 6.17% of excess over 40 \$80,650 |
| 41 Over \$215,400 <u>but not over</u> | \$12,738 plus 6.85% of excess |
| 42 <u>\$1,077,550</u> | over \$215,400 |
| 43 <u>Over \$1,077,550 but not over</u> | <u>\$71,796 plus 8.82% of excess over</u> |
| 44 <u>\$5,000,000</u> | <u>\$1,077,550</u> |
| 45 <u>Over \$5,000,000 but not over</u> | <u>\$417,756 plus 9.32% of excess over</u> |
| 46 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 47 <u>Over \$10,000,000 but not over</u> | <u>\$883,756 plus 9.82% of excess over</u> |
| 48 <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 49 <u>Over \$100,000,000</u> | <u>\$9,721,756 plus 10.32% of excess</u> 50 <u>over \$100,000,000</u> |

51 § 20. Clause (vii) of subparagraph (B) of paragraph 1 of subsection
 52 (c) of section 601 of the tax law, as added by section 3 of part R of
 53 chapter 59 of the laws of 2017, is amended to read as follows:

54 (vii) For taxable years beginning in two thousand twenty-four the
 55 following rates shall apply:

| | | |
|----|---------------------------------------|--|
| 1 | If the New York taxable income is: | The tax is: |
| 2 | Not over \$8,500 | 4% of the New York taxable income |
| 3 | Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over |
| 4 | | \$8,500 |
| 5 | Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over |
| 6 | | \$11,700 |
| 7 | Over \$13,900 but not over \$80,650 | \$600 plus 5.61% of excess over |
| 8 | | \$13,900 |
| 9 | Over \$80,650 but not over \$215,400 | \$4,344 plus 6.09% of excess over |
| 10 | | \$80,650 |
| 11 | Over \$215,400 <u>but not over</u> | \$12,550 plus 6.85% of excess |
| 12 | <u>\$1,077,550</u> | over \$215,400 |
| 13 | <u>Over \$1,077,550 but not over</u> | <u>\$71,608 plus 8.82% of excess over</u> |
| 14 | <u>\$5,000,000</u> | <u>\$1,077,550</u> |
| 15 | <u>Over \$5,000,000 but not over</u> | <u>\$417,568 plus 9.32% of excess over</u> |
| 16 | <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 17 | <u>Over \$10,000,000 but not over</u> | <u>\$883,568 plus 9.82% of excess over</u> |
| 18 | <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 19 | <u>Over \$100,000,000</u> | <u>\$9,721,568 plus 10.32% of excess</u> |
| 20 | | <u>over \$100,000,000</u> |

21 § 21. Clause (viii) of subparagraph (B) of paragraph 1 of subsection
 22 (c) of section 601 of the tax law, as added by section 3 of part R of
 23 chapter 59 of the laws of 2017, is amended to read as follows:

24 (viii) For taxable years beginning after two thousand twenty-four the
 25 following rates shall apply:

| | | |
|----|---------------------------------------|--|
| 26 | If the New York taxable income is: | The tax is: |
| 27 | Not over \$8,500 | 4% of the New York taxable income |
| 28 | Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over |
| 29 | | \$8,500 |
| 30 | Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over |
| 31 | | \$11,700 |
| 32 | Over \$13,900 but not over \$80,650 | \$600 plus 5.50% of excess over |
| 33 | | \$13,900 |
| 34 | Over \$80,650 but not over \$215,400 | \$4,271 plus 6.00% of excess over |
| 35 | | \$80,650 |
| 36 | Over \$215,400 <u>but not over</u> | \$12,356 plus 6.85% of excess |
| 37 | <u>\$1,077,550</u> | over \$215,400 |
| 38 | <u>Over \$1,077,550 but not over</u> | <u>\$71,413 plus 8.82% of excess over</u> |
| 39 | <u>\$5,000,000</u> | <u>\$1,077,550</u> |
| 40 | <u>Over \$5,000,000 but not over</u> | <u>\$417,373 plus 9.32% of excess over</u> |
| 41 | <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 42 | <u>Over \$10,000,000 but not over</u> | <u>\$883,373 plus 9.82% of excess over</u> |
| 43 | <u>\$100,000,000</u> | <u>\$10,000,000</u> |
| 44 | <u>Over \$100,000,000</u> | <u>\$9,721,373 plus 10.32% of excess</u> |
| 45 | | <u>over \$100,000,000</u> |

46 § 22. Subparagraph (D) of paragraph 1 of subsection (d-1) of section
 47 601 of the tax law, as amended by section 4 of part R of chapter 59 of
 48 the laws of 2017, is amended to read as follows:

49 (D) The tax table benefit is the difference between (i) the amount of
 50 taxable income set forth in the tax table in paragraph one of subsection
 51 (a) of this section not subject to the 8.82 percent rate of tax for the
 52 taxable year multiplied by such rate and (ii) the dollar denominated tax
 53 for such amount of taxable income set forth in the tax table applicable
 54 to the taxable year in paragraph one of subsection (a) of this section
 55 less the sum of the tax table benefits in subparagraphs (A), (B) and (C)
 56 of this paragraph. The fraction for this subparagraph is computed as

1 follows: the numerator is the lesser of fifty thousand dollars or the
2 excess of New York adjusted gross income for the taxable year over two
3 million dollars and the denominator is fifty thousand dollars. This
4 subparagraph shall apply only to taxable years beginning on or after
5 January first, two thousand twelve and [before January first, two thou-
6 sand twenty] thereafter.

7 § 23. Subparagraph (C) of paragraph 2 of subsection (d-1) of section
8 601 of the tax law, as amended by section 5 of part R of chapter 59 of
9 the laws of 2017, is amended to read as follows:

10 (C) The tax table benefit is the difference between (i) the amount of
11 taxable income set forth in the tax table in paragraph one of subsection
12 (b) of this section not subject to the 8.82 percent rate of tax for the
13 taxable year multiplied by such rate and (ii) the dollar denominated tax
14 for such amount of taxable income set forth in the tax table applicable
15 to the taxable year in paragraph one of subsection (b) of this section
16 less the sum of the tax table benefits in subparagraphs (A) and (B) of
17 this paragraph. The fraction for this subparagraph is computed as
18 follows: the numerator is the lesser of fifty thousand dollars or the
19 excess of New York adjusted gross income for the taxable year over one
20 million five hundred thousand dollars and the denominator is fifty thou-
21 sand dollars. This subparagraph shall apply only to taxable years begin-
22 ning on or after January first, two thousand twelve and [before January
23 first, two thousand twenty] thereafter.

24 § 24. Subparagraph (C) of paragraph 3 of subsection (d-1) of section
25 601 of the tax law, as amended by section 6 of part R of chapter 59 of
26 the laws of 2017, is amended to read as follows:

27 (C) The tax table benefit is the difference between (i) the amount of
28 taxable income set forth in the tax table in paragraph one of subsection
29 (c) of this section not subject to the 8.82 percent rate of tax for the
30 taxable year multiplied by such rate and (ii) the dollar denominated tax
31 for such amount of taxable income set forth in the tax table applicable
32 to the taxable year in paragraph one of subsection (c) of this section
33 less the sum of the tax table benefits in subparagraphs (A) and (B) of
34 this paragraph. The fraction for this subparagraph is computed as
35 follows: the numerator is the lesser of fifty thousand dollars or the
36 excess of New York adjusted gross income for the taxable year over one
37 million dollars and the denominator is fifty thousand dollars. This
38 subparagraph shall apply only to taxable years beginning on or after
39 January first, two thousand twelve and [before January first, two thou-
40 sand twenty] thereafter.

41 § 25. Section 601 of the tax law is amended by adding a new subsection
42 (d-2) to read as follows:

43 (d-2) Alternative tax table benefit recapture. For taxable years
44 beginning after two thousand eighteen for a taxpayer whose New York
45 taxable income is over \$5,000,000, there is hereby imposed a supple-
46 mental tax in addition to the tax imposed under subsections (a), (b),
47 (c) and (d-1) of this section for the purpose of recapturing the benefit
48 of the tax tables contained in such subsections. During these taxable
49 years, any reference in this chapter to subsection (d) of this section
50 shall be read as a reference to this subsection.

51 (1) For resident married individuals filing joint returns and resident
52 surviving spouses, the supplemental tax shall be an amount equal to the
53 sum of the tax table benefits described in subparagraphs (A), (B) and
54 (C) of this paragraph multiplied by their respective fractions in such
55 subparagraphs.

1 (A) The tax table benefit is the difference between (i) the amount of
2 taxable income set forth in the tax table in paragraph one of subsection
3 (a) of this section not subject to the 9.32 percent rate of tax for the
4 taxable year multiplied by such rate and (ii) the dollar denominated tax
5 for such amount of taxable income set forth in the tax table applicable
6 to the taxable year in paragraph one of subsection (a) of this section
7 less the sum of the tax table benefits in subparagraphs (A), (B) and (C)
8 of paragraph one of subsection (d-1) of this section. The fraction for
9 this subparagraph is computed as follows: the numerator is the lesser of
10 fifty thousand dollars or the excess of New York adjusted gross income
11 for the taxable year over five million dollars and the denominator is
12 fifty thousand dollars. Provided, however, this subparagraph shall not
13 apply to taxpayers who are not subject to the 9.32 percent tax rate.

14 (B) The tax table benefit is the difference between (i) the amount of
15 taxable income set forth in the tax table in paragraph one of subsection
16 (a) of this section not subject to the 9.82 percent rate of tax for the
17 taxable year multiplied by such rate and (ii) the dollar denominated tax
18 for such amount of taxable income set forth in the tax table applicable
19 to the taxable year in paragraph one of subsection (a) of this section
20 less the sum of the tax table benefits in subparagraphs (A), (B) and (C)
21 of paragraph one of subsection (d-1) of this section and such tax table
22 benefits in subparagraph (A) of this paragraph. The fraction for this
23 subparagraph is computed as follows: the numerator is the lesser of
24 fifty thousand dollars or the excess of New York adjusted gross income
25 for the taxable year over ten million dollars and the denominator is
26 fifty thousand dollars. Provided, however, this subparagraph shall not
27 apply to taxpayers who are not subject to the 9.82 percent tax rate.

28 (C) The tax table benefit is the difference between (i) the amount of
29 taxable income set forth in the tax table in paragraph one of subsection
30 (a) of this section not subject to the 10.32 percent rate of tax for the
31 taxable year multiplied by such rate and (ii) the dollar denominated tax
32 for such amount of taxable income set forth in the tax table applicable
33 to the taxable year in paragraph one of subsection (a) of this section
34 less the sum of the tax table benefits in subparagraphs (A), (B) and (C)
35 of paragraph one of subsection (d-1) of this section and such tax table
36 benefits in subparagraphs (A) and (B) of this paragraph. The fraction
37 for this subparagraph is computed as follows: the numerator is the less-
38 er of fifty thousand dollars or the excess of New York adjusted gross
39 income for the taxable year over one hundred million dollars and the
40 denominator is fifty thousand dollars.

41 (D) Provided, however, the total tax prior to the application of any
42 tax credits shall not exceed the highest rate of tax set forth in the
43 tax tables in subsection (a) of this section multiplied by the taxpay-
44 er's taxable income.

45 (2) For resident heads of households, the supplemental tax shall be an
46 amount equal to the sum of the tax table benefits described in subpara-
47 graphs (A), (B) and (C) of this paragraph multiplied by their respective
48 fractions in such subparagraphs.

49 (A) The tax table benefit is the difference between (i) the amount of
50 taxable income set forth in the tax table in paragraph one of subsection
51 (b) of this section not subject to the 9.32 percent rate of tax for the
52 taxable year multiplied by such rate and (ii) the dollar denominated tax
53 for such amount of taxable income set forth in the tax table applicable
54 to the taxable year in paragraph one of subsection (b) of this section
55 less the sum of the tax table benefits in subparagraphs (A) and (B) of
56 paragraph two of subsection (d-1) of this section. The fraction for

1 this subparagraph is computed as follows: the numerator is the lesser of
2 fifty thousand dollars or the excess of New York adjusted gross income
3 for the taxable year over five million dollars and the denominator is
4 fifty thousand dollars. Provided, however, this subparagraph shall not
5 apply to taxpayers who are not subject to the 9.32 percent tax rate.

6 (B) The tax table benefit is the difference between (i) the amount of
7 taxable income set forth in the tax table in paragraph one of subsection
8 (b) of this section not subject to the 9.82 percent rate of tax for the
9 taxable year multiplied by such rate and (ii) the dollar denominated tax
10 for such amount of taxable income set forth in the tax table applicable
11 to the taxable year in paragraph one of subsection (b) of this section
12 less the sum of the tax table benefits in subparagraphs (A) and (B) of
13 paragraph two of subsection (d-1) of this section and such tax table
14 benefits in subparagraph (A) of this paragraph. The fraction for this
15 subparagraph is computed as follows: the numerator is the lesser of
16 fifty thousand dollars or the excess of New York adjusted gross income
17 for the taxable year over ten million dollars and the denominator is
18 fifty thousand dollars.

19 (C) The tax table benefit is the difference between (i) the amount of
20 taxable income set forth in the tax table in paragraph one of subsection
21 (b) of this section not subject to the 10.32 percent rate of tax for the
22 taxable year multiplied by such rate and (ii) the dollar denominated tax
23 for such amount of taxable income set forth in the tax table applicable
24 to the taxable year in paragraph one of subsection (b) of this section
25 less the sum of the tax table benefits in subparagraphs (A) and (B) of
26 paragraph two of subsection (d-1) of this section and such tax table
27 benefits in subparagraphs (A) and (B) of this paragraph. The fraction
28 for this subparagraph is computed as follows: the numerator is the less-
29 er of fifty thousand dollars or the excess of New York adjusted gross
30 income for the taxable year over one hundred million dollars and the
31 denominator is fifty thousand dollars.

32 (D) Provided, however, the total tax prior to the application of any
33 tax credits shall not exceed the highest rate of tax set forth in the
34 tax tables in subsection (b) of this section multiplied by the taxpay-
35 er's taxable income.

36 (3) For resident unmarried individuals, resident married individuals
37 filing separate returns and resident estates and trusts, the supple-
38 mental tax shall be an amount equal to the sum of the tax table benefits
39 described in subparagraphs (A), (B) and (C) of this paragraph multiplied
40 by their respective fractions in such subparagraphs.

41 (A) The tax table benefit is the difference between (i) the amount of
42 taxable income set forth in the tax table in paragraph one of subsection
43 (c) of this section not subject to the 9.32 percent rate of tax for the
44 taxable year multiplied by such rate and (ii) the dollar denominated tax
45 for such amount of taxable income set forth in the tax table applicable
46 to the taxable year in paragraph one of subsection (c) of this section
47 less the sum of the tax table benefits in subparagraphs (A) and (B) of
48 paragraph three of subsection (d-1) of this section. The fraction for
49 this subparagraph is computed as follows: the numerator is the lesser of
50 fifty thousand dollars or the excess of New York adjusted gross income
51 for the taxable year over five million dollars and the denominator is
52 fifty thousand dollars. Provided, however, this subparagraph shall not
53 apply to taxpayers who are not subject to the 9.32 percent tax rate.

54 (B) The tax table benefit is the difference between (i) the amount of
55 taxable income set forth in the tax table in paragraph one of subsection
56 (c) of this section not subject to the 9.82 percent rate of tax for the

1 taxable year multiplied by such rate and (ii) the dollar denominated tax
2 for such amount of taxable income set forth in the tax table applicable
3 to the taxable year in paragraph one of subsection (c) of this section
4 less the sum of the tax table benefits in subparagraph (A) of paragraph
5 three of subsection (d-1) of this section and such tax table benefits in
6 subparagraph (A) of this paragraph. The fraction for this subparagraph
7 is computed as follows: the numerator is the lesser of fifty thousand
8 dollars or the excess of New York adjusted gross income for the taxable
9 year over ten million dollars and the denominator is fifty thousand
10 dollars.

11 (C) The tax table benefit is the difference between (i) the amount of
12 taxable income set forth in the tax table in paragraph one of subsection
13 (c) of this section not subject to the 10.32 percent rate of tax for the
14 taxable year multiplied by such rate and (ii) the dollar denominated tax
15 for such amount of taxable income set forth in the tax table applicable
16 to the taxable year in paragraph one of subsection (c) of this section
17 less the sum of the tax table benefits in subparagraphs (A) and (B) of
18 paragraph three of subsection (d-1) of this section and such tax table
19 benefits in subparagraphs (A) and (B) of this paragraph. The fraction
20 for this subparagraph is computed as follows: the numerator is the less-
21 er of fifty thousand dollars or the excess of New York adjusted gross
22 income for the taxable year over one hundred million dollars and the
23 denominator is fifty thousand dollars.

24 (D) Provided, however, the total tax prior to the application of any
25 tax credits shall not exceed the highest rate of tax set forth in the
26 tax tables in subsection (c) of this section multiplied by the taxpay-
27 er's taxable income.

28 § 26. Subsection (f) of section 614 of the tax law, as amended by
29 section 11 of part FF of chapter 59 of the laws of 2013, is amended to
30 read as follows:

31 (f) Adjusted standard deduction. For taxable years beginning after two
32 thousand seventeen, the standard deductions set forth in this section
33 shall be the amounts set forth in this section adjusted by the cost of
34 living adjustment prescribed in section six hundred one-a of this [part]
35 article for tax years two thousand thirteen [through two thousand seven-
36 teen] and thereafter.

37 § 27. This act shall take effect immediately and shall apply to taxa-
38 ble years beginning on or after January 1, 2019.

39

PART OO

40 Section 1. Subsection (n-1) of section 606 of the tax law, as added by
41 section 1 of subpart B of part C of chapter 20 of the laws of 2015 and
42 the opening paragraph of subparagraph (a) of paragraph 2 as amended by
43 section 7 of part A of chapter 60 of the laws of 2016, is amended to
44 read as follows:

45 (n-1) Property tax relief credit. (1) An individual taxpayer who meets
46 the eligibility standards in paragraph two of this subsection shall be
47 allowed a credit against the taxes imposed by this article in the amount
48 specified in paragraph three of this subsection for tax years two thou-
49 sand sixteen, two thousand seventeen, two thousand eighteen, and two
50 thousand nineteen.

51 (2) (a) To be eligible for the credit, the taxpayer (or taxpayers
52 filing joint returns) on the personal income tax return filed for the
53 taxable year two years prior, must have (i) been a resident, (ii) owned
54 and primarily resided in real property receiving either the STAR



1 exemption authorized by section four hundred twenty-five of the real
 2 property tax law or the school tax relief credit authorized by
 3 subsection (eee) of this section, and (iii) had qualified gross income
 4 no greater than two hundred seventy-five thousand dollars. Provided,
 5 however, that no credit shall be allowed if any of the following apply:

6 (i) Such property is located in an independent school district that is
 7 subject to the provisions of section two thousand twenty-three-a of the
 8 education law and that has adopted a budget in excess of the tax levy
 9 limit prescribed by that section. To render its taxpayers eligible for
 10 the credit authorized by this subsection, the school district must
 11 certify its compliance with such tax levy limit in the manner prescribed
 12 by subdivision two of section two thousand twenty-three-b of the educa-
 13 tion law.

