

# STATE OF NEW YORK

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S. 4009--A

A. 3009--A

## SENATE - ASSEMBLY

February 1, 2023

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

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

AN ACT to amend the tax law, in relation to providing the authority to abate interest for taxpayers impacted by declared disasters (Part A); to amend the tax law, in relation to clarifying the definition of limited partner for the purposes of the metropolitan commuter transportation mobility tax (Part B); to amend the tax law, in relation to making the investment tax credit refundable for eligible farmers for five years (Part C); to amend the tax law, in relation to the empire state film production credit and the empire state film post-production credit (Part D); to amend the tax law, in relation to the abatement of penalties for underpayment of estimated tax by a corporation (Part E); to amend the economic development law, in relation to the COVID-19 capital costs tax credit program (Part F); to amend the social services law and the tax law, in relation to creating a tax credit for the creation and expansion of child care (Part G); to amend the tax law, in relation to extending the authorization of any city having a population of one million or more to provide a biotechnology credit against the general corporation tax, unincorporated business tax, and banking corporation tax of such city (Part H); to amend the tax law, in relation to extending the current corporate tax rates (Subpart A); to amend the tax law, in relation to extending the rehabilitation of historic properties tax credit (Subpart B); to amend the tax law, in relation to extending the empire state commercial production tax credit for five years (Subpart C); to amend the tax law, in relation to extending provisions of law relating to the grade No. 6 heating oil conversion tax credit (Subpart D); to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and

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

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theatrical production tax credit and establishing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof; and to amend the tax law, in relation to the New York city musical and theatrical production tax credit (Subpart E) (Part I); to amend the tax law, in relation to making technical corrections to the credit for companies who provide transportation to individuals with disabilities (Subpart A); to amend the tax law, in relation to eligibility for the brownfield redevelopment tax credit (Subpart B); to amend the tax law, in relation to the pass-through entity tax and city pass-through entity tax and making technical corrections thereto (Subpart C) (Part J); to amend the real property tax law, in relation to simplifying the senior citizens real property tax exemption (Part K); to amend chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, in relation to the effectiveness thereof (Part L); to amend the real property tax law, in relation to requiring excess proceeds from a tax foreclosure sale to be returned to the former owner (Part M); to amend the real property tax law and the state administrative procedure act, in relation to clarifying the solar or wind energy system appraisal model (Part N); to amend the tax law, in relation to the authority of counties to impose sales and compensating use taxes permanently; to amend chapter 67 of the laws of 2015, relating to authorizing the city of Yonkers to impose additional sales tax, in relation to the effectiveness thereof; to amend section 2 of item R of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the expiration of the authorization to the county of Genesee to impose an additional one percent of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 2 of item Z of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to the imposition of sales and compensating use taxes by the county of Monroe, in relation to making such provisions permanent; to amend section 4 of item EE of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authorization of the county of Onondaga to impose an additional rate of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 2 of item GG of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authority of the county of Orange to impose an additional rate of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 3 of item XX of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authority of the county of Ulster to impose an additional 1 percent sales and compensating use tax, in relation to making such provisions permanent; and to repeal certain provisions of such law relating thereto (Part O); to repeal certain provisions of the tax law, relating to eliminating congestion surcharge registration requirements (Part P); to amend the tax law, in relation to the payment of tax on increased quantities of motor fuel and Diesel motor fuel on which the taxes pursuant to articles 12-A, 13-A and 28 were not previously paid (Part Q); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines for those operated by business enterprise program participants (Part R); to amend the tax law, in relation to an increase in the rate of tax on cigarettes (Part S); to amend the tax law, in relation to the revocation of certain certificates and civil penalties



for refusal of a cigarette and tobacco inspection (Part T); to amend the tax law and the administrative code of the city of New York, in relation to extending the tax rate reduction under the New York state real estate transfer tax and the New York city real property transfer tax for conveyances of real property to existing real estate investment funds (Part U); to amend the tax law, in relation to permitting the commissioner of taxation and finance to seek judicial review of decisions of the tax appeals tribunal (Part V); to amend the state finance law, in relation to clarifying the deposit timeframe for moneys deposited by the commissioner of taxation and finance (Part W); to amend the tax law, in relation to requiring the New York Racing Association, Inc. to enter into a repayment agreement with the state of New York for the repayment of funds provided by the state for the renovation of Belmont Park (Part X); to amend the tax law, in relation to a keno style lottery game (Part Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to the operations of off-track betting corporations (Part Z); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital region off-track betting corporations' capital acquisition funds (Part AA); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting; to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part BB); and to amend the tax law, in relation to conforming to the federal taxation of S corporations (Part CC)

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

1 Section 1. This act enacts into law major components of legislation  
2 which are necessary to implement the state fiscal plan for the 2023-2024  
3 state fiscal year. Each component is wholly contained within a Part  
4 identified as Parts A through CC. The effective date for each particular  
5 provision contained within such Part is set forth in the last section of  
6 such Part. Any provision in any section contained within a Part,  
7 including the effective date of the Part, which makes a reference to a  
8 section "of this act", when used in connection with that particular  
9 component, shall be deemed to mean and refer to the corresponding  
10 section of the Part in which it is found. Section three of this act sets  
11 forth the general effective date of this act.

12 PART A

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

1 [In the case of a taxpayer who is determined for federal tax purposes  
2 under the provisions of] Have the authority to postpone certain dead-  
3 lines for a period of up to ninety days, or longer when necessary to  
4 align with relief provided by the Internal Revenue Service pursuant to  
5 section seven thousand five hundred eight-A of the internal revenue code  
6 [to be affected by a presidentially declared disaster, or who], for a  
7 taxpayer who is determined [under regulations promulgated by the commis-  
8 sioner] to be affected by a presidentially declared disaster or by a  
9 disaster emergency declared by the governor[, have authority to provide  
10 that a period of up to ninety days, or a longer period when necessary to  
11 align with relief that has already been provided by the Internal Revenue  
12 Service under the authority to postpone certain deadlines in section  
13 seven thousand five hundred eight-A of the internal revenue code, may].  
14 Any extension period provided pursuant to the authority in this subdivi-  
15 sion shall be disregarded in determining under the tax law, or under a  
16 law enacted pursuant to the authority of the tax law or former article  
17 2-E of the general city law where administered by the commissioner, in  
18 respect of any tax liability (including any interest, penalty, addi-  
19 tional amount, or addition to the tax) of such taxpayer:

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

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

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

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

34 d. Where a taxpayer who, pursuant to section seven thousand five  
35 hundred eight-a of the internal revenue code, is determined for federal  
36 tax purposes to be affected by a presidentially declared disaster, or  
37 who is determined to be affected by a disaster emergency declared by the  
38 governor, but the commissioner has not postponed a tax deadline pursuant  
39 to the authority in paragraph a of this subdivision due to such disas-  
40 ter, the commissioner may abate any amount of interest from the under-  
41 payment of any tax administered by the commissioner under this chapter  
42 that accrued for the period during which the taxpayer was unable to meet  
43 such deadline due to direct impacts of the disaster.

44 § 4. This act shall take effect immediately.

45

#### PART B

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

49 (e) Net earnings from self-employment. Net earnings from self-employ-  
50 ment has the same meaning as in section 1402 of the internal revenue  
51 code, provided, however, that for purposes of determining whether the  
52 exclusion pursuant to paragraph 13 of subsection (a) of section 1402 of  
53 the internal revenue code applies, an individual shall not be considered  
54 a limited partner if the individual, directly or indirectly, takes part



1 in the control, or participates in the management or operations of the  
2 partnership such that the individual is not a passive investor, regard-  
3 less of the individual's title or characterization in a partnership or  
4 operating agreement.

5 § 2. This act shall take effect immediately.