14 (ii) Such property is located in a city with a dependent school
 15 district that is subject to the provisions of section three-c of the
 16 general municipal law and that has adopted a budget in excess of the tax
 17 levy limit prescribed by that section. To render its taxpayers eligible
 18 for the credit authorized by this subsection, the city must certify its
 19 compliance with such tax levy limit in the manner prescribed by subdivi-
 20 sion two of section three-d of the general municipal law.

21 (iii) Such property is located in the city of New York.

22 (3) Amount of credit. (a) For the two thousand sixteen taxable year

23 (i) for a taxpayer residing in real property located within the metro-
 24 politan commuter transportation district (MCTD) and outside the city of
 25 New York, the amount of the credit shall be \$130; (ii) for a taxpayer
 26 residing in real property located outside the MCTD, the amount of the
 27 credit shall be \$185.

28 (b) For the two thousand seventeen, two thousand eighteen and two
 29 thousand nineteen taxable years (i) For a taxpayer who owned and prima-
 30 rily resided in real property receiving the basic STAR exemption, the
 31 amount of the credit shall equal the STAR tax savings associated with
 32 such basic STAR exemption, multiplied by the following percentage:

33 [(A)] for the two thousand seventeen, two thousand eighteen, and two
 34 thousand nineteen taxable [year] years:

| 35 Qualified Gross Income | Percentage |
|--|------------|
| 36 Not over \$75,000 | 28% |
| 37 Over \$75,000 but not over \$150,000 | 20.5% |
| 38 Over \$150,000 but not over \$200,000 | 13% |
| 39 Over \$200,000 but not over \$275,000 | 5.5% |
| 40 Over \$275,000 | No credit |

41 [(B) for the two thousand eighteen taxable year:

| 42 Qualified Gross Income | Percentage |
|--|------------|
| 43 Not over \$75,000 | 60% |
| 44 Over \$75,000 but not over \$150,000 | 42.5% |
| 45 Over \$150,000 but not over \$200,000 | 25% |
| 46 Over \$200,000 but not over \$275,000 | 7.5% |
| 47 Over \$275,000 | No credit |

48 (C) for the two thousand nineteen taxable year:

| 49 Qualified Gross Income | Percentage |
|--|------------|
| 50 Not over \$75,000 | 85% |
| 51 Over \$75,000 but not over \$150,000 | 60% |
| 52 Over \$150,000 but not over \$200,000 | 35% |
| 53 Over \$200,000 but not over \$275,000 | 10% |
| 54 Over \$275,000 | No credit] |

55 (c) For a taxpayer who owned and primarily resided in real property
 56 receiving the enhanced STAR exemption, the amount of the credit shall

1 equal the STAR tax savings associated with such enhanced STAR exemption,
2 multiplied by the following percentage:

| 3 Taxable Year | Percentage |
|--------------------------------------|------------|
| 4 <u>two thousand seventeen, two</u> | 12% |
| 5 <u>thousand eighteen, and two</u> | |
| 6 <u>thousand nineteen</u> | |
| 7 [two thousand eighteen | 26% |
| 8 two thousand nineteen | 34%] |

9 (d) In no case may the amount of the credit allowed under this
10 subsection exceed the school district taxes due with respect to the
11 residence for that school year.

12 (4) For purposes of this subsection:

13 (a) "Qualified gross income" means the adjusted gross income of the
14 qualified taxpayer for the taxable year as reported for federal income
15 tax purposes, or which would be reported as adjusted gross income if a
16 federal income tax return were required to be filed. In computing quali-
17 fied gross income, the net amount of loss reported on Federal Schedule
18 C, D, E, or F shall not exceed three thousand dollars per schedule. In
19 addition, the net amount of any other separate category of loss shall
20 not exceed three thousand dollars. The aggregate amount of all losses
21 included in computing qualified gross income shall not exceed fifteen
22 thousand dollars.

23 (b) "STAR tax savings" means the tax savings attributable to the basic
24 or enhanced STAR exemption, whichever is applicable, within a portion of
25 a school district, as determined by the commissioner pursuant to subdi-
26 vision two of section thirteen hundred six-a of the real property tax
27 law.

28 (c) "Metropolitan commuter transportation district" or "MCTD" means
29 the metropolitan commuter transportation district as defined in section
30 twelve hundred sixty-two of the public authorities law.

31 (5) If the amount of the credit allowed under this subsection shall
32 exceed the taxpayer's tax for the taxable year, the excess shall be
33 treated as an overpayment of tax to be credited or refunded in accord-
34 ance with the provisions of section six hundred eighty-six of this arti-
35 cle, provided, however, that no interest shall be paid thereon. For each
36 year this credit is allowed, on or before October fifteenth of such
37 year, or as soon thereafter as is practicable, the commissioner shall
38 determine the taxpayer's eligibility for this credit utilizing the
39 information available to the commissioner on the taxpayer's personal
40 income tax return filed for the taxable year two years prior to the
41 taxable year in which the credit is allowed. For those taxpayers whom
42 the commissioner has determined eligible for this credit, the commis-
43 sioner shall advance a payment in the amount specified in paragraph
44 three of this subsection, which payment shall be issued, to the greatest
45 extent practicable, by October thirty-first of each year the credit is
46 allowed. A taxpayer who has failed to receive an advance payment that he
47 or she believes was due to him or her, or who has received an advance
48 payment that he or she believes is less than the amount that was due to
49 him or her, may request payment of the claimed deficiency in a manner
50 prescribed by the commissioner.

51 (6) A taxpayer shall not be eligible for the credit allowed under this
52 subsection if the school district taxes levied upon the residence during
53 the taxable year remain unpaid sixty days after the last date on which
54 they could have been paid without interest, or in the case of a school
55 district where such taxes are payable in installments, if such taxes
56 remain unpaid sixty days after the last date on which the final install-

1 ment could have been paid without interest. If the taxes remain unpaid
2 on such sixtieth day, the amount of credit claimed by the taxpayer under
3 this subsection or the amount of advance payment of credit received by
4 the taxpayer pursuant to paragraph five of this subsection shall be
5 added back as tax on the income tax return for the taxable year in which
6 such sixtieth day occurs.

7 (7) Only one credit per residence shall be allowed per taxable year
8 under this subsection. When two or more members of a residence are able
9 to meet the qualifications for a qualified taxpayer, the credit shall be
10 equally divided between or among such individuals. In the case of spous-
11 es who file a joint federal return but who are required to determine
12 their New York taxes separately, the credit allowed pursuant to this
13 subsection may be applied against the tax of either or divided between
14 them as they may elect.

15 § 2. This act shall take effect immediately and shall apply to taxable
16 years beginning on or after January 1, 2018.

17 PART PP

18 Section 1. Section 22 of the public housing law is amended by adding a
19 new subdivision 8 to read as follows:

20 8. Certification of tax credit. Commencing April first, two thousand
21 eighteen, to maximize available capital for an eligible low-income hous-
22 ing building, a tax credit allocated to a developer for such building
23 pursuant to this article may be transferred by sale to an investor
24 notwithstanding that such investor may not have an ownership interest in
25 the eligible low-income building. Pursuant to the provisions of this
26 article and the rules and regulations of the commissioner, the investor
27 shall be a taxpayer subject to tax under article nine-A, twenty-two or
28 thirty-three of the tax law and shall be allowed a credit against such
29 tax for the amount of low-income housing credit allocated by the commis-
30 sioner to the eligible low-income housing building. The investor shall
31 not thereafter transfer, sell or assign the credit except to the owner
32 of the eligible low-income housing building for which the credit was
33 allocated. Prior to any transfer, sale or assignment, the developer
34 shall submit to the commissioner a statement which describes the amount
35 of low-income housing tax credit for transfer, sale or assignment, the
36 proposed recipient of the credit and any other information and documen-
37 tation required by the commissioner.

38 § 2. Subdivision 1 of section 25 of the public housing law, as added
39 by section 1 of part CC of chapter 63 of the laws of 2000, is amended to
40 read as follows:

41 1. The commissioner shall promulgate rules and regulations necessary
42 to administer the provisions of this [act] article and to provide for
43 the allocation of the state low-income housing tax credit to taxpayers
44 pursuant to this article in a separate manner from the federal low-in-
45 come housing tax credit.

46 § 3. This act shall take effect immediately and shall apply to taxable
47 years beginning on or after January 1, 2018.

48 PART QQ

49 Section 1. The tax law is amended by adding a new article 21-B to read
50 as follows:

ARTICLE 21-BTRANSIT SUSTAINABILITY IMPROVEMENT SURCHARGE ON TRANSPORTATION
SERVICE AND TRANSPORTATION NETWORK COMPANIESSection 531. Definitions.532. Imposition of tax.533. Presumption.534. Returns and payment.535. Records to be kept.536. Secrecy of returns and reports.537. Practice and procedure.538. Disposition of revenue.

§ 531. Definitions. For purposes of this article, the following definitions shall apply unless a different meaning is clearly required:

(a) "Person" shall mean an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals and any other form of unincorporated enterprise owned or conducted by two or more persons.

(b) "City" shall mean a city with a population of a million or more located within the state of New York.

(c) "MCTD" shall mean the metropolitan commuter transportation district established by section twelve hundred sixty-two of the public authorities law.

(d) "Transportation network company" or "TNC" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.

(e) "Transit sustainability improvement zone" or "TSI zone" or "zone" shall be the area in the borough of Manhattan lying south of the center line of ninety-sixth street in the city of New York. The Franklin D. Roosevelt East River Drive, north of the Brooklyn Bridge, shall not be included in the zone.

(f) "Transit sustainability improvement surcharge" or "TSI surcharge" shall mean the surcharge imposed under this article.

(g) "Transportation service" shall mean such transportation service as defined under paragraph thirty-four of subdivision (b) of section eleven hundred one of this chapter.

§ 532. Imposition of tax. (a) There is hereby imposed on every transportation service and every TNC a TSI surcharge of two dollars and seventy-five cents on every trip provided by a person that originates and terminates within the TSI zone, any trip that originates anywhere in the state and terminates within the TSI zone, any trip that originates within the TSI zone and terminates anywhere in this state or any trip that originates anywhere in this state, enters into the TSI zone in transit and terminates anywhere in this state.

(b) There is hereby imposed on every transportation service and every TNC a TSI surcharge of one dollar on every trip that originates and terminates within this state and does not enter into, originate in or terminate in the TSI zone.

(c) The surcharge imposed within the zone shall apply to each individually purchased trip.

§ 533. Presumption. For the purpose of the proper administration of this article and to prevent evasion of the TSI surcharge imposed by this article, it shall be presumed that every trip that originates in the TSI zone in the city is subject to the TSI surcharge of two dollars and

1 seventy-five cents. This presumption shall prevail until the contrary is
2 proven by the person liable for the fee.

3 § 534. Returns and payment. (a) Every person liable for the TSI
4 surchARGE imposed by this article shall file a return on a calendar-
5 quarterly basis with the commissioner. Each return shall show the number
6 of trips and the amount of TSI surcharge due thereon in the quarter for
7 which the return is filed, together with such other information as the
8 commissioner may require. The returns required by this section shall be
9 filed within thirty days after the end of the quarterly period covered
10 thereby. If the commissioner deems it necessary in order to ensure the
11 payment of the TSI surcharge imposed by this article, the commissioner
12 may require returns to be made for shorter periods than prescribed by
13 the foregoing provisions of this section, and upon such dates as the
14 commissioner may specify. The form of returns shall be prescribed by the
15 commissioner and shall contain revenue collected from and the number of
16 trips made: (i) originating and terminating entirely in the zone, orig-
17 inating in the zone and terminating anywhere else in the state, or orig-
18 inating anywhere else in the state and terminating in the zone; (ii)
19 originating in the city and terminating anywhere else in the state but
20 not transecting the zone; (iii) originating in the MCTD, excluding the
21 city, and terminating anywhere else in the state excluding the city; and
22 (iv) originating and terminating anywhere in the state excluding the
23 MCTD. The form of returns shall also contain such information as the
24 commissioner may deem necessary for the proper administration of this
25 article. The commissioner may require amended returns to be filed within
26 thirty days after notice and to contain the information specified in the
27 notice. The commissioner may require that the returns be filed electron-
28 ically.

29 (b) Every person required to file a return under this article shall,
30 at the time of filing such return, pay to the commissioner the total of
31 TSI surcharges on the correct number of trips subject to such surcharge
32 under this article. The amount so payable to the commissioner for the
33 period for which a return is required to be filed shall be due and paya-
34 ble to the commissioner on the date specified for the filing of the
35 return for such period, without regard to whether a return is filed or
36 whether the return that is filed correctly shows the correct number of
37 trips or amount of TSI surcharge due thereon. The commissioner may
38 require that the surcharge be paid electronically.

39 § 535. Records to be kept. Every person liable for the TSI surcharge
40 imposed by this article shall keep:

41 (a) records of every trip subject to the TSI surcharge under this
42 article, and of all amounts paid, charged or due thereon, as well as the
43 pick-up and drop off location of each ride including which area each
44 pick-up and drop off is located in. The areas are: (i) in the zone, (ii)
45 in the city excluding the zone, (iii) in the metropolitan commuter
46 transportation district excluding the city, and (iv) the rest of the
47 state excluding the metropolitan commuter transportation district, in
48 such form as the commissioner may require;

49 (b) true and complete copies, including electronic copies, of any
50 records required to be kept by a state agency that is authorized to
51 permit or regulate a TNC and transportation service; and

52 (c) such other records and information as the commissioner may require
53 to perform his or her duties under this article.

54 § 536. Secrecy of returns and reports. (a) Except in accordance with
55 proper judicial order or as otherwise provided by law, it shall be
56 unlawful for the commissioner, any officer or employee of the depart-

1 ment, any person engaged or retained by the department on an independent
2 contract basis, or any person who in any manner may acquire knowledge of
3 the contents of a return or report filed with the commissioner pursuant
4 to this article, to divulge or make known in any manner any particulars
5 set forth or disclosed in any such return or report. The officers
6 charged with the custody of such returns and reports shall not be
7 required to produce any of them or evidence of anything contained in
8 them in any action or proceeding in any court, except on behalf of the
9 commissioner in an action or proceeding under the provisions of this
10 chapter or in any other action or proceeding involving the collection of
11 a TSI surcharge due under this article to which the state or the commis-
12 sioner is a party or a claimant, or on behalf of any party to any
13 action, proceeding or hearing under the provisions of this article when
14 the returns, reports or facts shown thereby are directly involved in
15 such action, proceeding or hearing, in any of which events the court, or
16 in the case of a hearing, the division of tax appeals may require the
17 production of, and may admit into evidence, so much of said returns,
18 reports or of the facts shown thereby, as are pertinent to the action,
19 proceeding or hearing and no more. The commissioner or the division of
20 tax appeals may, nevertheless, publish a copy or a summary of any deci-
21 sion rendered after a hearing required by this article. Nothing in this
22 section shall be construed to prohibit the delivery to a person who has
23 filed a return or report or to such person's duly authorized represen-
24 tative of a certified copy of any return or report filed in connection
25 with such person's TSI surcharge. Nor shall anything in this section be
26 construed to prohibit the publication of statistics so classified as to
27 prevent the identification of particular returns or reports and the
28 items thereof, or the inspection by the attorney general or other legal
29 representatives of the state of the return or report of any person
30 required to pay the TSI surcharge who shall bring action to review the
31 TSI surcharge based thereon, or against whom an action or proceeding
32 under this chapter has been recommended by the commissioner or the
33 attorney general or has been instituted, or the inspection of the
34 returns or reports required under this article by the comptroller or
35 duly designated officer or employee of the state department of audit and
36 control, for purposes of the audit of a refund of any TSI surcharge paid
37 by a person required to pay such surcharge under this article. Provided,
38 further, nothing in this section shall be construed to prohibit the
39 disclosure, in such manner as the commissioner deems appropriate, of the
40 names and other appropriate identifying information of those persons
41 required to pay TSI surcharge under this article.

42 (b) Notwithstanding the provisions of subdivision (a) of this section,
43 the commissioner, in his or her discretion, may require or permit any or
44 all persons liable for any TSI surcharge imposed by this article, to
45 make payment to banks, banking houses or trust companies designated by
46 the commissioner and to file returns with such banks, banking houses or
47 trust companies as agents of the commissioner, in lieu of paying any TSI
48 surcharge directly to the commissioner. However, the commissioner shall
49 designate only such banks, banking houses or trust companies as are
50 already designated by the comptroller as depositories pursuant to
51 section twelve hundred eighty-eight of this chapter.

52 (c) Notwithstanding the provisions of subdivision (a) of this section,
53 the commissioner may permit the secretary of the treasury of the United
54 States or such secretary's delegate, or the authorized representative of
55 either such officer, to inspect any return filed under this article, or
56 may furnish to such officer or such officer's authorized representative

1 an abstract of any such return or supply such person with information
2 concerning an item contained in any such return, or disclosed by any
3 investigation of liability under this article, but such permission shall
4 be granted or such information furnished only if the laws of the United
5 States grant substantially similar privileges to the commissioner or
6 officer of this state charged with the administration of the TSI
7 surcharge imposed by this article, and only if such information is to be
8 used for purposes of tax administration only; and provided further the
9 commissioner may furnish to the commissioner of internal revenue or such
10 commissioner's authorized representative such returns filed under this
11 article and other tax information, as such commissioner may consider
12 proper, for use in court actions or proceedings under the internal
13 revenue code, whether civil or criminal, where a written request there-
14 for has been made to the commissioner by the secretary of the treasury
15 of the United States or such secretary's delegate, provided the laws of
16 the United States grant substantially similar powers to the secretary of
17 the treasury of the United States or his or her delegate. Where the
18 commissioner has so authorized use of returns and other information in
19 such actions or proceedings, officers and employees of the department
20 may testify in such actions or proceedings in respect to such returns or
21 other information.

22 (d) Returns and reports filed under this article shall be preserved
23 for a minimum of three years and thereafter preserved until the commis-
24 sioner orders them to be destroyed.

25 (e) (1) Any officer or employee of the state who willfully violates
26 the provisions of subdivision (a) of this section shall be dismissed
27 from office and be incapable of holding any public office for a period
28 of five years thereafter.

29 (f) The commissioner shall produce an annual report with information
30 that shall include, but is not limited to: the revenue collected from
31 and the number of trips made: (i) originating and terminating entirely
32 in the zone, originating in the zone and terminating anywhere else in
33 the state, or originating anywhere else in the state and terminating in
34 the zone; (ii) originating in the city and terminating anywhere else in
35 the state but not transecting the zone; (iii) originating in the MCTD,
36 excluding the city, and terminating anywhere else in the state excluding
37 the city; and (iv) originating and terminating anywhere in the state
38 excluding the MCTD. This report shall be completed and posted on the
39 department's website no later than one hundred eighty days after the
40 conclusion of the calendar year.

41 (2) Cross-reference: For criminal penalties, see article thirty-seven
42 of this chapter.

43 § 537. Practice and procedure. The provisions of article twenty-seven
44 of this chapter shall apply with respect to the administration of and
45 procedure with respect to the TSI surcharge imposed by this article in
46 the same manner and with the same force and effect as if the language of
47 such article twenty-seven had been incorporated in full into this arti-
48 cle and had expressly referred to the TSI surcharge under this article,
49 except to the extent that any such provision is either inconsistent with
50 a provision of this article or is not relevant to this article.

51 § 538. Disposition of revenue. (a) All taxes, interest and penalties
52 collected or received by the commissioner under the TSI surcharge and
53 penalties imposed by this article shall be deposited daily in one
54 account with such responsible banks, banking houses or trust companies
55 as may be designated by the comptroller, to the credit of the comp-
56 troller. Such an account may be established in one or more of such

1 depositories. Such deposits shall be kept separate and apart from all
2 other money in the possession of the comptroller. The comptroller shall
3 require adequate security from all such depositories. Of the total
4 revenue collected or received under this section, the comptroller shall
5 retain in his hands such amount as the commissioner may determine to be
6 necessary for refunds under this section, out of which amount the comp-
7 troller shall pay any refunds to which every transportation service
8 provider and transportation network company shall be entitled under the
9 provisions of this article.

10 (b) Revenue collected or received from trips subject to the tax
11 imposed by subdivision (a) of section five hundred thirty-two of this
12 article, the comptroller shall deposit weekly to the credit of the
13 metropolitan transportation authority aid trust account of the metropol-
14 itan transportation authority financial assistance fund established by
15 section ninety-two-ff of the state finance law for deposit, subject to
16 appropriation, in the transit account of the metropolitan transportation
17 authority special assistance fund established by section twelve hundred
18 seventy-a of the public authorities law, for the improvement of the
19 service reliability and other capital and operating costs of the subway
20 system of the New York city transit authority.

21 (c) Trips subject to the tax imposed by subdivision (b) of section
22 five hundred thirty-two of this article that originate in the city, the
23 comptroller shall deposit weekly to the credit of the metropolitan
24 transportation authority aid trust account of the metropolitan transpor-
25 tation authority financial assistance fund established by section nine-
26 ty-two-ff of the state finance law for deposit, subject to appropri-
27 ation, in the transit account of the metropolitan transportation
28 authority special assistance fund established by section twelve hundred
29 seventy-a of the public authorities law, for the improvement of the
30 service reliability and other capital and operating costs of the subway
31 system of the New York city transit authority.

32 (d) Revenue collected or received from trips that originate in the
33 MCTD, excluding trips in subdivisions (b) and (c) of this section, the
34 comptroller shall deposit weekly in the following manner: (i) fifty
35 percent of such revenue to the credit of the metropolitan mass transpor-
36 tation operating assistance account established by section
37 eighty-eight-a of the state finance law, pursuant to appropriations by
38 the legislature for costs of mass transit systems other than those mass
39 transit operating agencies which receive money from the metropolitan
40 transportation authority dedicated tax fund; and (ii) fifty percent of
41 such revenue shall be deposited by the comptroller to the credit of the
42 metropolitan transportation authority aid trust account of the metropol-
43 itan transportation authority financial assistance fund established by
44 section ninety-two-ff of the state finance law for deposit subject to
45 appropriations, in the commuter railroad account of the metropolitan
46 transportation authority special assistance fund established by section
47 twelve hundred seventy-a of the public authorities law and shall be
48 utilized equally for the costs of the Long Island Rail Road company and
49 the Metro-North commuter railroad company.

50 (e) Revenue collected or received from trips that originate outside of
51 the MCTD and not included in subdivision (b), (c) or (d) of this section
52 shall be deposited by the comptroller weekly in the following manner:
53 (i) fifty percent of such revenue in the dedicated highway and bridge
54 trust fund established by section eighty-nine-b of the state finance law
55 for the costs of local highway and bridge projects pursuant to the
56 consolidated local highway assistance program established pursuant to

1 section ten-c of the highway law; and (ii) fifty percent of such revenue
2 in the mass transportation operating assistance fund to the credit of
3 the public transportation systems operating assistance account estab-
4 lished by section eighty-eight-a of the state finance law.

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

7 § 1825. Violation of secrecy provisions of the tax law.--Any person
8 who violates the provisions of subdivision (b) of section twenty-one,
9 subdivision one of section two hundred two, subdivision eight of section
10 two hundred eleven, subdivision (a) of section three hundred fourteen,
11 subdivision one or two of section four hundred thirty-seven, section
12 four hundred eighty-seven, subdivision one or two of section five
13 hundred fourteen, subdivision (a) of section five hundred thirty-six,
14 subsection (e) of section six hundred ninety-seven, subsection (a) of
15 section nine hundred ninety-four, subdivision (a) of section eleven
16 hundred forty-six, section twelve hundred eighty-seven, section twelve
17 hundred ninety-six, subdivision (a) of section fourteen hundred eigh-
18 teen, subdivision (a) of section fifteen hundred eighteen, subdivision
19 (a) of section fifteen hundred fifty-five of this chapter, and subdivi-
20 sion (e) of section 11-1797 of the administrative code of the city of
21 New York shall be guilty of a misdemeanor.

22 § 3. Subdivisions 3 and paragraph (a) of subdivision 6 of section
23 92-ff of the state finance law, as added by section 1 of part G of chap-
24 ter 25 of the laws of 2009, are amended to read as follows:

25 3. Such fund shall consist of all moneys collected therefore or cred-
26 ited or transferred thereto from any other fund, account or source,
27 including, without limitation, the revenues derived from the metropol-
28 itan commuter transportation mobility tax imposed by article twenty-
29 three of the tax law; revenues derived from the special supplemental tax
30 on passenger car rentals imposed by section eleven hundred sixty-six-a
31 of the tax law; revenues derived from the transportation surcharge
32 imposed by article twenty-nine-A of the tax law; the supplemental regis-
33 tration fees imposed by article seventeen-C of the vehicle and traffic
34 law; [and] the supplemental metropolitan commuter transportation
35 district license fees imposed by section five hundred three of the vehi-
36 cle and traffic law; revenues derived from the surcharge on trips
37 provided by transportation network companies and transportation services
38 imposed by subdivisions (a), (b) and (c) of section five hundred thir-
39 ty-eight and a portion of revenues derived from subdivision (d) of
40 section five hundred thirty-eight of article twenty-one-B of the tax law
41 in accordance with the provisions thereof. Any interest received by the
42 comptroller on moneys on deposit in the metropolitan transportation
43 authority financial assistance fund shall be retained in and become a
44 part of such fund.

45 (a) The "metropolitan transportation authority aid trust account"
46 shall consist of revenues required to be deposited therein pursuant to
47 the provisions of section eleven hundred sixty-six-a of the tax law;
48 article twenty-nine-A of the tax law; article seventeen-C of the vehicle
49 and traffic law; [and] section five hundred three of the vehicle and
50 traffic law; article twenty-one-B of the tax law, and all other moneys
51 credited or transferred thereto from any other fund or source pursuant
52 to law.

53 § 4. Paragraph (a) of subdivision 5 and paragraph (a) of subdivision 7
54 of section 88-a of the state finance law, as added by chapter 481 of the
55 laws in 1981, are amended to read as follows:

1 (a) The "public transportation systems operating assistance account"
2 shall consist of revenues required to be deposited therein pursuant to
3 the provisions of section one hundred eighty-two-a of the tax law; and
4 the receipts required to be deposited pursuant to subdivision (e) of
5 section five hundred thirty-eight of article twenty-one-B of the tax
6 law, and all other moneys credited or transferred thereto from any other
7 fund or source pursuant to law.

8 (a) The "metropolitan mass transportation operating assistance
9 account" shall consist of the revenues derived from the taxes for the
10 metropolitan transportation district imposed by section eleven hundred
11 nine of the tax law and that proportion of the receipts received pursu-
12 ant to the tax imposed by article nine-a of such law as specified in
13 section one hundred seventy-one-a of such law, and that proportion of
14 the receipts received pursuant to the tax imposed by article nine of
15 such law as specified in section two hundred five of such law, and the
16 receipts required to be deposited pursuant to subdivision (d) of section
17 five hundred thirty-eight of article twenty-one-B of the tax law, and
18 the receipts required to be deposited pursuant to the provisions of
19 section one hundred eighty-two-a, and all other moneys credited or
20 transferred thereto from any other fund or source pursuant to law.

21 § 5. Paragraph (a) of subdivision 3 of section 89-b of the state
22 finance law, as amended by section 11 of part D of chapter 58 of the
23 laws of 2016, is amended to read as follows:

24 (a) The special obligation reserve and payment account shall consist
25 (i) of all moneys required to be deposited in the dedicated highway and
26 bridge trust fund pursuant to the provisions of sections two hundred
27 five, two hundred eighty-nine-e, three hundred one-j, five hundred
28 fifteen, subdivision (e) of section five hundred thirty-eight and eleven
29 hundred sixty-seven of the tax law, section four hundred one of the
30 vehicle and traffic law, and section thirty-one of chapter fifty-six of
31 the laws of nineteen hundred ninety-three, (ii) all fees, fines or
32 penalties collected by the commissioner of transportation and the
33 commissioner of motor vehicles pursuant to section fifty-two, section
34 three hundred twenty-six, section eighty-eight of the highway law,
35 subdivision fifteen of section three hundred eighty-five, section four
36 hundred twenty-three-a, section four hundred ten, section three hundred
37 seventeen, section three hundred eighteen, article twelve-C, and para-
38 graph (c-1) of subdivision two of section five hundred three of the
39 vehicle and traffic law, section two of [the] chapter sixty-two of the
40 laws of two thousand three [that amended this paragraph], subdivision
41 (d) of section three hundred four-a, paragraph one of subdivision (a)
42 and subdivision (d) of section three hundred five, subdivision six-a of
43 section four hundred fifteen and subdivision (g) of section twenty-one
44 hundred twenty-five of the vehicle and traffic law, section fifteen of
45 this chapter, excepting moneys deposited with the state on account of
46 betterments performed pursuant to subdivision twenty-seven or subdivi-
47 sion thirty-five of section ten of the highway law, and sections nine-
48 ty-four, one hundred thirty-five, and one hundred forty-five of the
49 transportation law, (iii) any moneys collected by the department of
50 transportation for services provided pursuant to agreements entered into
51 in accordance with section ninety-nine-r of the general municipal law,
52 and (iv) any other moneys collected therefor or credited or transferred
53 thereto from any other fund, account or source.

54 § 6. Paragraph (a) of subdivision 3 of section 89-b of the state
55 finance law, as amended by section 12 of part D of chapter 58 of the
56 laws of 2016, is amended to read as follows:

1 (a) The special obligation reserve and payment account shall consist
2 (i) of all moneys required to be deposited in the dedicated highway and
3 bridge trust fund pursuant to the provisions of sections two hundred
4 eighty-nine-e, three hundred one-j, five hundred fifteen, subdivision
5 (e) of section five hundred thirty-eight and eleven hundred sixty-seven
6 of the tax law, section four hundred one of the vehicle and traffic law,
7 and section thirty-one of chapter fifty-six of the laws of nineteen
8 hundred ninety-three, (ii) all fees, fines or penalties collected by the
9 commissioner of transportation and the commissioner of motor vehicles
10 pursuant to section fifty-two, section three hundred twenty-six, section
11 eighty-eight of the highway law, subdivision fifteen of section three
12 hundred eighty-five, section four hundred twenty-three-a, section four
13 hundred ten, section three hundred seventeen, section three hundred
14 eighteen, article twelve-C, and paragraph (c-1) of subdivision two of
15 section five hundred three of the vehicle and traffic law, section
16 fifteen of this chapter, excepting moneys deposited with the state on
17 account of betterments performed pursuant to subdivision twenty-seven or
18 subdivision thirty-five of section ten of the highway law, and sections
19 ninety-four, one hundred thirty-five, and one hundred forty-five of the
20 transportation law, (iii) any moneys collected by the department of
21 transportation for services provided pursuant to agreements entered into
22 in accordance with section ninety-nine-r of the general municipal law,
23 and (iv) any other moneys collected therefor or credited or transferred
24 thereto from any other fund, account or source.

25 § 7. Subdivision 1 of section 1270-a of the public authorities law, as
26 amended by section 14 of part H of chapter 25 of the laws of 2009, is
27 amended to read as follows:

28 1. The authority shall create and establish a fund to be known as the
29 "metropolitan transportation authority special assistance fund" which
30 shall be kept separate from and shall not be commingled with any other
31 moneys of the authority. The special assistance fund shall consist of
32 three separate accounts: (i) the "transit account", (ii) the "commuter
33 railroad account" and (iii) the "corporate transportation account".

34 The authority shall make deposits in the transit account and the
35 commuter railroad account of the moneys received by it pursuant to the
36 provisions of section ninety-two-ff of the state finance law and subdi-
37 vision one of section two hundred sixty-one of the tax law in accordance
38 with the provisions thereof, and shall make deposits in the corporate
39 transportation account of the moneys received by it pursuant to the
40 provisions of subdivision two of section two hundred sixty-one of the
41 tax law and section ninety-two-ff of the state finance law.

42 § 8. This act shall take effect on the ninetieth day after it shall
43 have become a law; provided, however, that the amendments to paragraph
44 (a) of subdivision 3 of section 89-b of the state finance law made by
45 section five of this act shall be subject to the expiration and rever-
46 sion of such paragraph pursuant to section 13 of part U1 of chapter 62
47 of the laws of 2003, as amended, when upon such date the provisions of
48 section six of this act shall take effect.

49 PART RR

50 Section 1. The tax law is amended by adding a new section 1402-b to
51 read as follows:

52 § 1402-b. Additional transfer tax on conveyances for consideration of
53 five million dollars or more. (a) In addition to the taxes imposed by
54 sections fourteen hundred two and fourteen hundred two-a of this arti-



1 cle, a tax is hereby imposed on each conveyance of real property or
2 interest therein when the consideration for the entire conveyance is
3 five million dollars or more. The rate of such tax shall be three-
4 tenths percent of the consideration or part thereof attributable to the
5 real property when such consideration for the entire conveyance is no
6 less than five million dollars but no more than ten million dollars. The
7 rate of such tax shall be one-half percent of the consideration or part
8 thereof attributable to the real property when such consideration for
9 the entire conveyance is no less than ten million dollars but no more
10 than fifty million dollars. The rate of such tax shall be seven-tenths
11 percent of the consideration or part thereof attributable to the real
12 property when such consideration for the entire conveyance is no less
13 than fifty million dollars but no more than one hundred million dollars.
14 The rate of such tax shall be nine-tenths percent of the consideration
15 or part thereof attributable to the real property when such consider-
16 ation for the entire conveyance is no less than one hundred million
17 dollars but no more than two hundred and fifty million dollars. The rate
18 of such tax shall be one and one-tenth percent of the consideration or
19 part thereof attributable to the real property when such consideration
20 for the entire conveyance is no less than two hundred fifty million
21 dollars but no more than five hundred million dollars. The rate of such
22 tax shall be one and three-tenths percent of the consideration or part
23 thereof attributable to the real property when such consideration for
24 the entire conveyance is no less than five hundred million dollars but
25 no more than one billion dollars. The rate of such tax shall be one and
26 one-half percent of the consideration or part thereof attributable to
27 the real property when such consideration for the entire conveyance is
28 no less than one billion dollars.

29 (b) The taxes, interest, and penalties imposed by this section and
30 collected or received by the commissioner shall be deposited daily with
31 such responsible banks, banking houses or trust companies, as may be
32 designated by the comptroller, to the credit of the comptroller. An
33 account may be established in one or more of such depositories. Such
34 deposits will be kept separate and apart from all other money in the
35 possession of the comptroller. The comptroller shall require adequate
36 security from all such depositories. Of the total revenue collected or
37 received under this section, the comptroller shall retain such amount as
38 the commissioner may determine to be necessary for refunds under this
39 section. The commissioner is authorized and directed to deduct from the
40 amount she or he receives under this section, before deposit into the
41 trust accounts designated by the comptroller, a reasonable amount neces-
42 sary to effectuate refunds of appropriations of the department to reim-
43 burse the department for the costs incurred to administer, collect and
44 distribute the taxes imposed by this section.

45 (c) Revenue collected or received from conveyances of real property or
46 interest therein subject to the tax imposed by this section and having
47 occurred in a city with a population of one million or more shall be
48 deposited by the comptroller weekly in the following manner: (i) seven-
49 ty-five percent of such revenue pursuant to the provisions of section
50 one hundred seventy-one-a of this chapter and (ii) twenty-five percent
51 of such revenue in the metropolitan transportation authority aid trust
52 account of the metropolitan transportation authority financial assist-
53 ance fund established by section ninety-two-ff of the state finance law
54 for deposit, subject to appropriation, in the transit account of the
55 metropolitan transportation authority special assistance fund estab-
56 lished by section twelve hundred seventy-a of the public authorities law

1 for the improvement of the service reliability and other capital and
2 operating costs of the subway system of the New York city transit
3 authority.

4 (d) Revenue collected or received from conveyances of real property or
5 interest therein subject to the tax imposed by this section and having
6 occurred within the metropolitan commuter transportation district as
7 defined by section twelve hundred sixty-two of the public authorities
8 law, excluding conveyances subject to subdivision (c) of this section,
9 shall be deposited by the comptroller weekly in the following manner:

10 (i) seventy-five percent of such revenue pursuant to the provisions of
11 section one hundred seventy-one-a of this chapter, (ii) twelve and five-
12 tenths percent of such revenue in the metropolitan transportation
13 authority aid trust account of the metropolitan transportation authority
14 financial assistance fund established by section ninety-two-ff of the
15 state finance law for deposit, subject to appropriation, in the commuter
16 railroad account of the metropolitan transportation authority special
17 assistance fund established by section twelve hundred seventy-a of the
18 public authorities law and which shall be utilized equally for the costs
19 of the Long Island Rail Road company and the Metro-North commuter rail-
20 road company, and (iii) twelve and five-tenths percent of such revenue
21 in the mass transportation operating assistance fund to the credit of
22 the metropolitan mass transportation operating assistance account estab-
23 lished by section eighty-eight-a of the state finance law, pursuant to
24 appropriations by the legislature for costs of mass transit systems
25 other than those mass transit operating agencies which receive money
26 from the metropolitan transportation authority dedicated tax fund.