6

PART C

7 Section 1. Paragraph (d) of subdivision 1 of section 210-B of the tax  
8 law, as amended by section 31 of part T of chapter 59 of the laws of  
9 2015, is amended to read as follows:

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

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

42 (5) If the amount of credit allowable under this subsection for any  
43 taxable year shall exceed the taxpayer's tax for such year, the excess  
44 allowed for a taxable year commencing prior to January first, nineteen  
45 hundred eighty-seven may be carried over to the following year or years  
46 and may be deducted from the taxpayer's tax for such year or years, but  
47 in no event shall such credit be carried over to taxable years commenc-  
48 ing on or after January first, nineteen hundred ninety-seven, and any  
49 amount of credit allowed for a taxable year commencing on or after Janu-  
50 ary first, nineteen hundred eighty-seven and not deductible in such year  
51 may be carried over to the ten taxable years next following such taxable  
52 year and may be deducted from the taxpayer's tax for such year or years.  
53 In lieu of carrying over any such excess, (A) a taxpayer who qualifies  
54 as an owner of a new business for purposes of paragraph ten of this

1 subsection may, at [his] the taxpayer's option, receive such excess as a  
2 refund, and (B) a taxpayer that is an eligible farmer as defined in  
3 subsection (n) of this section may, at the taxpayer's option, for taxa-  
4 ble years beginning before January first, two thousand twenty-eight  
5 receive such excess as a refund. Any refund paid pursuant to this para-  
6 graph shall be deemed to be a refund of an overpayment of tax as  
7 provided in section six hundred eighty-six of this article, provided,  
8 however, that no interest shall be paid thereon.

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

11 PART D

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

15 (2) The amount of the credit shall be the product (or pro rata share  
16 of the product, in the case of a member of a partnership) of [twenty-  
17 five] thirty percent, or thirty-five percent in the case of an eligible  
18 relocated television series, and the qualified production costs paid or  
19 incurred in the production of a qualified film, provided that: (i) the  
20 qualified production costs (excluding post production costs) paid or  
21 incurred which are attributable to the use of tangible property or the  
22 performance of services at a qualified film production facility in the  
23 production of such qualified film equal or exceed seventy-five percent  
24 of the production costs (excluding post production costs) paid or  
25 incurred which are attributable to the use of tangible property or the  
26 performance of services at any film production facility within and with-  
27 out the state in the production of such qualified film, and (ii) except  
28 with respect to a qualified independent film production company or  
29 pilot, at least ten percent of the total principal photography shooting  
30 days spent in the production of such qualified film must be spent at a  
31 qualified film production facility. However, if the qualified production  
32 costs (excluding post production costs) which are attributable to the  
33 use of tangible property or the performance of services at a qualified  
34 film production facility in the production of such qualified film is  
35 less than three million dollars, then the portion of the qualified  
36 production costs attributable to the use of tangible property or the  
37 performance of services in the production of such qualified film outside  
38 of a qualified film production facility shall be allowed only if the  
39 shooting days spent in New York outside of a film production facility in  
40 the production of such qualified film equal or exceed seventy-five  
41 percent of the total shooting days spent within and without New York  
42 outside of a film production facility in the production of such quali-  
43 fied film. The credit shall be allowed for the taxable year in which the  
44 production of such qualified film is completed. However, in the case of  
45 a qualified film that receives funds from additional pool 2, no credit  
46 shall be claimed before the later of (1) the taxable year the production  
47 of the qualified film is complete, or (2) the [first] taxable year  
48 [beginning immediately after the] that includes the last day of the  
49 allocation year for which the film has been allocated credit by the  
50 [governor's office for motion picture and television] department of  
51 economic development. If the amount of the credit is at least one  
52 million dollars but less than five million dollars, the credit shall be  
53 claimed over a two year period beginning in the first taxable year in  
54 which the credit may be claimed and in the next succeeding taxable year,

1 with one-half of the amount of credit allowed being claimed in each  
2 year. If the amount of the credit is at least five million dollars, the  
3 credit shall be claimed over a three year period beginning in the first  
4 taxable year in which the credit may be claimed and in the next two  
5 succeeding taxable years, with one-third of the amount of the credit  
6 allowed being claimed in each year.