27 (e) Revenue collected or received from conveyances of real property or
28 interest therein subject to the tax imposed by this section and having
29 occurred outside the metropolitan commuter transportation district as
30 defined by section twelve hundred sixty-two of the public authorities
31 law, shall be deposited by the comptroller weekly in the following
32 manner: (i) seventy-five percent of such revenue pursuant to the
33 provisions of section one hundred seventy-one-a of this chapter, (ii)
34 twelve and five-tenths percent in the dedicated highway and bridge trust
35 fund established by section eighty-nine-b of the state finance law, for
36 the costs of local highway and bridge projects pursuant to the consol-
37 idated local highway assistance program established pursuant to section
38 ten-c of the highway law, and (iii) twelve and five-tenths percent of
39 such revenue in the mass transportation operating assistance fund to the
40 credit of the public transportation systems operating assistance account
41 established by section eighty-eight-a of the state finance law, pursuant
42 to appropriations by the legislature.

43 (f) Notwithstanding the provisions of subdivision (a) of section four-
44 teen hundred four of this article, the additional tax imposed by this
45 section shall be paid by the grantee. If the grantee has failed to pay
46 the tax imposed by this article at the time required by section fourteen
47 hundred ten of this article or if the grantee is exempt from such tax,
48 the grantor shall have the duty to pay the tax. Where the grantor has
49 the duty to pay the tax because the grantee has failed to pay, such tax
50 shall be the joint and several liability of the grantor and the grantee.

51 (g) Except as otherwise provided in this section, all the provisions
52 of this article relating to or applicable to the administration,
53 collection, determination and distribution of the tax imposed by section
54 fourteen hundred two of this article shall apply to the tax imposed
55 under the authority of this section with such modifications as may be
56 necessary to adapt such language to the tax so authorized. Such

1 provisions shall apply with the same force and effect as if those
2 provisions had been set forth in this section except to the extent that
3 any provision is either inconsistent with a provision of this section or
4 not relevant to the tax authorized by this section.

5 § 2. Subdivision 3 of section 92-ff of the state finance law, as added
6 by section 1 of part G of chapter 25 of the laws of 2009, is amended to
7 read as follows:

8 3. Such fund shall consist of all moneys collected therefore or cred-
9 ited or transferred thereto from any other fund, account or source,
10 including, without limitation, the revenues derived from the metropol-
11 itan commuter transportation mobility tax imposed by article twenty-
12 three of the tax law; revenues derived from the special supplemental tax
13 on passenger car rentals imposed by section eleven hundred sixty-six-a
14 of the tax law; revenues derived from the transportation surcharge
15 imposed by article twenty-nine-A of the tax law; the supplemental regis-
16 tration fees imposed by article seventeen-C of the vehicle and traffic
17 law; [and] the supplemental metropolitan commuter transportation
18 district license fees imposed by section five hundred three of the vehi-
19 cle and traffic law; and revenues derived from the additional transfer
20 tax on conveyances imposed by section fourteen hundred two-b of the tax
21 law. Any interest received by the comptroller on moneys on deposit in
22 the metropolitan transportation authority financial assistance fund
23 shall be retained in and become a part of such fund.

24 § 3. Paragraph (a) of subdivision 6 of section 92-ff of the state
25 finance law, as added by section 1 of part G of chapter 25 of the laws
26 of 2009, is amended to read as follows:

27 (a) The "metropolitan transportation authority aid trust account"
28 shall consist of revenues required to be deposited therein pursuant to
29 the provisions of section eleven hundred sixty-six-a of the tax law;
30 article twenty-nine-A of the tax law; article seventeen-C of the vehicle
31 and traffic law; [and] section five hundred three of the vehicle and
32 traffic law; section fourteen hundred two-b of the tax law, and all
33 other moneys credited or transferred thereto from any other fund or
34 source pursuant to law.

35 § 4. Paragraph (a) of subdivision 5 of section 88-a of the state
36 finance law, as added by chapter 481 of the laws of 1981, is amended to
37 read as follows:

38 (a) The "public transportation systems operating assistance account"
39 shall consist of revenues required to be deposited therein pursuant to
40 the provisions of section one hundred eighty-two-a of the tax law, the
41 receipts required to be deposited pursuant to section fourteen hundred
42 two-b of the tax law, and all other moneys credited or transferred ther-
43 eto from any other fund or source pursuant to law.

44 § 5. Paragraph (a) of subdivision 7 of section 88-a of the state
45 finance law, as added by chapter 481 of the laws of 1981, is amended to
46 read as follows:

47 (a) The "metropolitan mass transportation operating assistance
48 account" shall consist of the revenues derived from the taxes for the
49 metropolitan transportation district imposed by section eleven hundred
50 nine of the tax law and that proportion of the receipts received pursu-
51 ant to the tax imposed by article [nine-a] nine-A of such law as speci-
52 fied in section one hundred seventy-one-a of such law, and that propor-
53 tion of the receipts received pursuant to the tax imposed by article
54 nine of such law as specified in section two hundred five of such law,
55 and the receipts required to be deposited pursuant to section fourteen
56 hundred two-b of the tax law, and the receipts required to be deposited

1 pursuant to the provisions of section one hundred eighty-two-a of the
2 tax law, and all other moneys credited or transferred thereto from any
3 other fund or source pursuant to law.

4 § 6. Paragraph (a) of subdivision 3 of section 89-b of the state
5 finance law, as amended by section 11 of part D of chapter 58 of the
6 laws of 2016, is amended to read as follows:

7 (a) The special obligation reserve and payment account shall consist
8 (i) of all moneys required to be deposited in the dedicated highway and
9 bridge trust fund pursuant to the provisions of sections two hundred
10 five, two hundred eighty-nine-e, three hundred one-j, five hundred
11 fifteen [and], eleven hundred sixty-seven and fourteen hundred two-b of
12 the tax law, section four hundred one of the vehicle and traffic law,
13 and section thirty-one of chapter fifty-six of the laws of nineteen
14 hundred ninety-three, (ii) all fees, fines or penalties collected by the
15 commissioner of transportation and the commissioner of motor vehicles
16 pursuant to section fifty-two, section three hundred twenty-six, section
17 eighty-eight of the highway law, subdivision fifteen of section three
18 hundred eighty-five, section four hundred twenty-three-a, section four
19 hundred ten, section three hundred seventeen, section three hundred
20 eighteen, article twelve-C, and paragraph (c-1) of subdivision two of
21 section five hundred three of the vehicle and traffic law, section two
22 of the chapter of the laws of two thousand three that amended this para-
23 graph, subdivision (d) of section three hundred four-a, paragraph one of
24 subdivision (a) and subdivision (d) of section three hundred five,
25 subdivision six-a of section four hundred fifteen and subdivision (g) of
26 section twenty-one hundred twenty-five of the vehicle and traffic law,
27 section fifteen of this chapter, excepting moneys deposited with the
28 state on account of betterments performed pursuant to subdivision twen-
29 ty-seven or subdivision thirty-five of section ten of the highway law,
30 and sections ninety-four, one hundred thirty-five, and one hundred
31 forty-five of the transportation law, (iii) any moneys collected by the
32 department of transportation for services provided pursuant to agree-
33 ments entered into in accordance with section ninety-nine-r of the
34 general municipal law, and (iv) any other moneys collected therefor or
35 credited or transferred thereto from any other fund, account or source.

36 § 7. Paragraph (a) of subdivision 3 of section 89-b of the state
37 finance law, as amended by section 12 of part D of chapter 58 of the
38 laws of 2016, is amended to read as follows:

39 (a) The special obligation reserve and payment account shall consist
40 (i) of all moneys required to be deposited in the dedicated highway and
41 bridge trust fund pursuant to the provisions of sections two hundred
42 eighty-nine-e, three hundred one-j, five hundred fifteen [and], eleven
43 hundred sixty-seven, and section fourteen hundred two-b of the tax law,
44 section four hundred one of the vehicle and traffic law, and section
45 thirty-one of chapter fifty-six of the laws of nineteen hundred ninety-
46 three, (ii) all fees, fines or penalties collected by the commissioner
47 of transportation and the commissioner of motor vehicles pursuant to
48 section fifty-two, section three hundred twenty-six, section eighty-
49 eight of the highway law, subdivision fifteen of section three hundred
50 eighty-five, section four hundred twenty-three-a, section four hundred
51 ten, section three hundred seventeen, section three hundred eighteen,
52 article twelve-C, and paragraph (c-1) of subdivision two of section five
53 hundred three of the vehicle and traffic law, section fifteen of this
54 chapter, excepting moneys deposited with the state on account of better-
55 ments performed pursuant to subdivision twenty-seven or subdivision
56 thirty-five of section ten of the highway law, and sections ninety-four,

1 one hundred thirty-five, and one hundred forty-five of the transporta-
2 tion law, (iii) any moneys collected by the department of transportation
3 for services provided pursuant to agreements entered into in accordance
4 with section ninety-nine-r of the general municipal law, and (iv) any
5 other moneys collected therefor or credited or transferred thereto from
6 any other fund, account or source.

7 § 8. Subdivision 1 of section 1270-a of the public authorities law, as
8 amended by section 14 of part H of chapter 25 of the laws of 2009, is
9 amended to read as follows:

10 1. The authority shall create and establish a fund to be known as the
11 "metropolitan transportation authority special assistance fund" which
12 shall be kept separate from and shall not be commingled with any other
13 moneys of the authority. The special assistance fund shall consist of
14 three separate accounts: (i) the "transit account", (ii) the "commuter
15 railroad account" and (iii) the "corporate transportation account".

16 The authority shall make deposits in the transit account and the
17 commuter railroad account of the moneys received by it pursuant to the
18 provisions of subdivision one of section two hundred sixty-one of the
19 tax law and section fourteen hundred two-b of the tax law in accordance
20 with the provisions thereof, and shall make deposits in the corporate
21 transportation account of the moneys received by it pursuant to the
22 provisions of subdivision two of section two hundred sixty-one of the
23 tax law and section ninety-two-ff of the state finance law.

24 § 9. This act shall take effect April 1, 2018, and shall apply to
25 conveyances occurring on or after the thirtieth day after this act shall
26 have become a law; provided, however, that the amendments to paragraph
27 (a) of subdivision 3 of section 89-b of the state finance law made by
28 section six of this act shall be subject to the expiration and reversion
29 of such paragraph pursuant to section 13 of part U1 of chapter 62 of the
30 laws of 2003, as amended, when upon such date the provisions of section
31 seven of this act shall take effect.

32

PART SS

33 Section 1. Paragraph 1 of subsection (a) of section 1301 of the tax
34 law, as amended by section 2 of part F of chapter 61 of the laws of
35 2017, is amended to read as follows:

36 (1) a tax on the personal income of residents of such city, at the
37 rates provided for under subsection (a) of section thirteen hundred four
38 of this article for taxable years beginning before two thousand [twenty]
39 twenty-one, and at the rates provided for under subsection (b) of
40 section thirteen hundred four of this article for taxable years begin-
41 ning after two thousand twenty, provided, however, that if, for any
42 taxable year beginning after two thousand twenty, the rates set forth in
43 such subsection (b) are rendered inapplicable and the rates set forth in
44 such subsection (a) are rendered applicable, then the tax for such taxa-
45 ble year shall be at the rates provided under [subparagraph] subpara-
46 graphs (A) of paragraphs one, two and three of such subsection (a),

47 § 2. This act shall take effect immediately.

48

PART TT

49 Section 1. Subparagraphs (A) and (B) of paragraph 2 of subsection (pp)
50 of section 606 of the tax law, as amended by section 1 of part V of
51 chapter 59 of the laws of 2013, are amended to read as follows:



1 (A) With respect to any particular residence of a taxpayer, the credit
2 allowed under paragraph one of this subsection shall not exceed fifty
3 thousand dollars for taxable years beginning on or after January first,
4 two thousand ten and before January first, two thousand [twenty] twen-
5 ty-five and twenty-five thousand dollars for taxable years beginning on
6 or after January first, two thousand [twenty] twenty-five. In the case
7 of a husband and wife, the amount of the credit shall be divided between
8 them equally or in such other manner as they may both elect. If a
9 taxpayer incurs qualified rehabilitation expenditures in relation to
10 more than one residence in the same year, the total amount of credit
11 allowed under paragraph one of this subsection for all such expenditures
12 shall not exceed fifty thousand dollars for taxable years beginning on
13 or after January first, two thousand ten and before January first, two
14 thousand [twenty] twenty-five and twenty-five thousand dollars for taxa-
15 ble years beginning on or after January first, two thousand [twenty]
16 twenty-five.

17 (B) For taxable years beginning on or after January first, two thou-
18 sand ten and before January first, two thousand [twenty] twenty-five, if
19 the amount of credit allowable under this subsection shall exceed the
20 taxpayer's tax for such year, and the taxpayer's New York adjusted gross
21 income for such year does not exceed sixty thousand dollars, the excess
22 shall be treated as an overpayment of tax to be credited or refunded in
23 accordance with the provisions of section six hundred eighty-six of this
24 article, provided, however, that no interest shall be paid thereon. If
25 the taxpayer's New York adjusted gross income for such year exceeds
26 sixty thousand dollars, the excess credit that may be carried over to
27 the following year or years and may be deducted from the taxpayer's tax
28 for such year or years. For taxable years beginning on or after January
29 first, two thousand [twenty] twenty-five, if the amount of credit allow-
30 able under this subsection shall exceed the taxpayer's tax for such
31 year, the excess may be carried over to the following year or years and
32 may be deducted from the taxpayer's tax for such year or years.

33 § 2. Subparagraph (A) of paragraph 1 of subsection (oo) of section 606
34 of the tax law, as amended by section 1 of part F of chapter 59 of the
35 laws of 2013, is amended to read as follows:

36 (A) For taxable years beginning on or after January first, two thou-
37 sand ten and before January first, two thousand [twenty] twenty-five, a
38 taxpayer shall be allowed a credit as hereinafter provided, against the
39 tax imposed by this article, in an amount equal to one hundred percent
40 of the amount of credit allowed the taxpayer with respect to a certified
41 historic structure under subsection (a) (2) of section 47 of the [feder-
42 al] internal revenue code with respect to a certified historic structure
43 located within the state. Provided, however, the credit shall not exceed
44 five million dollars. For taxable years beginning on or after January
45 first, two thousand [twenty] twenty-five, a taxpayer shall be allowed a
46 credit as hereinafter provided, against the tax imposed by this article,
47 in an amount equal to thirty percent of the amount of credit allowed the
48 taxpayer with respect to a certified historic structure under subsection
49 (a) (2) of section 47 of the [federal] internal revenue code with respect
50 to a certified historic structure located within the state; provided,
51 however, the credit shall not exceed one hundred thousand dollars. For
52 purposes of this subsection, any references to the sections of the
53 Internal Revenue Code shall mean such sections as they existed prior to
54 the enactment of Public Law 115-97.

1 § 3. Paragraph (a) of subdivision 26 of section 210-B of the tax law,
2 as added by section 17 of part A of chapter 59 of the laws of 2014, is
3 amended to read as follows:

4 (a) Application of credit. (i) For taxable years beginning on or after
5 January first, two thousand ten, and before January first, two thousand
6 [twenty] twenty-five, a taxpayer shall be allowed a credit as hereinaft-
7 er provided, against the tax imposed by this article, in an amount equal
8 to one hundred percent of the amount of credit allowed the taxpayer for
9 the same taxable year with respect to a certified historic structure
10 under subsection (c) (2) of section 47 of the internal revenue code with
11 respect to a certified historic structure located within the state.
12 Provided, however, the credit shall not exceed five million dollars.

13 (ii) For taxable years beginning on or after January first, two thou-
14 sand [twenty] twenty-five, a taxpayer shall be allowed a credit as here-
15 inafter provided, against the tax imposed by this article, in an amount
16 equal to thirty percent of the amount of credit allowed the taxpayer for
17 the same taxable year with respect to a certified historic structure
18 under subsection (c) (3) of section 47 of the internal revenue code with
19 respect to a certified historic structure located within the state.
20 Provided, however, the credit shall not exceed one hundred thousand
21 dollars. For purposes of this subdivision, any references to the
22 sections of the Internal Revenue Code shall mean such sections as they
23 existed prior to the enactment of Public Law 115-97.

24 § 4. Subparagraph (A) of paragraph 1 of subdivision (y) of section
25 1511 of the tax law, as amended by section 4 of part F of chapter 59 of
26 the laws of 2013, is amended to read as follows:

27 (A) For taxable years beginning on or after January first, two thou-
28 sand ten and before January first, two thousand [twenty] twenty-five, a
29 taxpayer shall be allowed a credit as hereinafter provided, against the
30 tax imposed by this article, in an amount equal to one hundred percent
31 of the amount of credit allowed the taxpayer with respect to a certified
32 historic structure under subsection (a) (2) of section 47 of the [feder-
33 al] internal revenue code with respect to a certified historic structure
34 located within the state. Provided, however, the credit shall not exceed
35 five million dollars. For taxable years beginning on or after January
36 first, two thousand [twenty] twenty-five, a taxpayer shall be allowed a
37 credit as hereinafter provided, against the tax imposed by this article,
38 in an amount equal to thirty percent of the amount of credit allowed the
39 taxpayer with respect to a certified historic structure under subsection
40 (a) (2) of section 47 of the [federal] internal revenue code with respect
41 to a certified historic structure located within the state. Provided,
42 however, the credit shall not exceed one hundred thousand dollars. For
43 purposes of this subdivision, any references to the sections of the
44 Internal Revenue Code shall mean such sections as they existed prior to
45 the enactment of Public Law 115-97.

46 § 5. This act shall take effect immediately and shall apply to taxable
47 years beginning on or after January 1, 2018.

48 PART UU

49 Section 1. Section 11-2101 of the administrative code of the city of
50 New York is amended by adding four new subdivisions 19, 20, 21 and 22 to
51 read as follows:

52 19. "Prior conveyance of the property." The most recent conveyance of
53 the real property, whether conveyed on its own or as part of a larger
54 conveyance.

1 20. "Family member." A person's child, spouse, domestic partner,
2 parent, sibling, grandchild or grandparent, or the child or parent of a
3 person's spouse or domestic partner.

4 21. "Principal place of residence." A person's permanent or primary
5 home that the person occupies for more than a temporary or transitory
6 purpose.

7 22. "New housing." A residential unit or units that did not exist at
8 the time of the prior conveyance of the property to the extent that the
9 property had no residential units at the time of the prior conveyance
10 and at least one residential unit was subsequently added.

11 § 2. The administrative code of the city of New York is amended by
12 adding a new section 11-2120 to read as follows:

13 § 11-2120 Imposition of flip tax. a. In addition to the tax imposed by
14 section 11-2102 of this chapter, there is hereby imposed on each deed,
15 instrument or transaction at the time of the transfer whereby any prop-
16 erties of one to five separate residential units are transferred by a
17 grantor to a grantee, and such transfer is made within two years from
18 the prior conveyance of the property. The tax, which shall be paid by
19 the grantor, shall be at the rate of:

20 (1) fifteen percent when the time since the prior conveyance of the
21 property is less than one year; and

22 (2) ten percent when the time since the prior conveyance of the prop-
23 erty is greater than or equal to one year but less than two years.