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

10 (5) For the period two thousand fifteen through two thousand [twenty-  
11 nine] thirty-four, in addition to the amount of credit established in  
12 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
13 equal to the product (or pro rata share of the product, in the case of a  
14 member of a partnership) of ten percent and the amount of wages or sala-  
15 ries paid to individuals directly employed (excluding those employed as  
16 writers, directors, [music directors] composers, producers and perform-  
17 ers, [including] other than background actors with no scripted lines) by  
18 a qualified film production company or a qualified independent film  
19 production company for services performed by those individuals in one of  
20 the counties specified in this paragraph in connection with a qualified  
21 film with a minimum budget of five hundred thousand dollars. For  
22 purposes of this additional credit, the services must be performed in  
23 one or more of the following counties: Albany, Allegany, Broome, Catta-  
24 raugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cort-  
25 land, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee,  
26 Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison,  
27 Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans,  
28 Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie,  
29 Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins,  
30 Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The aggregate  
31 amount of tax credits allowed pursuant to the authority of this para-  
32 graph shall be five million dollars each year during the period two  
33 thousand fifteen through two thousand [twenty-nine] thirty-four of the  
34 annual allocation made available to the program pursuant to paragraph  
35 four of subdivision (e) of this section. Such aggregate amount of cred-  
36 its shall be allocated by the [governor's office for motion picture and  
37 television] department of economic development among taxpayers in order  
38 of priority based upon the date of filing an application for allocation  
39 of film production credit [with such office]. If the total amount of  
40 allocated credits applied for under this paragraph in any year exceeds  
41 the aggregate amount of tax credits allowed for such year under this  
42 paragraph, such excess shall be treated as having been applied for on  
43 the first day of the next year. If the total amount of allocated tax  
44 credits applied for under this paragraph at the conclusion of any year  
45 is less than five million dollars, the remainder shall be treated as  
46 part of the annual allocation made available to the program pursuant to  
47 paragraph four of subdivision (e) of this section. However, in no event  
48 may the total of the credits allocated under this paragraph and the  
49 credits allocated under paragraph five of subdivision (a) of section  
50 thirty-one of this article exceed five million dollars in any year  
51 during the period two thousand fifteen through two thousand [twenty-  
52 nine] thirty-four.

53 § 2-a. Paragraph 1 of subdivision (b) of section 24 of the tax law, as  
54 amended by section 4 of part B of chapter 59 of the laws of 2013, is  
55 amended to read as follows:

1 (1) "Qualified production costs" means production costs only to the  
2 extent such costs are attributable to the use of tangible property or  
3 the performance of services within the state directly and predominantly  
4 in the production (including pre-production and post production) of a  
5 qualified film. The aggregate total eligible qualified production  
6 costs for producers, writers, directors, performers (other than back-  
7 ground actors with no scripted lines), and composers shall not exceed  
8 forty percent of the aggregate sum total of all other qualified  
9 production costs.

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

13 (2) "Production costs" means any costs for tangible property used and  
14 services performed directly and predominantly in the production (includ-  
15 ing pre-production and post production) of a qualified film.  
16 "Production costs" shall not include (i) costs for a story, script or  
17 scenario to be used for a qualified film and (ii) wages or salaries or  
18 other compensation for writers, directors, [including music directors]  
19 composers, producers and performers (other than background actors with  
20 no scripted lines) to the extent those wages or salaries or other  
21 compensation exceed five hundred thousand dollars per individual.  
22 "Production costs" generally include technical and crew production  
23 costs, such as expenditures for film production facilities, or any part  
24 thereof, props, makeup, wardrobe, film processing, camera, sound record-  
25 ing, set construction, lighting, shooting, editing and meals.

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

29 (8) "Relocated television production" shall mean, notwithstanding the  
30 limitations in subparagraph (i) of paragraph three of this subdivision,  
31 a television production that is a talk or variety program that filmed at  
32 least [five] two seasons outside the state prior to its first relocated  
33 season in New York, the episodes are filmed before a studio audience of  
34 two hundred or more, and the relocated television production incurs (i)  
35 at least thirty million dollars in annual production costs in the state,  
36 or (ii) at least ten million dollars in capital expenditures at a quali-  
37 fied production facility in the state.

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

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

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

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



1 claimed before the later of (1) the taxable year the production of the  
2 qualified film is complete, or (2) the taxable year [immediately follow-  
3 ing] that includes the last day of the allocation year for which the  
4 film has been allocated credit by the [governor's office for motion  
5 picture and television] department of economic development.

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

9 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
10 subdivision (a) of this section shall be increased by an additional four  
11 hundred twenty million dollars in each year starting in two thousand ten  
12 through two thousand [twenty-nine] twenty-three and seven hundred  
13 million dollars in each year starting in two thousand twenty-four  
14 through two thousand thirty-four, provided however, seven million  
15 dollars of the annual allocation shall be available for the empire state  
16 film post production credit pursuant to section thirty-one of this arti-  
17 cle in two thousand thirteen and two thousand fourteen [and], twenty-  
18 five million dollars of the annual allocation shall be available for the  
19 empire state film post production credit pursuant to section thirty-one  
20 of this article in each year starting in two thousand fifteen through  
21 two thousand [twenty-nine] twenty-three, and forty-five million dollars  
22 of the annual allocation shall be available for the empire state film  
23 post production credit pursuant to section thirty-one of this article in  
24 each year starting in two thousand twenty-four through two thousand  
25 thirty-four. This amount shall be allocated by the [governor's office  
26 for motion picture and television] department of economic development  
27 among taxpayers in accordance with subdivision (a) of this section. If  
28 the commissioner of economic development determines that the aggregate  
29 amount of tax credits available from additional pool 2 for the empire  
30 state film production tax credit have been previously allocated, and  
31 determines that the pending applications from eligible applicants for  
32 the empire state film post production tax credit pursuant to section  
33 thirty-one of this article is insufficient to utilize the balance of  
34 unallocated empire state film post production tax credits from such  
35 pool, the remainder, after such pending applications are considered,  
36 shall be made available for allocation in the empire state film tax  
37 credit pursuant to this section, subdivision twenty of section two  
38 hundred ten-B and subsection (gg) of section six hundred six of this  
39 chapter. Also, if the commissioner of economic development determines  
40 that the aggregate amount of tax credits available from additional pool  
41 2 for the empire state film post production tax credit have been previ-  
42 ously allocated, and determines that the pending applications from  
43 eligible applicants for the empire state film production tax credit  
44 pursuant to this section is insufficient to utilize the balance of unal-  
45 located film production tax credits from such pool, then all or part of  
46 the remainder, after such pending applications are considered, shall be  
47 made available for allocation for the empire state film post production  
48 credit pursuant to this section, subdivision thirty-two of section two  
49 hundred ten-B and subsection (qq) of section six hundred six of this  
50 chapter. The [governor's office for motion picture and television]  
51 department of economic development must notify taxpayers of their allo-  
52 cation year and include the allocation year on the certificate of tax  
53 credit. Taxpayers eligible to claim a credit must report the allocation  
54 year directly on their empire state film production credit tax form for  
55 each year a credit is claimed and include a copy of the certificate with  
56 their tax return. In the case of a qualified film that receives funds



1 from additional pool 2, no empire state film production credit shall be  
2 claimed before the later of (1) the taxable year the production of the  
3 qualified film is complete, or (2) the taxable year [immediately follow-  
4 ing] that includes the last day of the allocation year for which the  
5 film has been allocated credit by the [governor's office for motion  
6 picture and television] department of economic development.

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

10 (2) The amount of the credit shall be the product (or pro rata share  
11 of the product, in the case of a member of a partnership) of [twenty-  
12 five] thirty percent and the qualified post production costs paid in the  
13 production of a qualified film at a qualified post production facility  
14 located within the metropolitan commuter transportation district as  
15 defined in section twelve hundred sixty-two of the public authorities  
16 law or [thirty] thirty-five percent and the qualified post production  
17 costs paid in the production of a qualified film at a qualified post  
18 production facility located elsewhere in the state.