24 b. The tax defined in subdivision a of this section shall expire when
25 the time since the prior conveyance of the property is two years.

26 c. The taxes, interest, and penalties imposed by this section and
27 collected or received by the commissioner of finance shall be deposited
28 daily with such responsible banks, banking houses or trust companies, as
29 may be designated by the comptroller, to the credit of the comptroller
30 in trust for the metropolitan transportation authority. An account may
31 be established in one or more of such depositories. Such deposits will
32 be kept separate and apart from all other money in the possession of the
33 comptroller. The comptroller shall require adequate security from all
34 such depositories. Of the total revenue collected or received under this
35 section, the comptroller shall retain such amount as the commissioner of
36 finance may determine to be necessary for refunds under this section.
37 The commissioner of finance is authorized and directed to deduct from
38 the amounts he or she receives under this section, before deposit into
39 the trust accounts designated by the comptroller, a reasonable amount
40 necessary to effectuate refunds of appropriations of the department of
41 finance to reimburse the department for the costs incurred to adminis-
42 ter, collect and distribute the taxes imposed by this section.

43 d. On or before the twelfth and twenty-sixth day of each succeeding
44 month, after reserving such amount for such refunds and deducting such
45 amounts for such costs as provided for in subdivision c of this section,
46 the commissioner of finance shall certify to the comptroller the amount
47 of all revenues so received during the prior month as a result of the
48 taxes, interest and penalties so imposed. The amount of revenues so
49 certified shall be paid over by the fifteenth and the final business day
50 of each succeeding month from such account for deposit into the transit
51 account of the metropolitan transportation authority special assistance
52 fund, established by section twelve hundred seventy-a of the public
53 authorities law for the improvement of the service reliability and other
54 capital and operating costs of the subway system of the New York city
55 transit authority.



1 e. (1) The following persons shall be exempt from the payment of the
 2 tax imposed by this section:

3 (i) Property owners conveying property to a family member.

4 (ii) Property owners who can demonstrate a financial hardship which
 5 justifies a conveyance of property in less than or equal to two years.

6 (iii) Property owners who have resided on the property to be sold as
 7 her or his principal place of residency.

8 (2) The following properties shall be exempt from the payment of the
 9 tax imposed by this section:

10 (i) Property which was conveyed within one year of the death of the
 11 property owner.

12 (ii) Property being sold as new housing.

13 (iii) Property which the consideration or value conveyed, which is
 14 otherwise subject to the tax imposed in this section, is less than or
 15 equal to the consideration or value of such property conveyed at the
 16 time of the prior conveyance of property.

17 (iv) Property which is otherwise exempt from payment of a real proper-
 18 ty transfer tax, as defined in this chapter.

19 § 3. Subdivision 1 of section 1270-a of the public authorities law, as
 20 amended by section 14 of part H of chapter 25 of the laws of 2009, is
 21 amended to read as follows:

22 1. The authority shall create and establish a fund to be known as the
 23 "metropolitan transportation authority special assistance fund" which
 24 shall be kept separate from and shall not be commingled with any other
 25 moneys of the authority. The special assistance fund shall consist of
 26 three separate accounts: (i) the "transit account", (ii) the "commuter
 27 railroad account" and (iii) the "corporate transportation account".

28 The authority shall make deposits in the transit account and the
 29 commuter railroad account of the moneys received by it pursuant to the
 30 provisions of section 11-2120 of the administrative code of the city of
 31 New York, and subdivision one of section two hundred sixty-one of the
 32 tax law in accordance with the provisions thereof, and shall make depos-
 33 its in the corporate transportation account of the moneys received by it
 34 pursuant to the provisions of subdivision two of section two hundred
 35 sixty-one of the tax law and section ninety-two-ff of the state finance
 36 law.

37 § 4. This act shall take effect on the ninetieth day after it shall
 38 have become a law and shall apply to conveyances occurring on or after
 39 such date.

40

PART VV

41 Section 1. Paragraph 1 of subdivision (b) of section 37 of the tax
 42 law, as amended by section 1 of part V of chapter 60 of the laws of
 43 2016, is amended to read as follows:

44 (1) for the first five hundred thousand gallons of:

45 i. beer[, cider, wine or liquor] produced in this state in the taxable
 46 year, the credit shall equal fourteen cents per gallon; [and]

47 ii. cider, artificially carbonated sparkling cider, and natural spar-
 48 kling cider, containing more than three and two-tenths per centum of
 49 alcohol by volume produced in this state in the taxable year, the credit
 50 shall equal three and seventy-nine hundredths cents per gallon;

51 iii. still wine, artificially carbonated sparkling wine, and natural
 52 sparkling wine produced in this state in the taxable year, the credit
 53 shall equal thirty cents per gallon;



1 iv. liquors containing not more than twenty-four per centum of alcohol
2 by volume produced in this state in the taxable year, the credit shall
3 equal sixty-seven cents per liter;

4 v. liquors containing not more than two per centum of alcohol by
5 volume produced in this state in the taxable year, the credit shall
6 equal one cent per liter;

7 vi. all other liquors produced in this state in the taxable year, the
8 credit shall equal one dollar and seventy cents per liter; and

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

11 PART WW

12 Section 1. The tax law is amended by adding a new section 183-b to
13 read as follows:

14 § 183-b. Business tax surcharge on transportation and transmission
15 corporations. 1. In addition to the tax imposed by sections one hundred
16 eighty-three and one hundred eighty-three-a of this article, every
17 corporation, joint-stock company or association that is subject to
18 section one hundred eighty-three of this article, shall pay for the
19 privilege of exercising its corporate franchise, or doing business, or
20 of employing capital, or of owning or leasing property in such corporate
21 or organized capacity, or of maintaining an office in such district, a
22 tax surcharge shall be computed at the rate of three percent of the tax
23 imposed under section one hundred eighty-three of this article;
24 provided, however, that such surcharge shall be applied only if the
25 highest taxable base calculated under section one hundred eighty-three
26 of this article is more than seventy-five thousand dollars.

27 2. Notwithstanding any contrary provisions of state or local law, the
28 tax surcharge imposed under this section shall not be allowed as a
29 deduction in the computation of any state or local tax imposed under
30 this chapter or any chapter or local law. Furthermore, the credits
31 otherwise allowable under this article shall not be allowed against the
32 tax surcharge imposed by this section.

33 § 2. The tax law is amended by adding a new section 184-b to read as
34 follows:

35 § 184-b. Business tax surcharge on transportation and transmission
36 corporations. 1. In addition to the tax imposed by sections one hundred
37 eighty-four and one hundred eighty-four-a of this article, every corpo-
38 ration, joint-stock company or association, shall pay for the privilege
39 of exercising its corporate franchise, or of doing business, or of
40 employing capital, or of owning or leasing property in the state in such
41 corporate or organized capacity, or of maintaining an office in such
42 district, a tax surcharge, which tax surcharge, shall be computed at the
43 rate of three percent of the tax imposed under section one hundred
44 eighty-four of this article for taxable years; provided, however, that
45 such surcharge shall be applied only if the gross earnings calculated
46 under section one hundred eighty-four of this article is more than twen-
47 ty million dollars.

48 2. Notwithstanding any contrary provisions of state or local law, the
49 tax surcharge imposed under this section shall not be allowed as a
50 deduction in the computation of any state or local tax imposed under
51 this chapter or any chapter or local law. Furthermore, the credits
52 otherwise allowable under this article shall not be allowed against the
53 tax surcharge imposed by this section.

1 § 3. The tax law is amended by adding a new section 186-i to read as
2 follows:

3 § 186-i. Business tax surcharge on utility and telecommunication
4 services. 1. (a) Every provider of telecommunication services doing
5 business in the state shall pay a tax surcharge, in addition to the tax
6 imposed by paragraph (a) of subdivision one of sections one hundred
7 eighty-six-a and one hundred eighty-six-c of this article, to be
8 computed at the rate of three percent of the tax imposed under such
9 sections. Provided however, such tax surcharge shall only be applied if
10 the gross income calculated under paragraph (a) of subdivision one of
11 section one hundred eighty-six-a of this article is more than one
12 million five hundred thousand dollars.

13 (b) Every utility and every other utility doing business in the state
14 shall pay a tax surcharge in addition to tax imposed by paragraph (b) or
15 (c) of subdivision one of section one hundred eighty-six-a and section
16 one hundred eighty-six-c of this article, to be computed at the rate of
17 three percent of the tax imposed under paragraph (b) or (c) of subdivi-
18 sion one of section one hundred eighty-six-a of this article. Provided,
19 however, that such surcharge shall only be applied if the gross income
20 calculated under such paragraph of section one hundred eighty-six-a is
21 more than three hundred million dollars.

22 (c) Notwithstanding any other provision of state or local law, the tax
23 surcharge imposed by this section shall not be allowed as a deduction
24 and shall, to the extent deductible in determining federal adjusted
25 gross income, be added to federal adjusted gross income, in the computa-
26 tion of any tax imposed under this chapter or any other chapter of state
27 or local law. Furthermore, the credits otherwise allowable under this
28 article shall not be allowed against the tax surcharge imposed by this
29 section.

30 2. (a) There is hereby imposed a surcharge on the gross receipts from
31 telecommunication services, in addition to the excise tax imposed by
32 subparagraph one of paragraph (a) of subdivision two of section one
33 hundred eighty-six-e of this article, at the rate of three percent of
34 the tax imposed by subparagraph one of paragraph (a) of subdivision two
35 of section one hundred eighty-six-e of this article and such surcharge
36 shall only be applied if the gross receipts calculated under such
37 section is more than fifty million dollars.

38 (b) There is hereby imposed a surcharge on the gross receipts from
39 mobile telecommunication services, in addition to the excise tax imposed
40 by subparagraph two of paragraph (a) of subdivision two of section one
41 hundred eighty-six-e of this article, at the rate of three percent of
42 the tax imposed by subparagraph two of paragraph (a) of subdivision two
43 of section one hundred eighty-six-e of this article and such tax
44 surcharge shall only be applied if the gross receipts calculated under
45 such section is more than fifty million dollars.

46 (c) All the definitions and other provisions of section one hundred
47 eighty-six-e of this article shall apply to the tax imposed by this
48 subdivision with such modification and limitation as may be necessary in
49 order to adapt the language of such section one hundred eighty-six-e of
50 this article to the surcharge imposed by this subdivision within the
51 state so as to include any mobile telecommunications service provided by
52 a home service provider where the mobile telecommunications customer's
53 place of primary use is within the state.

54 3. Notwithstanding any other provision of state or local law, the tax
55 surcharge imposed by this section shall not be allowed as a deduction
56 and shall, to the extent deductible in determining federal adjusted

1 gross income, be added to federal adjusted gross income, in the computa-
2 tion of any tax imposed under this chapter or any other chapter of state
3 or local law. Furthermore, the credits otherwise allowable under this
4 article shall not be allowed against the tax surcharge imposed by this
5 section.

6 § 4. The tax law is amended by adding a new section 209-L to read as
7 follows:

8 § 209-L. Business tax surcharge on franchise corporations. 1. (a) For
9 the privilege of exercising its corporate franchise, or of doing busi-
10 ness, or of employing capital, or of owning or leasing property in a
11 corporate or organized capacity, or of maintaining an office, or of
12 deriving receipts from activity in the state, for all or any part of its
13 taxable year, there is hereby imposed on every corporation, other than a
14 New York S corporation, subject to tax under section two hundred nine of
15 this article, or any receiver, referee, trustee, assignee or other fidu-
16 ciary, or any officer or agent appointed by any court, who conducts the
17 business of any such corporation, a tax surcharge, in addition to the
18 tax imposed under sections two hundred nine and two hundred nine-b of
19 this article, to be computed at the rate of three percent of the tax
20 imposed under section two hundred nine of this article. Provided, howev-
21 er, this surcharge shall only be applied if the entire net income of the
22 taxpayer calculated under such section is more than one million dollars.

23 (b) All the definitions and other provisions of section two hundred
24 nine of this article shall apply to the tax imposed by this section with
25 such modification and limitation as may be necessary in order to adapt
26 the language of such section two hundred nine of this article to the
27 surcharge imposed by this section.

28 2. Notwithstanding any contrary provisions of state or local law, the
29 tax surcharge imposed under this section shall not be allowed as a
30 deduction in the computation of any tax imposed under this chapter.
31 Furthermore, the credits otherwise allowable under this article shall
32 not be allowed against the tax surcharge imposed by this section.

33 § 5. The tax law is amended by adding a new section 1506 to read as
34 follows:

35 § 1506. Business tax surcharge on insurance corporations. (a) Every
36 domestic insurance corporation and every foreign or alien insurance
37 corporation, and every life insurance corporation described in subdivi-
38 sion (b) of section fifteen hundred one of this article, for the privi-
39 lege of exercising its corporate franchise, or of doing business, or of
40 employing capital, or of owning or leasing property within the state in
41 a corporate or organized capacity, or of maintaining an office in the
42 state, except corporations specified in subdivision (c) of section
43 fifteen hundred twelve of this article, shall pay, in addition to the
44 taxes otherwise imposed by this article, a tax surcharge on the taxes
45 imposed under this article after the deduction of any credits otherwise
46 allowable under this article as allocated to such district.

47 (b) Such tax surcharge shall be computed at the rate of three percent
48 of the taxes imposed under sections fifteen hundred one, fifteen hundred
49 two-a, and fifteen hundred ten of this article, as limited or otherwise
50 determined by subdivision (a) or (b) of section fifteen hundred five of
51 this article, after the deduction of any credits otherwise allowable
52 under this article. Provided, however, such surcharge shall only be
53 applied, in case of life insurance corporations, if the entire net
54 income calculated under section fifteen hundred three is more than two
55 million dollars; and in case of non-life insurance corporations, the
56 surcharge shall only be applied if the gross direct premiums less return



1 premiums written on risks located or resident in this state that are
2 subject to the tax under section fifteen hundred two-a and fifteen
3 hundred ten of this article is more than fifty million dollars.

4 (c) Notwithstanding any contrary provisions of state or local law, the
5 tax surcharge imposed under this section shall not be allowed as a
6 deduction in the computation of any state or local tax imposed under
7 this chapter or any chapter or local law. The credits set forth in
8 section fifteen hundred eleven of this article shall not be allowed
9 against the tax surcharge imposed by this section.

10 (d) (1) If, by the laws of any state other than this state, or by the
11 action of any public official of such other state, any insurer organized
12 or domiciled in this state, or the duly authorized agents thereof,
13 subject to the business tax surcharge imposed by this section shall be
14 required to pay taxes for the privilege of doing business in such other
15 state which taxes are imposed or assessed because of the taxes imposed
16 or assessed under this section, in computing the tax imposed by this
17 section a credit shall be allowed for taxes paid to other states, which
18 credit shall be determined pursuant to the provisions of this section;
19 provided, however, the credit allowed any insurer under this subdivision
20 shall in no event be greater than the tax surcharge payable by such
21 insurer pursuant to this section for the taxable year with respect to
22 which such amount has been imposed or assessed by such other states.

23 (2) In addition to any other requirements of this article, an insurer
24 claiming a credit under this subdivision shall attach to the returns
25 required pursuant to this section and section fifteen hundred fifteen of
26 this article a computation identifying the credit attributable to taxes
27 paid to other states because of the tax surcharge imposed by this
28 section, which credit shall be further broken down to reflect amounts
29 and taxable years to which the retaliatory taxes giving rise to the
30 credit relate. The credit attributable to taxes paid to other states
31 because of the tax surcharge imposed by this section shall be the
32 difference between: (i) the credit which would be claimed by the insurer
33 pursuant to subdivision (c) of section fifteen hundred eleven of this
34 chapter if the tax surcharge imposed by this section were permitted in
35 the computation of such credit, and (ii) the credit which is claimed by
36 such insurer pursuant to such subdivision (c).

37 (3) To the extent not inconsistent with the provisions of this subdivi-
38 vision, the provisions of paragraphs four and five of subdivision (c) of
39 section fifteen hundred eleven of this chapter shall apply with respect
40 to the credit allowed under this subdivision.

41 (4) No credit against taxes paid to other jurisdictions under subdivi-
42 sion (c) of section fifteen hundred eleven of this article shall be
43 allowed for any taxes paid under this section by any domestic insurance
44 corporation, including life insurance corporations subject to tax under
45 this section.

46 § 6. Subdivision 1 of section 197-a of the tax law, as amended by
47 section 8 of part Y of chapter 63 of the laws of 2000, is amended to
48 read as follows:

49 1. Every taxpayer subject to the taxes imposed under sections one
50 hundred eighty-two, one hundred eighty-two-a, former section one hundred
51 eighty-two-b, one hundred eighty-four, one hundred eighty-six-a or one
52 hundred eighty-six-e of this article shall make a declaration of its
53 estimated tax for the current taxable year, containing such information
54 as the commissioner may prescribe by regulations or instructions, if
55 such estimated tax can reasonably be expected to exceed one thousand
56 dollars. If a taxpayer is subject to the tax surcharge imposed under

1 section one hundred eighty-four-a or one hundred eighty-six-c of this
2 article [and], such taxpayer's estimated tax under section one hundred
3 eighty-four or one hundred eighty-six-a of this article and such taxpay-
4 er's estimated tax under section one hundred eighty-three-b, one hundred
5 eighty-four-b or one hundred eighty-six-i of this article, respectively,
6 can reasonably be expected to exceed one thousand dollars, such taxpayer
7 shall also make a declaration of its estimated tax surcharge for the
8 current taxable year.