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

22 (6) For the period two thousand fifteen through two thousand [twenty-  
23 nine] thirty-four, in addition to the amount of credit established in  
24 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
25 equal to the product (or pro rata share of the product, in the case of a  
26 member of a partnership) of ten percent and the amount of wages or sala-  
27 ries paid to individuals directly employed (excluding those employed as  
28 writers, directors, [music directors] composers, producers and perform-  
29 ers, [including] other than background actors with no scripted lines)  
30 for services performed by those individuals in one of the counties spec-  
31 ified in this paragraph in connection with the post production work on a  
32 qualified film with a minimum budget of five hundred thousand dollars at  
33 a qualified post production facility in one of the counties listed in  
34 this paragraph. For purposes of this additional credit, the services  
35 must be performed in one or more of the following counties: Albany,  
36 Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango,  
37 Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin,  
38 Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Living-  
39 ston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario,  
40 Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenec-  
41 tady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan,  
42 Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates.  
43 The aggregate amount of tax credits allowed pursuant to the authority of  
44 this paragraph shall be five million dollars each year during the period  
45 two thousand fifteen through two thousand [twenty-nine] thirty-four of  
46 the annual allocation made available to the empire state film post  
47 production credit pursuant to paragraph four of subdivision (e) of  
48 section twenty-four of this article. Such aggregate amount of credits  
49 shall be allocated by the [governor's office for motion picture and  
50 television] department of economic development among taxpayers in order  
51 of priority based upon the date of filing an application for allocation  
52 of post production credit with such office. If the total amount of allo-  
53 cated credits applied for under this paragraph in any year exceeds the  
54 aggregate amount of tax credits allowed for such year under this para-  
55 graph, such excess shall be treated as having been applied for on the  
56 first day of the next year. If the total amount of allocated tax credits

1 applied for under this paragraph at the conclusion of any year is less  
2 than five million dollars, the remainder shall be treated as part of the  
3 annual allocation for two thousand seventeen made available to the  
4 empire state film post production credit pursuant to paragraph four of  
5 subdivision (e) of section twenty-four of this article. However, in no  
6 event may the total of the credits allocated under this paragraph and  
7 the credits allocated under paragraph five of subdivision (a) of section  
8 twenty-four of this article exceed five million dollars in any year  
9 during the period two thousand fifteen through two thousand [twenty-  
10 nine] thirty-four.

11 § 10. This act shall take effect immediately for initial applications  
12 received on or after such effective date; provided, however, that the  
13 amendments to paragraph 4 of subdivision (e) of section 24 of the tax  
14 law made by section six of this act shall take effect on the same date  
15 and in the same manner as section 6 of chapter 683 of the laws of 2019,  
16 as amended, takes effect.

17

## PART E

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

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

26 § 2. This act shall take effect immediately.

27

## PART F

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

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

33 § 2. This act shall take effect immediately.

34

## PART G

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

37

TITLE 1-A

38

CHILD CARE CREATION AND EXPANSION TAX CREDIT PROGRAM

39

Section 394. Short title.

40

394-a. Definitions.

41

394-b. Eligibility criteria.

42

394-c. Application and approval process.

43

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

44

394-e. Allocation of credit.

45

394-f. Powers and duties of the commissioner.

46

394-g. Maintenance of records.

47

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

49

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

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

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

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

17 4. "Child care seats" shall mean the maximum number of children to be  
18 allowed on the premises of a child care program at any time that such  
19 program is in operation as specified on the license or registration  
20 issued for such program by the office.

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

27 6. "Commissioner" shall mean commissioner of the office of children  
28 and family services.

29 7. "Expands child care" shall mean the increase in the number of child  
30 care seats in a child care program made available by a business entity,  
31 directly or through a third party, for employees of such business enti-  
32 ty, provided that such increase requires a new or amended license or  
33 registration issued by the office pursuant to section three hundred  
34 ninety of this article on or after April first, two thousand twenty-  
35 three, and, provided further, that the costs imposed on such employees  
36 for such child care program do not exceed forty percent of the child  
37 care rate.