9 § 7. Paragraph (a) of subdivision 1 of section 197-b of the tax law,
10 as amended by section 7 of part Q of chapter 60 of the laws of 2016, is
11 amended to read as follows:

12 (a) For taxable years beginning on or after January first, nineteen
13 hundred seventy-seven, every taxpayer subject to tax under section one
14 hundred eighty-four, one hundred eighty-six-a or one hundred
15 eighty-six-e of this article, must pay in each year an amount equal to
16 (i) twenty-five percent of the tax imposed under each of such sections
17 for the second preceding taxable year if the second preceding year's tax
18 exceeded one thousand dollars but was equal to or less than one hundred
19 thousand dollars, or (ii) forty percent of the tax imposed under any of
20 these sections for the second preceding taxable year if the second
21 preceding year's tax exceeded one hundred thousand dollars. If the
22 second preceding year's tax under section one hundred eighty-four, one
23 hundred eighty-six-a or one hundred eighty-six-e of this article
24 exceeded one thousand dollars and the taxpayer is subject to the tax
25 surcharge imposed by section one hundred eighty-four-a [or], one hundred
26 eighty-six-c, one hundred eighty-three-b, one hundred eight-four-b, or
27 one hundred eighty-six-i of this article, respectively, the taxpayer
28 must also pay in each such year an amount equal to (i) twenty-five
29 percent of the tax surcharge imposed under such section for the second
30 preceding taxable year if the second preceding year's tax exceeded one
31 thousand dollars but was equal to or less than one hundred thousand
32 dollars, or (ii) forty percent of the tax surcharge imposed under that
33 section for the second preceding taxable year if the second preceding
34 year's tax exceeded one hundred thousand dollars. The amount or amounts
35 must be paid with the return or report required to be filed with respect
36 to the tax or tax surcharge for the preceding taxable year or with an
37 application for extension of the time for filing the return or report,
38 for taxable years beginning before January first, two thousand sixteen.
39 The amount or amounts that must be paid with respect to the tax or tax
40 surcharge for the second preceding year must be paid on or before the
41 fifteenth day of the third month following the close of the taxable
42 year, for taxable years beginning on or after January first, two thou-
43 sand sixteen.

44 § 8. Subdivision (a) of section 213-a of the tax law, as amended by
45 chapter 166 of the laws of 1991, is amended to read as follows:

46 (a) Requirement of declaration.--Every taxpayer subject to the tax
47 imposed by section two hundred nine of this chapter shall make a decla-
48 ration of its estimated tax for the current privilege period, containing
49 such information as the commissioner of taxation and finance may
50 prescribe by regulations or instructions, if such estimated tax can
51 reasonably be expected to exceed one thousand dollars. If a taxpayer is
52 subject to the tax surcharge imposed under section two hundred nine-B of
53 this article or such taxpayer's estimated tax surcharge under section
54 two hundred nine-L of this article and such taxpayer's estimated tax
55 under section two hundred nine of this article can reasonably be
56 expected to exceed one thousand dollars, such taxpayer shall also make a

1 declaration of its estimated tax surcharge for the current privilege
2 period.

3 § 9. Subdivision (a) of section 213-b of the tax law, as amended by
4 section 10 of part Q of chapter 60 of the laws of 2016, is amended to
5 read as follows:

6 (a) First installments for certain taxpayers.--In privilege periods of
7 twelve months ending at any time during the calendar year nineteen
8 hundred seventy and thereafter, every taxpayer subject to the tax
9 imposed by section two hundred nine of this chapter must pay with the
10 report required to be filed for the preceding privilege period, or with
11 an application for extension of the time for filing the report, for
12 taxable years beginning before January first, two thousand sixteen, and
13 must pay on or before the fifteenth day of the third month of such priv-
14 ilege periods, for taxable years beginning on or after January first,
15 two thousand sixteen, an amount equal to (i) twenty-five percent of the
16 second preceding year's tax if the second preceding year's tax exceeded
17 one thousand dollars but was equal to or less than one hundred thousand
18 dollars, or (ii) forty percent of the second preceding year's tax if the
19 second preceding year's tax exceeded one hundred thousand dollars. If
20 the second preceding year's tax under section two hundred nine of this
21 chapter exceeded one thousand dollars and the taxpayer is subject to the
22 tax surcharge imposed by section two hundred nine-B or two hundred
23 nine-L of this chapter, the taxpayer must also pay with the tax
24 surcharge report required to be filed for the second preceding privilege
25 period, or with an application for extension of the time for filing the
26 report, for taxable years beginning before January first, two thousand
27 sixteen, and must pay on or before the fifteenth day of the third month
28 of such privilege periods, for taxable years beginning on or after Janu-
29 ary first, two thousand sixteen, an amount equal to (i) twenty-five
30 percent of the tax surcharge imposed for the second preceding year if
31 the second preceding year's tax was equal to or less than one hundred
32 thousand dollars, or (ii) forty percent of the tax surcharge imposed for
33 the second preceding year if the second preceding year's tax exceeded
34 one hundred thousand dollars. Provided, however, that every taxpayer
35 that is an S corporation must pay with the report required to be filed
36 for the preceding privilege period, or with an application for extension
37 of the time for filing the report, an amount equal to (i) twenty-five
38 percent of the preceding year's tax if the preceding year's tax exceeded
39 one thousand dollars but was equal to or less than one hundred thousand
40 dollars, or (ii) forty percent of the preceding year's tax if the
41 preceding year's tax exceeded one hundred thousand dollars. If the
42 preceding year's tax under section two hundred nine of this article
43 exceeded one thousand dollars and such taxpayer that is an S corporation
44 is subject to the tax surcharge imposed by section two hundred nine-B of
45 this article, the taxpayer must also pay with the tax surcharge report
46 required to be filed for the preceding privilege period, or with an
47 application for extension of the time for filing the report, an amount
48 equal to (i) twenty-five percent of the tax surcharge imposed for the
49 preceding year if the preceding year's tax was equal [equal] to or less
50 than one hundred thousand dollars, or (ii) forty percent of the tax
51 surcharge imposed for the preceding year if the preceding year's tax
52 exceeded one hundred thousand dollars.

53 § 10. Subdivisions (a) and (b) of section 1513 of the tax law, subdi-
54 vision (a) as amended by chapter 166 of the laws of 1991 and subdivision
55 (b) as amended by section 25 of part H3 of chapter 62 of the laws of
56 2003, are amended to read as follows:

1 (a) Requirements of declaration.--Every taxpayer subject to the taxes
2 imposed under this article shall make a declaration of its estimated tax
3 for the current taxable year, containing such information as the commis-
4 sioner of taxation and finance may prescribe by regulations or
5 instructions, if such estimated tax can reasonably be expected to exceed
6 one thousand dollars. If a taxpayer is subject to the tax surcharge
7 imposed by section fifteen hundred five-a and such taxpayer's estimated
8 tax under this article can (without regard to section fifteen hundred
9 five-a or fifteen hundred six and such taxpayer's estimated tax under
10 this article can (without regard to section fifteen hundred five-a ther-
11 eof) reasonably be expected to exceed one thousand dollars, such taxpay-
12 er shall also make a declaration of its estimated tax surcharge for the
13 current taxable year.

14 (b) Definition of estimated tax and estimated tax surcharge. The terms
15 "estimated tax" and "estimated tax surcharge" mean the amounts which the
16 taxpayer estimates to be the taxes imposed by sections fifteen hundred
17 one, fifteen hundred two-a and fifteen hundred ten of this article or
18 the tax surcharge imposed by section fifteen hundred five-a or fifteen
19 hundred six of this article, respectively, for the current taxable year,
20 less the sum of any credits which it estimates to be allowable against
21 such taxes or tax surcharge, respectively.

22 § 11. Paragraphs 1 and 2 of subdivision (a) of section 1514 of the tax
23 law, paragraph 1 as amended by section 15 and paragraph 2 as amended by
24 section 15-a of part Q of chapter 60 of the laws of 2016, are amended to
25 read as follows:

26 (1) Except as otherwise provided in paragraph two of this subdivision,
27 for taxable years beginning on or after January first, nineteen hundred
28 seventy-six, every taxpayer subject to tax under this article must pay
29 in each year an amount equal to (i) twenty-five percent of the tax
30 imposed under this article for the second preceding taxable year if the
31 second preceding year's tax exceeded one thousand dollars but was equal
32 to or less than one hundred thousand dollars, or (ii) forty percent of
33 the tax imposed under this article for the second preceding taxable year
34 if the second preceding year's tax exceeded one hundred thousand
35 dollars. If the second preceding year's tax exceeded one thousand
36 dollars and the taxpayer is subject to the tax surcharge imposed by
37 section fifteen hundred five-a or fifteen hundred six of this article,
38 the taxpayer must also pay an amount equal to (i) twenty-five percent of
39 the tax surcharge imposed under section fifteen hundred five-a or
40 fifteen hundred six of this article for the second preceding taxable
41 year if the second preceding year's tax was equal to or less than one
42 hundred thousand dollars, or (ii) forty percent of the tax surcharge
43 imposed for the second preceding taxable year if the second preceding
44 year's tax exceeded one hundred thousand dollars.

45 (2) For taxable years beginning on or after January first, nineteen
46 hundred ninety-nine, every taxpayer subject to tax under paragraph one
47 of subdivision (b) of section fifteen hundred ten of this article shall
48 pay in each such year an amount equal to forty percent of the tax
49 imposed under such article for the second preceding taxable year, if
50 such second preceding year's tax exceeded one thousand dollars. If such
51 second preceding year's tax exceeded one thousand dollars and such
52 taxpayer is subject to the tax surcharge imposed by section fifteen
53 hundred five-a or fifteen hundred six of this article, such taxpayer
54 shall also pay an amount equal to forty percent of the tax surcharge
55 imposed under section fifteen hundred five-a or fifteen hundred six of
56 this article for the second preceding taxable year.

1 § 12. Notwithstanding any provision of law to the contrary, in deter-
2 mination of the amount of the estimated surcharge payment imposed by
3 this act shall be prescribed by regulations of the commissioner of taxa-
4 tion and finance. The commissioner of taxation and finance shall adjust
5 the methods of such estimated surcharge payment in regard to taxable
6 year 2018 in a manner as to result an amount substantially equal to the
7 tax reasonably estimated to be due for such taxable year. In addition,
8 such commissioner shall adjust the due date on the installment payment
9 so that the taxpayers may have reasonable time to report such payment.
10 Any regulations to implement the surcharge for taxable year 2018 shall
11 be adopted and become effective as soon as practicable and the commis-
12 sioner of taxation and finance may adopt such regulations on an emergen-
13 cy basis notwithstanding anything to the contrary in the state adminis-
14 trative procedure act.

15 § 13. This act shall take effect immediately and shall apply to taxa-
16 ble years on or after January 1, 2018.

17

PART XX

18 Section 1. Subsection (g) of section 615 of the tax law, as amended by
19 section 1 of part S of chapter 59 of the laws of 2017, is amended to
20 read as follows:

21 (g) (1) With respect to an individual whose New York adjusted gross
22 income is over one million dollars and no more than ten million dollars,
23 the New York itemized deduction shall be an amount equal to fifty
24 percent of any charitable contribution deduction allowed under section
25 one hundred seventy of the internal revenue code for taxable years
26 beginning after two thousand nine and before two thousand [twenty] twen-
27 ty-four. With respect to an individual whose New York adjusted gross
28 income is over one million dollars, the New York itemized deduction
29 shall be an amount equal to fifty percent of any charitable contribution
30 deduction allowed under section one hundred seventy of the internal
31 revenue code for taxable years beginning in two thousand nine or after
32 two thousand [nineteen] twenty-three.

33 (2) With respect to an individual whose New York adjusted gross income
34 is over ten million dollars, the New York itemized deduction shall be an
35 amount equal to twenty-five percent of any charitable contribution
36 deduction allowed under section one hundred seventy of the internal
37 revenue code for taxable years beginning after two thousand nine and
38 ending before two thousand [twenty] twenty-four.

39 § 2. Subdivision (g) of section 11-1715 of the administrative code of
40 the city of New York, as amended by section 2 of part S of chapter 59 of
41 the laws of 2017, is amended to read as follows:

42 (g) (1) With respect to an individual whose New York adjusted gross
43 income is over one million dollars but no more than ten million dollars,
44 the New York itemized deduction shall be an amount equal to fifty
45 percent of any charitable contribution deduction allowed under section
46 one hundred seventy of the internal revenue code for taxable years
47 beginning after two thousand nine and before two thousand [twenty] twen-
48 ty-four. With respect to an individual whose New York adjusted gross
49 income is over one million dollars, the New York itemized deduction
50 shall be an amount equal to fifty percent of any charitable contribution
51 deduction allowed under section one hundred seventy of the internal
52 revenue code for taxable years beginning in two thousand nine or after
53 two thousand [nineteen] twenty-three.



1 (2) With respect to an individual whose New York adjusted gross income
2 is over ten million dollars, the New York itemized deduction shall be an
3 amount equal to twenty-five percent of any charitable contribution
4 deduction allowed under section one hundred seventy of the internal
5 revenue code for taxable years beginning after two thousand nine and
6 ending before two thousand [twenty] twenty-four.

7 § 3. This act shall take effect immediately.

8

PART YY

9 Section 1. Section 1280 of the tax law is amended by adding a new
10 subdivision (v) to read as follows:

11 (v) "Transit sustainability improvement zone" or "TSI zone" shall be
12 the area in the borough of Manhattan lying south of the center line of
13 ninety-sixth street in the city of New York. The Franklin D. Roosevelt
14 East River Drive, north of the Brooklyn Bridge, shall not be included in
15 the zone.

16 § 2. The tax law is amended by adding a new section 1281-a to read as
17 follows:

18 § 1281-a. Imposition of tax. (a) In addition to any other tax imposed
19 by this chapter or other law, there is hereby imposed on every taxicab
20 owner a tax of fifty cents per taxicab trip and on every HAIL base a tax
21 of fifty cents per HAIL vehicle trip provided by every taxicab or HAIL
22 vehicle affiliated with the base, on every trip that originates and
23 terminates within the TSI zone, any trip that originates anywhere in the
24 state and terminates within the TSI zone, any trip that originates with-
25 in the TSI zone and terminates anywhere in this state or any trip that
26 originates anywhere in this state, enters into the TSI zone in transit
27 and terminates anywhere in this state.

28 (b) On or after June first, two thousand eighteen the comptroller
29 shall pay over the revenues from this tax to the metropolitan transpor-
30 tation authority aid trust account of the metropolitan transportation
31 authority financial assistance fund established by section ninety-two-ff
32 of the state finance law for deposit, subject to appropriation, in the
33 transit account of the metropolitan transportation authority special
34 assistance fund established by section twelve hundred seventy-a of the
35 public authorities law, for the improvement of the service reliability
36 and other capital and operating costs of the subway system of the New
37 York city transit authority.

38 § 3. This act shall take effect June 1, 2018. Effective immediately,
39 the addition, amendment and/or repeal of any rule or regulation neces-
40 sary for the implementation of this act on its effective date are
41 authorized to be made and completed on or before such date.

42

PART ZZ

43 Section 1. Subdivisions 1, 3 and 5 of section 171-v of the tax law, as
44 added by section 1 of part P of chapter 59 of the laws of 2013, are
45 amended to read as follows:

46 (1) The commissioner shall enter into a written agreement with the
47 commissioner of motor vehicles, which shall set forth the procedures for
48 the two departments to cooperate in a program to improve tax collection
49 through the suspension of drivers' licenses of taxpayers with past-due
50 tax liabilities equal to or in excess of [ten] twenty thousand dollars
51 multiplied by the applicable inflation adjustment. For the purposes of
52 this section, the term "tax liabilities" shall mean any tax, surcharge,



1 or fee administered by the commissioner, or any penalty or interest due
2 on these amounts owed by an individual with a New York driver's license,
3 the term "driver's license" means any license issued by the department
4 of motor vehicles, except for a commercial driver's license as defined
5 in section five hundred one-a of the vehicle and traffic law, and the
6 term "past-due tax liabilities" means any tax liability or liabilities
7 which have become fixed and final such that the taxpayer no longer has
8 any right to administrative or judicial review, and the "applicable
9 inflation adjustment" for a calendar year shall be determined under the
10 principles of section 7345(f) of the Internal Revenue Code of 1986,
11 using the calendar year of the effective date of the chapter of the laws
12 of two thousand eighteen which amended this subdivision as the base
13 period. The twenty thousand dollar limitation in this subdivision shall
14 not apply to a taxpayer that the commissioner determines has taken
15 affirmative steps to evade or avoid the collection of tax, such as by
16 hiding assets.

17 (3) The department shall provide notice to the taxpayer of his or her
18 inclusion in the license suspension program no later than sixty days
19 prior to the date the department intends to inform the commissioner of
20 motor vehicles of the taxpayer's inclusion. However, no such notice
21 shall be issued to a taxpayer: (i) whose wages are being garnished by
22 the department for the payment of past-due tax liabilities or past-due
23 child support or combined child and spousal support arrears; (ii) who
24 receives public assistance or supplemental security income; or (iii)
25 whose income does not exceed two hundred fifty percent of the poverty
26 level as reported by the federal Department of Health and Human Services
27 or any successor agency. Notice shall be provided by first class mail to
28 the taxpayer's last known address as such address appears in the elec-
29 tronic systems or records of the department. Such notice shall include:

30 (a) a clear statement of the past-due tax liabilities along with a
31 statement that the department shall provide to the department of motor
32 vehicles the taxpayer's name, social security number and any other iden-
33 tifying information necessary for the purpose of suspending his or her
34 driver's license pursuant to this section and subdivision four-f of
35 section five hundred ten of the vehicle and traffic law sixty days after
36 the mailing or sending of such notice to the taxpayer;

37 (b) a statement that the taxpayer may avoid suspension of his or her
38 license by fully satisfying the past-due tax liabilities [or], by making
39 payment arrangements satisfactory to the commissioner, [and information
40 as to how] by demonstrating any of the grounds for challenge set forth
41 in subdivision five of this section, or by presenting facts to the
42 commissioner resulting in the commissioner waiving suspension of his or
43 her license based on the equities of the case. Such statement shall
44 include information regarding all of the agency's programs through which
45 the taxpayer can pay the past-due tax liabilities to the department,
46 enter into a payment arrangement or request additional information need-
47 ed to challenge the suspension under subdivision five of this section or
48 demonstrate the equities of the case;

49 (c) a statement that the taxpayer's right to protest the notice is
50 limited to raising issues set forth in subdivision five of this section;

51 (d) a statement that the suspension of the taxpayer's driver's license
52 shall continue until the past-due tax liabilities are fully paid or the
53 taxpayer makes payment arrangements satisfactory to the commissioner;
54 and

55 (e) any other information that the commissioner deems necessary.

1 (5) Notwithstanding any other provision of law, and except as specif-
2 ically provided herein, the taxpayer shall have no right to commence a
3 court action or proceeding or to any other legal recourse against the
4 department or the department of motor vehicles regarding a notice issued
5 by the department pursuant to this section and the referral by the
6 department of any taxpayer with past-due tax liabilities to the depart-
7 ment of motor vehicles pursuant to this section for the purpose of
8 suspending the taxpayer's driver's license. A taxpayer may only chal-
9 lenge such suspension or referral on the grounds that (i) the individual
10 to whom the notice was provided is not the taxpayer at issue; (ii) the
11 past-due tax liabilities were satisfied; (iii) the taxpayer's wages are
12 being garnished by the department for the payment of the past-due tax
13 liabilities at issue or for past-due child support or combined child and
14 spousal support arrears; (iv) the taxpayer's wages are being garnished
15 for the payment of past-due child support or combined child and spousal
16 support arrears pursuant to an income execution issued pursuant to
17 section five thousand two hundred forty-one of the civil practice law
18 and rules; (v) the taxpayer's driver's license is a commercial driver's
19 license as defined in section five hundred one-a of the vehicle and
20 traffic law; [or] (vi) the department incorrectly found that the taxpay-
21 er has failed to comply with the terms of a payment arrangement made
22 with the commissioner more than once within a twelve month period for
23 the purposes of subdivision three of this section; (vii) the taxpayer
24 receives public assistance or supplemental security income; (viii) the
25 taxpayer's income does not exceed two hundred fifty percent of the
26 poverty level as reported by the federal Department of Health and Human
27 Services or any successor agency; or (ix) payment of the past due tax
28 liabilities will create a hardship for the taxpayer in meeting necessary
29 living expenses.