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

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

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

45 § 394-b. Eligibility criteria. 1. To be eligible for a tax credit  
46 under the child care creation and expansion tax credit program, a busi-  
47 ness entity must:

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

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

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

1 (d) operate a business location in New York state;  
2 (e) be in substantial compliance with any child care licensing laws  
3 and regulations related to the entity's business sector or other laws  
4 and regulations as determined by the commissioner; and  
5 (f) not owe past due state taxes or local property taxes unless the  
6 business entity is making payments and complying with an approved bind-  
7 ing payment agreement entered into with the taxing authority.

8 § 394-c. Application and approval process. 1. A business entity must  
9 submit a complete application as prescribed by the commissioner by the  
10 thirty-first of January after the end of the service year.

11 2. The commissioner shall establish procedures for a business entity  
12 to submit applications. As part of the application, each business entity  
13 must:

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

16 (b) provide the license or registration issued to the business entity,  
17 directly or through a third party, by the office to operate a child care  
18 program indicating the number of child care seats created or, in the  
19 case of a child care program that has experienced an expansion of child  
20 care seats, the license or registration issued by the office demonstrat-  
21 ing such expansion;

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

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

26 (ii) of such total number of child care seats that were occupied, the  
27 number of infant child care seats that were occupied and the number of  
28 toddler child care seats that were occupied;

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

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

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

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

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

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

50 § 394-d. Child care creation and expansion tax credit. Allowance of  
51 credit. 1. A business entity in the child care creation and expansion  
52 tax credit program that meets the eligibility requirements of section  
53 three hundred ninety-four-b of this title may be eligible to claim a  
54 credit for the portion of the service year in which the child care  
55 program was in operation, equal to the sum of: (a) the product of the  
56 number of infant child care seats that have been created or expanded and

1 twenty percent of the child care rate for such infant child care seats  
2 and (b) the product of the number of toddler child care seats that have  
3 been created or expanded and twenty percent of the child care rate for  
4 such toddler child care seats; provided that such infant and toddler  
5 child care seats are child care seats that are occupied. Notwithstand-  
6 ing the preceding sentence, a credit shall not be allowed for more than  
7 twenty-five child care seats that are occupied, and the amount of such  
8 credit may be reduced as a result of an allocation of available funds,  
9 as described in section three hundred ninety-four-e of this title.

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

14 § 394-e. Allocation of credit. The aggregate amount of tax credits  
15 allowed under this title, subdivision fifty-nine of section two hundred  
16 ten-B, subsection (ooo) of section six hundred six and subdivision (ee)  
17 of section fifteen eleven of the tax law shall be twenty-five million  
18 dollars each year during the period two thousand twenty-three and two  
19 thousand twenty-four. Such aggregate amount of credits shall be allo-  
20 cated by the office on a pro rata basis to each business entity that  
21 demonstrates eligibility pursuant to section three hundred ninety-four-b  
22 of this title.

23 § 394-f. Powers and duties of the commissioner. 1. The commissioner  
24 may promulgate regulations establishing an application process and  
25 eligibility criteria, which will be applied consistent with the purposes  
26 of this title so as not to exceed the annual cap on tax credits set  
27 forth in this title, that, notwithstanding any provisions to the contra-  
28 ry in the state administrative procedure act, may be adopted on an emer-  
29 gency basis.

30 2. The commissioner shall, in consultation with the department of  
31 taxation and finance, develop a certificate of tax credit that shall be  
32 issued by the commissioner to eligible businesses. Such certificate  
33 shall contain such information as required by the department of taxation  
34 and finance.

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

39 § 394-g. Maintenance of records. Each business entity participating in  
40 the program shall keep all relevant records for the duration of their  
41 participation in the program for at least three years.