30 However, nothing in this subdivision is intended to limit a taxpayer
31 from seeking relief pursuant to an offer in compromise pursuant to
32 subdivision fifteenth of section one hundred seventy-one of this article
33 or from joint and several liability pursuant to section six hundred
34 fifty-four of this chapter, to the extent that he or she is eligible
35 pursuant to [that subdivision] such section, or establishing to the
36 department that the enforcement of the underlying tax liabilities has
37 been stayed by the filing of a petition pursuant to the Bankruptcy Code
38 of 1978 (Title Eleven of the United States Code).

39 § 2. The commissioner of taxation and finance is authorized and
40 directed to promulgate any rules and regulations necessary to implement
41 the provisions of this act in accordance with the provisions of the
42 state administrative procedure act.

43 § 3. This act shall take effect on the first of April next succeeding
44 the date on which it shall have become a law.

45

PART AAA

46 Section 1. Section 5 of part HH of chapter 59 of the laws of 2014,
47 amending the tax law relating to a musical and theatrical production
48 credit, is amended to read as follows:

49 § 5. This act shall take effect immediately, provided that section two
50 of this act shall take effect on January 1, 2015, and shall apply to
51 taxable years beginning on or after January 1, 2015, with respect to
52 "qualified production expenditures" and "transportation expenditures"
53 paid or incurred on or after such effective date, regardless of whether
54 the production of the qualified musical or theatrical production



1 commenced before such date, provided further that this act shall expire
2 and be deemed repealed [4] 8 years after such date.

3 § 2. This act shall take effect immediately.

4

PART BBB

5 Section 1. The opening paragraph of subdivision 7 of section 221 of
6 the racing, pari-mutuel wagering and breeding law, as amended by section
7 2 of part SS of chapter 59 of the laws of 2017, is amended to read as
8 follows:

9 In order to pay the costs of the insurance required by this section
10 and by the workers' compensation law and to carry out its other powers
11 and duties and to pay for any of its liabilities under section four-
12 teen-a of the workers' compensation law, the New York Jockey Injury
13 Compensation Fund, Inc. shall ascertain the total funding necessary and
14 establish the sums that are to be paid by all owners and trainers
15 licensed or required to be licensed under section two hundred twenty of
16 this article, to obtain the total funding amount required annually. In
17 order to provide that any sum required to be paid by an owner or trainer
18 is equitable, the fund shall establish payment schedules which reflect
19 such factors as are appropriate, including where applicable, the
20 geographic location of the racing corporation at which the owner or
21 trainer participates, the duration of such participation, the amount of
22 any purse earnings, the number of horses involved, or such other factors
23 as the fund shall determine to be fair, equitable and in the best inter-
24 ests of racing. In no event shall the amount deducted from an owner's
25 share of purses exceed two per centum; provided, however, for two thou-
26 sand [seventeen] eighteen the New York Jockey Injury Compensation Fund,
27 Inc. may use up to two million dollars from the account established
28 pursuant to subdivision nine of section two hundred eight of this arti-
29 cle to pay the annual costs required by this section and the funds from
30 such account shall not count against the two per centum of purses
31 deducted from an owner's share of purses. The amount deducted from an
32 owner's share of purses shall not exceed one per centum after April
33 first, two thousand twenty. In the cases of multiple ownerships and
34 limited racing appearances, the fund shall equitably adjust the sum
35 required.

36 § 2. Paragraph (a) of subdivision 9 of section 208 of the racing,
37 pari-mutuel wagering and breeding law, as amended by section 2 of part
38 PP of chapter 60 of the laws of 2016, is amended to read as follows:

39 (a) The franchised corporation shall maintain a separate account for
40 all funds held on deposit in trust by the corporation for individual
41 horsemen's accounts. Purse funds shall be paid by the corporation as
42 required to meet its purse payment obligations. Funds held in horsemen's
43 accounts shall only be released or applied as requested and directed by
44 the individual horseman. For two thousand [sixteen] eighteen the New
45 York Jockey Injury Compensation Fund, Inc. may use up to two million
46 dollars from the account established pursuant to this subdivision to pay
47 the annual costs required by section two hundred twenty-one of this
48 article.

49 § 3. Paragraph (c) of subdivision 9 of section 208 of the racing,
50 pari-mutuel wagering and breeding law is relettered paragraph (e) and
51 two new paragraphs (c) and (d) are added to read as follows:

52 (c) The franchised corporation shall establish and maintain a separate
53 account for funds to be held on deposit in trust by the franchised
54 corporation for the horsemen's organization recognized pursuant to

1 section two hundred twenty-eight of this article. Starting in two thou-
2 sand eighteen and annually thereafter, funds from the account estab-
3 lished pursuant to this subdivision shall be deposited in the separate
4 account established under this paragraph in an amount to be agreed upon
5 by the franchised corporation and the horsemen's organization recognized
6 pursuant to section two hundred twenty-eight of this article. Funds held
7 in this account shall be used by such recognized horsemen's organization
8 solely as collateral to secure workers' compensation insurance coverage,
9 including through the New York Jockey Injury Compensation Fund, Inc.
10 Such coverage shall include high deductible programs and forms of self-
11 insurance.

12 (d) In the event the horsemen's organization recognized pursuant to
13 section two hundred twenty-eight of this article determines that the
14 funds are no longer needed as collateral to secure workers' compensation
15 insurance coverage, then, upon agreement by the franchised corporation
16 and such appropriately recognized horsemen's organization, funds in the
17 separate account established under paragraph (c) of this subdivision
18 shall be returned to the account established pursuant to paragraph (a)
19 of this subdivision.

20 § 4. This act shall take effect immediately.

21

PART CCC

22 Section 1. Section 94 of the public housing law, as amended by chapter
23 540 of the laws of 1958, is amended to read as follows:

24 § 94. Authorization to make subsidies. A municipality is authorized to
25 make or contract to make capital or periodic subsidies to an authority
26 operating within the territorial limits of such municipality, payable
27 only with moneys locally appropriated therefor from the general or other
28 funds available for current expenses of such municipality. Periodic
29 subsidies shall not be contracted for a period longer than the life of
30 the project assisted thereby, and in no event for more than fifty years.
31 If the amount of any periodic subsidy shall be equal to or greater than
32 the interest on and the amounts required annually for the payment of the
33 indebtedness contracted by the authority on account of a project in any
34 year, such contract shall constitute a guarantee of the principal of and
35 the interest on such indebtedness, and such contract and the payments
36 thereunder may be pledged by the authority as security in addition to
37 all other security which the authority may give for such indebtedness.

38 A municipality may levy one or more of the taxes enumerated in section
39 one hundred ten of this chapter for the purpose of making municipal
40 subsidies[, and the]. The revenues resulting from the imposition of such
41 tax or taxes, other than the taxes described by subdivision (e) of
42 section one hundred ten of this chapter in a city having a population of
43 one million or more, notwithstanding the provisions of any general,
44 special or local law to the contrary, shall be deposited in the city
45 treasury and credited to a separate account. During each fiscal year of
46 such municipality, an amount not in excess of the amount of the subsi-
47 dies to be made by such municipality during such fiscal year shall be
48 charged to such account and credited to the general fund for the
49 reduction of taxation or into the general or other fund available for
50 current expenses of such municipality. No other payment shall be charged
51 to such account. The provisions of section one hundred eleven of this
52 chapter shall be applicable to any tax or taxes imposed pursuant to this
53 section.

1 In a city having a population of one million or more, the revenues
2 from the taxes described in subdivision (e) of section one hundred ten
3 of this chapter shall be deposited in the general fund and a payment of
4 an equal amount shall be made, in the same fiscal year or as soon as
5 practicable thereafter, for the purposes described in such section.

6 § 2. Subdivision (e) of section 110 of the public housing law is
7 amended to read as follows:

8 (e) (1) An excise tax on the sale of tobacco other than cigarettes
9 sold for consumption within the territorial limits of such municipality.
10 Such tax shall not be in excess of ten per centum of the purchase price
11 of such tobacco. [Such] ~~The~~ local law imposing such tax may [further]
12 provide that the amount of the tax shall be paid by the purchaser to the
13 vendor and for and on account of the municipality, and the vendor shall
14 be liable for the collection and the payment thereof[; and the]. ~~The~~
15 vendor shall have the same right in respect to collecting the tax from
16 the purchaser or in respect to non-payment of the tax by the purchaser
17 as if the tax were a part of the purchase price of the tobacco, and
18 payable at the time of the sale.

19 (2) An excise tax on the sale of tobacco other than cigarettes sold
20 for consumption within a city having a population of one million or more
21 shall not be in excess of the rate provided in paragraph one of this
22 subdivision, provided the term purchase price shall be no less than the
23 price of such tobacco or such products containing tobacco as authorized
24 to be sold in such city under the local laws thereof.

25 (3) Any city having a population of one million or more is hereby
26 authorized to impose an excise tax on the sale, use or possession of
27 vapor product. Such tax shall not be in excess of ten cents per fluid
28 milliliter, or part thereof. For purposes of this paragraph, "vapor
29 product" shall mean any noncombustible liquid or gel, regardless of the
30 presence of nicotine therein, that is manufactured into a finished prod-
31 uct for use in an electronic cigarette, electronic cigar, electronic
32 cigarillo, electronic pipe, vaping pen, hookah pen or other similar
33 device. The term "vapor product" shall not include any product approved
34 by the United States food and drug administration as a drug or medical
35 device, or approved for use pursuant to section thirty-three hundred
36 sixty-two of the public health law.

37 § 3. This act shall take effect on the one hundred eightieth day after
38 it shall have become a law and shall apply to vapor products that first
39 become subject to tax on or after such date.

40

PART DDD

41 Section 1. Section 606 of the tax law is amended by adding a new
42 subsection (iii) to read as follows:

43 (iii) Clinical preceptorship credit. (1) General. A taxpayer who is a
44 preceptor clinician who provides preceptor instruction as part of a
45 clinical preceptorship shall be allowed a credit of one thousand dollars
46 for each one hundred hours of such preceptor instruction; provided that
47 the credit allowed pursuant to this subsection shall not exceed three
48 thousand dollars during any taxable year.

49 (2) Definitions. As used in this subsection:

50 (A) The term "preceptor clinician" means a (i) physician licensed
51 pursuant to article one hundred thirty-one of the education law, (ii)
52 physician assistant licensed pursuant to article one hundred
53 thirty-one-B of the education law, (iii) specialist assistant registered
54 pursuant to article one hundred thirty-one-C of the education law, (iv)



1 certified registered nurse anesthetist certified by the education
2 department, (v) registered professional nurse licensed pursuant to
3 section sixty-nine hundred five of the education law, (vi) nurse practi-
4 tioner certified pursuant to section sixty-nine hundred ten of the
5 education law, (vii) clinical nurse specialist certified pursuant to
6 section sixty-nine hundred eleven of the education law, or (viii)
7 midwife licensed pursuant to article one hundred forty of the education
8 law, who, without the provision of any form of compensation therefor,
9 provides a clinical preceptorship or preceptorships including, but not
10 limited to, both community and in-patient facilities, during the taxable
11 year.

12 (B) The term "clinical preceptorship" means a preceptorship for a
13 student enrolled in a New York state based educational program approved
14 pursuant to title eight of the education law to become a physician,
15 physician assistant, specialist assistant, certified registered nurse
16 anesthetist, registered professional nurse, nurse practitioner, clinical
17 nurse specialist or midwife, and which preceptorship provides preceptor
18 instruction in family medicine, internal medicine, pediatrics, obstet-
19 rics and gynecology, emergency medicine, psychiatry or general surgery
20 under the supervision of a preceptor clinician.

21 (3) Application of credit. In no event shall the amount of the credit
22 provided by this subsection exceed the taxpayer's tax for the taxable
23 year. If the amount of the credit and carryovers of such credit allowed
24 under this subsection exceeds such tax, the excess as well as any part
25 of the credit or carryovers of such credit, or both may be carried over
26 to the following year or years.

27 (4) Aggregate amount. The aggregate amount of tax credits allowed
28 pursuant to the authority of this subsection shall be three million
29 dollars each year during the period two thousand nineteen through two
30 thousand twenty-three. If the total amount of allocated credits applied
31 for in any particular year exceeds the aggregate amount of tax credit
32 allowed for such year, such excess shall be treated as having been
33 applied for on the first day of the subsequent year.

34 § 2. The commissioner of education along with the commissioner of the
35 department of taxation and finance are authorized to promulgate rules
36 and regulations without being subject to the state administrative proce-
37 dure act in regard to the issuance of a certification identifying the
38 name of a preceptor clinician and the hours spent as an instructor and a
39 report necessary to effectuate the clinical preceptorship credit program
40 under this act. Notwithstanding any provision of law to the contrary,
41 the commissioner of education shall permit the commissioner of the
42 department of taxation and finance or proper officers of such department
43 to inspect the certificate or report filed and issued by the commission-
44 er of education for the purposes of administering the clinical precep-
45 torship tax credit pursuant to subsection (iii) of section 606 of the
46 tax law.

47 § 3. This act shall take effect immediately and shall apply to taxable
48 years beginning on January 1, 2019 and shall expire and be deemed
49 repealed December 31, 2023.

50

PART EEE

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

1 § 44. New York agriculture and rural jobs credit. (a) Definitions. For
2 the purpose of this section the following terms shall have the following
3 meanings:

4 (1) "Affiliate" means a person that directly, or indirectly through
5 one or more intermediaries, controls, is controlled by, or is under
6 common control with another person. For the purposes of this division, a
7 person is "controlled by" another person if the controlling person
8 holds, directly or indirectly, the majority voting or ownership interest
9 in the controlled person or has control over the day-to-day operations
10 of the controlled person by contract or by law.

11 (2) "Closing date" means the date on which a rural business growth
12 fund has collected all of the amounts specified by subparagraphs (A) and
13 (B) of paragraph seven of subdivision (b) of this section.

14 (3) "Credit-eligible capital contribution" means an investment of cash
15 by a person in a rural business growth fund that equals the amount spec-
16 ified on a tax credit certificate issued by the department under subpar-
17 agraph (B) of paragraph six of subdivision (b) of this section. The
18 investment shall purchase an equity interest in the rural business
19 growth fund or purchase, at par value or premium, a debt instrument
20 issued by the rural growth fund that meets all of the following crite-
21 ria:

22 (A) The debt instrument has an original maturity date of at least five
23 years after the date of issuance.

24 (B) The debt instrument has a repayment schedule that is not faster
25 than a level principal amortization over five years.

26 (C) The debt instrument has no interest, distribution, or payment
27 features dependent on the rural business growth fund's profitability or
28 the success of the rural growth investments.

29 (4) "Eligible investment authority" means the amount stated on the
30 notice issued under subparagraph (A) of paragraph six of subdivision (b)
31 of this section certifying the rural business growth fund. At least
32 sixty-five percent of a rural business growth fund's eligible investment
33 authority shall be comprised of credit-eligible capital contributions.

34 (5) A business's "principal business operations" are in this state if
35 at least eighty percent of the business's employees reside in this
36 state, the individuals who receive eighty percent of the business's
37 payroll reside in this state, or the business has agreed to use the
38 proceeds of a rural growth investment to relocate at least eighty
39 percent of its employees to this state or pay at least eighty percent of
40 its payroll to individuals residing in this state.

41 (6) "Rural area" shall have the same meaning as defined in subdivision
42 seven of section four hundred eighty-one of the executive law.

43 (7) "Rural business concern" means an operating company that, at the
44 time if the initial investment in the company by a rural business growth
45 fund, has its principal business operations in this state, has fewer
46 than one hundred fifty employees or not more than ten million dollars in
47 net income for the preceding taxable year, and meets either of the
48 following criteria:

49 (A) The business's principal business operations are located in a
50 rural area; or

51 (B) The business is involved in the production, processing or market-
52 ing of agricultural or aquatic products, or agricultural technology, or
53 supplying farms with goods and services in support of farming, provided
54 that said business is not located in a municipality with a population of
55 more than fifty thousand.

1 (8) "Rural business growth fund" means an entity certified by the
2 department under this section.

3 (9) "Rural growth investment" means any capital or equity investment
4 in a rural business concern or any loan to a rural business concern with
5 a term of at least one year.

6 (10) "Taxable year" means the calendar year ending on the thirty-first
7 day of December next preceding the day the annual report is required to
8 be returned under subdivision (d) of this section.

9 (b) Certification. (1) On and after August first, two thousand eigh-
10 teen, an applicant that has developed a business plan to invest in rural
11 business concerns in this state and has successfully solicited private
12 investors to make capital contributions in support of the plan may apply
13 to the department for certification as a rural business growth fund. The
14 application shall include all of the following:

15 (A) The total eligible investment authority sought by the applicant
16 under the business plan;

17 (B) Documents and other evidence sufficient to prove, to the satisfac-
18 tion of the department, that the applicant meets all of the following
19 criteria: (i) The applicant or an affiliate of the applicant is licensed
20 as a rural business investment company under 7 U.S.C. 2009cc, or as a
21 small business investment company under 15 U.S.C. 681.

22 (ii) As of the date the application is submitted, the applicant has
23 invested more than one hundred million dollars in operating companies,
24 including at least fifty million dollars in operating companies located
25 in rural areas. In computing investments under this division, the appli-
26 cant may include investments made by affiliates of the applicant.

27 (C) An estimate of the number of jobs that will be created or retained
28 in this state as a result of the applicant's rural growth investments;

29 (D) A revenue impact assessment for the applicant's proposed rural
30 growth investments prepared by a nationally recognized third-party inde-
31 pendent economic forecasting firm using a dynamic economic forecasting
32 model. The revenue impact assessment shall analyze the applicant's
33 business plan over the ten years following the date the application is
34 submitted to the department.

35 (E) A signed affidavit from each investor successfully solicited by
36 the applicant to make a credit eligible capital contribution in support
37 of the business plan. Each affidavit shall include information suffi-
38 cient for the tax commissioner to identify the investor and shall state
39 the amount of the investor's credit-eligible capital contribution.

40 (F) A nonrefundable application fee of five thousand dollars.

41 (2) The department shall review and make a determination with respect
42 to each application submitted under paragraph one of this subdivision
43 within thirty days of receipt. The department shall review and make
44 determinations on the applications in the order in which the applica-
45 tions are received by the department. Applications received by the
46 department on the same day shall be deemed to have been received simul-
47 taneously. Except as provided in paragraph four of subdivision (c) of
48 this section, the department shall not approve more than one hundred
49 million dollars in eligible investment authority or more than sixty-five
50 million dollars in credit-eligible capital contributions.

51 (3) The department shall deny an application submitted under this
52 section if any of the following are true: (A) The application is incom-
53 plete.

54 (B) The application fee is not paid in full.

55 (C) The applicant does not satisfy all the criteria described in
56 subparagraph (B) of paragraph one of this subdivision.



1 (D) The revenue impact assessment submitted under subparagraph (D) of
2 paragraph one of this subdivision does not demonstrate that the appli-
3 cant's business plan will result in a positive economic impact on this
4 state over a ten-year period that exceeds the credit eligible capital
5 contributions sought by the applicant.

6 (E) The credit-eligible capital contributions described in affidavits
7 submitted under subparagraph (E) of paragraph one of this subdivision do
8 not equal sixty-five percent of the total amount of eligible investment
9 authority sought under the applicant's business plan.

10 (F) The department has already approved the maximum amount of eligible
11 investment authority and credit-eligible capital contributions allowed
12 under paragraph two of this subdivision.

13 (4) If the department denies an application under paragraph three of
14 this subdivision, the department shall send notice of its determination
15 of the applicant. The notice shall include the reasons that the applica-
16 tion was denied. If the application was denied for any reason other than
17 the reason specified in subparagraph (F) of paragraph three of this
18 subdivision, the applicant may provide additional information to the
19 department to complete, clarify, or cure defects in the application.
20 The additional information must be submitted within thirty days after
21 the date the notice of denial was sent by the department. If the person
22 or entity submits additional information within thirty days, the depart-
23 ment shall reconsider the application within thirty days after receiving
24 such additional information. If after submission of additional informa-
25 tion, the department approves the application, then the submission date
26 shall be the date of the original submission of the application. If the
27 person or entity does not submit additional information within thirty
28 days after the notice of denial was sent, the applicant may submit a new
29 application with a new submission date at any time.

30 (5) If approving multiple simultaneously submitted applications would
31 result in exceeding the overall eligible investment limit prescribed by
32 paragraph two of this subdivision, the department shall proportionally
33 reduce the eligible investment authority and the credit-eligible capital
34 contributions for each approved application as necessary to avoid
35 exceeding the limit.

36 (6) The department shall not deny a rural business growth fund appli-
37 cation or reduce the requested eligible investment authority for reasons
38 other than those described in paragraphs three and five of this subdivi-
39 sion. If the department approves such application, the department shall
40 issue all of the following notices: (A) to the applicant, a written
41 notice certifying that the applicant qualifies as a rural business
42 growth fund and specifying the amount of the applicant's eligible
43 investment authority; (B) to each investor whose affidavit was included
44 in the application, a tax credit certificate specifying the amount of
45 the investor's credit-eligible capital contribution; and (C) to the
46 commissioner, a copy of each tax credit certificate issued under subpar-
47 agraph (B) of this paragraph.

48 (7) A rural business growth fund shall complete all of the following
49 within sixty days of receiving the certification issued under subpara-
50 graph (A) of paragraph six of this subdivision:

51 (A) Collect the credit-eligible capital contributions from each inves-
52 tor issued a tax credit certificate under subparagraph (B) of paragraph
53 six of this subdivision;

54 (B) Collect one or more investments of cash, which shall purchase an
55 equity interest in the rural growth fund or a debt instrument issued by
56 the rural growth fund at par value or premium, with a maturity date of

1 at least five years from the closing date that, when added to the
2 contributions collected under subparagraph (A) of this paragraph, equal
3 the fund's eligible investment authority. At least ten percent of the
4 fund's eligible investment authority shall be comprised of equity
5 investments contributed by affiliates of the rural business growth fund,
6 including employees, officers, and directors of such affiliates.

7 (C) Send to the department documentation sufficient to prove that the
8 amounts described in subparagraphs (A) and (B) of this paragraph have
9 been collected. If the rural business growth fund fails to fully comply
10 with this paragraph, the fund's certification shall lapse.

11 (8) Eligible investment authority and corresponding credit-eligible
12 capital contributions that lapse under paragraph seven of this subdivi-
13 sion do not count toward limits on total eligible investment authority
14 and credit-eligible capital contributions prescribed in paragraph two of
15 this subdivision. Once eligible investment authority has lapsed, the
16 department shall first award lapsed authority pro rata to each rural
17 business growth fund that was awarded less than the requested eligible
18 investment authority under paragraph five of this subdivision. Any
19 remaining eligible investment authority may be awarded by the department
20 to new applicants.

21 (9) Application fees submitted to the department pursuant to subpara-
22 graph (F) of paragraph one of this subdivision shall be credited to the
23 New York agriculture and rural jobs fund, created in section ninety-
24 nine-bb of the state finance law.

25 (10) A rural fund, before making a rural growth investment, may
26 request from the department a written opinion as to whether the rural
27 business concern in which it proposes to invest is an eligible business.
28 The department, not later than the thirtieth business day after the date
29 of receipt of such request, shall notify the rural business growth fund
30 of its determination. If the department fails to notify the rural fund
31 of its determination by the thirtieth business day, the business in
32 which the rural business growth fund proposes to invest shall be consid-
33 ered an eligible rural business concern.

34 (c) Revocation of certification. (1) The department shall revoke a tax
35 credit certificate issued under subdivision (b) of this section if any
36 of the following occur with respect to a rural business growth fund
37 before the fund exits the program under paragraph five of this subdivi-
38 sion:

39 (A) The rural business growth fund in which the credit-eligible capi-
40 tal contribution was made does not invest sixty percent of its eligible
41 investment authority in rural growth investments in this state within
42 two years of the closing date and one hundred percent of its eligible
43 investment authority in rural growth investments in this state within
44 three years of the closing date; or

45 (B) After investing one hundred percent of its eligible investment
46 authority in rural growth investments in this state, the rural business
47 growth fund fails to maintain that investment until the fifth anniver-
48 sary of the closing date, including the reinvestment of such investment.
49 For the purposes of this section, an investment is "maintained" even if
50 the investment is sold or repaid so long as the rural business growth
51 fund reinvests an amount equal to the capital returned or recovered by
52 the fund from the original investment, exclusive of any profits real-
53 ized, in other rural growth investments in this state within twelve
54 months of the receipt of such capital. Amounts received periodically by
55 a rural business growth fund shall be treated as continually invested in
56 rural growth investments if the amounts are reinvested in one or more

1 rural growth investments by the end of the following calendar year. A
2 rural business growth fund is not required to reinvest capital returned
3 from rural growth investments in the six months immediately preceding
4 the fifth anniversary of the closing date, and such rural growth invest-
5 ments shall be considered held continuously by the rural growth fund
6 through the fifth anniversary of the closing date; or

7 (C) The rural business growth fund invests more than the greater of
8 seven million five hundred thousand dollars or twenty percent of its
9 eligible investment authority in the same rural business concern,
10 including amounts invested in affiliates of the rural business concern
11 but excluding amounts reinvested in the rural business growth fund with
12 repaid or redeemed rural business growth investments, provided such
13 reinvestments shall not count towards the requirement of subparagraph
14 (A) of this paragraph; or

15 (D) The rural business growth fund makes a rural growth investment in
16 a rural business concern that directly or indirectly through an affil-
17 iate owns, has the right to acquire an ownership interest, make a loan
18 to, or make an investment in the rural business growth fund, an affil-
19 iate of the rural business growth fund, or an investor in the rural
20 business growth fund. This paragraph does not apply to investments in
21 publicly traded securities by a rural business concern or an owner or
22 affiliate of such concern.

23 (2) Before taking action under paragraph one of this subdivision, the
24 department shall notify the rural business growth fund of the reasons
25 for the pending action. If the rural business growth fund corrects the
26 violations, other than violations of subparagraph (D) of paragraph one
27 of this subdivision, outlined in the notice to the satisfaction of the
28 department within one hundred eighty days of the date of the notice was
29 sent, the department shall not revoke the tax credit certificates or
30 levy a fine.

31 (3) If the department revokes a tax credit certificate under paragraph
32 one of this subdivision, the commissioner shall make an assessment for
33 the amount of the credit claimed by the certificate holder before the
34 certificate was revoked. The commissioner shall make the assessment
35 within one year after the certificate has been revoked.

36 (4) If tax credit certificates are revoked under paragraph one of this
37 subdivision, the associated eligible investment authority and credit-el-
38 igible capital contributions do not count toward the limit on total
39 eligible investment authority and credit-eligible capital contributions
40 described by paragraph two of subdivision (b) of this section. The
41 department shall first award reverted authority pro rata to each rural
42 business growth fund that was awarded less than the requested eligible
43 investment authority under paragraph five of subdivision (b) of this
44 section. Any remaining eligible investment authority may be awarded by
45 the department to new applicants.

46 (5) (A) On or after the fifth anniversary of the closing date, a rural
47 business growth fund that has not committed any of the acts described in
48 paragraph one of this subdivision may apply to the department to exit
49 the program as a rural business growth fund and no longer be subject to
50 regulation under this section. The department shall respond to the
51 application within thirty days after receiving such application. In
52 evaluating such request the fact that no tax credit certificates have
53 been revoked with respect to the rural business growth fund shall be
54 sufficient evidence to prove that the fund is eligible to exit the
55 program. The department shall not unreasonably deny an application
56 submitted under this subdivision.

1 (B) The department shall send notice of its determination with respect
2 to an application submitted under subparagraph (A) of this paragraph to
3 the rural business growth fund. If the application is denied, the notice
4 shall include the reasons for the determination.

5 (C) The department shall not revoke a tax credit certificate due to
6 any actions of a rural business growth fund that occur after the date
7 the fund's application for exiting the program is approved under subpar-
8 agraph (A) of this paragraph.

9 (6) If the number of jobs created or retained by the rural business
10 concern that received rural growth investments from the rural business
11 growth fund is:

12 (A) Less than sixty percent of the number projected in the approved
13 rural business growth fund's business plan filed as part of its applica-
14 tion for certification under subdivision (b) of this section, then the
15 state shall receive twenty percent of any distribution or payment to an
16 equity holder in an approved rural business growth fund in excess of the
17 sum of the amount of equity capital invested in the fund by such equity
18 holder and an amount equal to any projected increase in the equity hold-
19 er's federal or state tax liability, including penalties and interest,
20 related to the equity holder's ownership, management, or operation of
21 the fund; or

22 (B) Greater than sixty percent but less than eighty percent of the
23 number projected in the approved rural business growth fund's business
24 plan filed as part of its application for certification under subdivi-
25 sion (b) of this section, then the state shall receive ten percent of
26 any distribution or payment to an equity holder in an approved rural
27 business growth fund in excess of the sum of the amount of equity capi-
28 tal invested in the fund by such equity holder and an amount equal to
29 any projected increase in the equity holder's federal or state tax
30 liability, including penalties and interest, related to the equity hold-
31 er's ownership, management, or operation of the fund.

32 (7) A rural business growth fund may, prior to making a rural growth
33 investment, request from the department a written determination as to
34 whether the business entity in which it proposes to invest qualifies as
35 a rural business concern. The department, not later than the sixtieth
36 business day after the date of receipt of such request, shall notify the
37 rural business growth fund of its determination. If the department fails
38 to notify the rural fund of its determination by the sixtieth business
39 day, the business in which the rural business growth fund proposes to
40 invest shall be considered an eligible rural business concern.

41 (d) Reports. (1) Each rural business growth fund shall submit a report
42 to the department on or before the fifth business day after the second
43 and third anniversaries of the closing date. The report shall provide
44 documentation as to the rural growth investments made by the rural busi-
45 ness growth fund. Such documentation shall include the following:

46 (A) A bank statement of the rural business growth fund displaying each
47 rural growth investment;

48 (B) The name and location of each rural business concern in which the
49 rural business growth fund has made a rural growth investment, including
50 evidence that the business concern was qualified at the time the invest-
51 ment was made.

52 (2) On or before the last day of February of each year following the
53 year in which the report required under paragraph one of this subdivi-
54 sion is due, the rural business growth fund shall submit an annual
55 report to the department including the following:

1 (A) The number of employment positions created or retained as a result
2 of the fund's rural growth investments as of the last day of the preced-
3 ing calendar year;

4 (B) The average annual salary of the positions described in subpara-
5 graph (A) of this paragraph;

6 (C) Any other information required by the department.

7 (3) The department shall adopt rules necessary to implement this
8 subdivision.

9 (4) The commissioner of economic development, in consultation with the
10 commissioner shall produce and post on their website an annual report no
11 later than ninety days after the last day of the preceding calendar
12 year. The report shall include all of the information provided by each
13 rural business growth fund in their reports as required by subparagraphs

14 (A) and (B) of paragraph two of this subdivision, as well as the infor-
15 mation reported by the rural business growth fund in its third anniver-
16 sary report to the department as required by paragraph one of this
17 subdivision, provided that the required documentation shall not include
18 bank statements. The commissioner of economic development shall include
19 in such reports any other information he or she deems necessary.

20 § 2. Section 1511 of the tax law is amended by adding a new subdivi-
21 sion (dd) to read as follows:

22 (dd) Credit for certain investments to a rural business growth fund.

23 (1) There is hereby allowed a nonrefundable tax credit for taxpayers
24 that made a credit-eligible capital contribution to a rural business
25 growth fund and were issued a tax credit certificate under subparagraph
26 (B) of paragraph six of subdivision (b) of section forty-four of this
27 chapter. The credit may be claimed against the tax imposed by this arti-
28 cle and section one thousand one hundred twelve of the insurance law.
29 The credit may not be sold, transferred, or allocated to any entity
30 other than an in-state affiliate of the taxpayer.

31 (2) On the closing date, the taxpayer shall earn a credit equal to the
32 amount of the taxpayer's credit-eligible capital contribution to the
33 rural business growth fund, as specified on the tax credit certificate.
34 The taxpayer may claim up to twenty-five percent of the eligible invest-
35 ment authority for the taxable year containing the fifth anniversary
36 date of the closing date and up to twenty percent of the eligible
37 investment authority for the taxable years that include the sixth and
38 seventh anniversary dates of the closing date, exclusive of amounts
39 carried forward pursuant to paragraph three of this subdivision.

40 (3) If the amount of the credit for a taxable year exceeds the tax
41 otherwise due for that year, the excess shall be carried forward to
42 ensuing taxable years until fully used. A taxpayer claiming a credit
43 under this section shall submit a copy of the tax credit certificate
44 with the taxpayer's return for each taxable year for which the credit is
45 claimed.

46 § 3. The tax law is amended by adding a new section 187-q to read as
47 follows:

48 § 187-q. Credit for certain investments to a rural business growth
49 fund. 1. There is hereby allowed a nonrefundable tax credit for taxpay-
50 ers that made a credit-eligible capital contribution to a rural business
51 growth fund and were issued a tax credit certificate under subparagraph
52 (B) of paragraph six of subdivision (b) of section forty-four of this
53 chapter. The credit may be claimed against the tax imposed by this arti-
54 cle. The credit may not be sold, transferred, or allocated to any entity
55 other than an in-state affiliate of the taxpayer.



1 2. On the closing date, the taxpayer shall earn a credit equal to the
2 amount of the taxpayer's credit-eligible capital contribution to the
3 rural business growth fund, as specified on the tax credit certificate.
4 The taxpayer may claim up to twenty-five percent of the eligible invest-
5 ment authority for the taxable year containing the fifth anniversary
6 date of the closing date and up to twenty percent of the eligible
7 investment authority for the taxable years that include the sixth and
8 seventh anniversary dates of the closing date, exclusive of amounts
9 carried forward pursuant to subdivision three of this section.

10 3. If the amount of the credit for a taxable year exceeds the tax
11 otherwise due for that year, the excess shall be carried forward to
12 ensuing taxable years until fully used. A taxpayer claiming a credit
13 under this section shall submit a copy of the tax credit certificate
14 with the taxpayer's return for each taxable year for which the credit is
15 claimed.

16 § 4. Section 210-B of the tax law is amended by adding a new subdivi-
17 sion 53 to read as follows:

18 53. Credit for certain investments to a rural business growth fund.

19 (1) There is hereby allowed a nonrefundable tax credit for taxpayers
20 that made a credit-eligible capital contribution to a rural business
21 growth fund and were issued a tax credit certificate under subparagraph
22 (B) of paragraph six of subdivision (b) of section forty-four of this
23 chapter. The credit may be claimed against the tax imposed by this arti-
24 cle. The credit may not be sold, transferred, or allocated to any entity
25 other than an in-state affiliate of the taxpayer.

26 (2) On the closing date, the taxpayer shall earn a credit equal to the
27 amount of the taxpayer's credit-eligible capital contribution to the
28 rural business growth fund, as specified on the tax credit certificate.
29 The taxpayer may claim up to twenty-five percent of the eligible invest-
30 ment authority for the taxable year containing the fifth anniversary
31 date of the closing date and up to twenty percent of the eligible
32 investment authority for the taxable years that include the sixth and
33 seventh anniversary dates of the closing date, exclusive of amounts
34 carried forward pursuant to paragraph three of this subdivision.

35 (3) If the amount of the credit for a taxable year exceeds the tax
36 otherwise due for that year, the excess shall be carried forward to
37 ensuing taxable years until fully used. A taxpayer claiming a credit
38 under this section shall submit a copy of the tax credit certificate
39 with the taxpayer's return for each taxable year for which the credit is
40 claimed.

41 § 5. The state finance law is amended by adding a new section 99-bb to
42 read as follows:

43 § 99-bb. New York agriculture and rural jobs fund. 1. There is hereby
44 established in the joint custody of the state comptroller and the
45 commissioner of taxation and finance a special fund to be known as the
46 "New York agriculture and rural jobs fund".

47 2. Such fund shall consist of all application fees submitted pursuant
48 to subparagraph (F) of paragraph one of subdivision (b) of section
49 forty-four of the tax law, and all other moneys appropriated, credited,
50 or transferred thereto from any other fund or source pursuant to law.

51 3. Moneys of the fund, following appropriation by the legislature
52 shall be expended only for the purposes of providing funding for the New
53 York agriculture and rural jobs credit set forth in section forty-four
54 of the tax law. Moneys shall be paid out of the fund on the audit and
55 warrant of the state comptroller on vouchers approved and certified by
56 the commissioner of taxation and finance. Any interest received by the

1 comptroller on moneys on deposit in the New York agriculture and rural
2 jobs fund shall be retained in and become part of such fund.

3 § 6. This act shall take effect July 1, 2018.

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

13 § 3. This act shall take effect immediately provided, however, that
14 the applicable effective date of Parts A through EEE of this act shall
15 be as specifically set forth in the last section of such Parts.