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

44 § 48. Child care creation and expansion tax credit. (a) Allowance of  
45 credit. A taxpayer subject to tax under article nine-A, twenty-two or  
46 thirty-three of this chapter shall be allowed a credit against such tax,  
47 pursuant to the provisions referenced in subdivision (f) of this  
48 section. The amount of the credit is equal to the amount determined  
49 pursuant to section three hundred ninety-four-d of the social services  
50 law and shall be claimed in the taxable year that includes the last day  
51 of the service year for which the credit is calculated. No cost or  
52 expense paid or incurred by the taxpayer that is included as part of the  
53 calculation of this credit shall be the basis of any other tax credit  
54 allowed under this chapter.

55 (b) Eligibility. To be eligible for the child care creation and expan-  
56 sion tax credit, the taxpayer shall have been issued a certificate of

1 tax credit by the office of children and family services pursuant to  
2 section three hundred ninety-four-c of the social services law. A  
3 taxpayer that is a partner in a partnership, member of a limited liabil-  
4 ity company or shareholder in a subchapter S corporation that has  
5 received a certificate of tax credit shall be allowed its pro rata share  
6 of the credit earned by the partnership, limited liability company or  
7 subchapter S corporation.

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

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

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

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

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

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

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

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

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

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

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

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

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

54 (ooo) Child care creation and expansion tax credit. (1) Allowance of  
55 credit. A taxpayer shall be allowed a credit, to be computed as provided

1 in section forty-eight of this chapter, against the tax imposed by this  
 2 article.

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

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

11 <u>(1) Child care creation and</u>	<u>Amount of credit</u>
12 <u>expansion tax credit under</u>	<u>under subdivision 59</u>
13 <u>subsection (ooo)</u>	<u>of section two hundred</u>
	<u>ten-B</u>

14  
 15 § 6. Section 1511 of the tax law is amended by adding a new subdivi-  
 16 sion (ee) to read as follows:

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

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

33 § 7. This act shall take effect immediately.

34 PART H

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

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

44 § 2. This act shall take effect immediately.

45 PART I

46 Section 1. This Part enacts into law major components of legislation  
 47 relating to extending various taxes and tax credits. Each component is  
 48 wholly contained within a Subpart identified as Subparts A through E.  
 49 The effective date for each particular provision contained within such  
 50 Subpart is set forth in the last section of such Subpart. Any provision  
 51 in any section contained within a Subpart, including the effective date  
 52 of the Subpart, which makes reference to a section "of this act", when

1 used in connection with that particular component, shall be deemed to  
2 mean and refer to the corresponding section of the Subpart in which it  
3 is found. Section three of this Part sets forth the general effective  
4 date of this Part.

5

## SUBPART A

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

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

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

34 (1) (i) The amount prescribed by this paragraph shall be computed  
35 at .15 percent for each dollar of the taxpayer's total business capital,  
36 or the portion thereof apportioned within the state as hereinafter  
37 provided for taxable years beginning before January first, two thousand  
38 sixteen. However, in the case of a cooperative housing corporation as  
39 defined in the internal revenue code, the applicable rate shall be .04  
40 percent until taxable years beginning on or after January first, two  
41 thousand twenty and zero percent for taxable years beginning on or after  
42 January first, two thousand twenty-one. The rate of tax for subsequent  
43 tax years shall be as follows: .125 percent for taxable years beginning  
44 on or after January first, two thousand sixteen and before January  
45 first, two thousand seventeen; .100 percent for taxable years beginning  
46 on or after January first, two thousand seventeen and before January  
47 first, two thousand eighteen; .075 percent for taxable years beginning  
48 on or after January first, two thousand eighteen and before January  
49 first, two thousand nineteen; .050 percent for taxable years beginning  
50 on or after January first, two thousand nineteen and before January  
51 first, two thousand twenty; .025 percent for taxable years beginning on  
52 or after January first, two thousand twenty and before January first,  
53 two thousand twenty-one; and .1875 percent for years beginning on or  
54 after January first, two thousand twenty-one and before January first,



1 two thousand [twenty-four] twenty-seven, and zero percent for taxable  
2 years beginning on or after January first, two thousand [twenty-four]  
3 twenty-seven. Provided however, for taxable years beginning on or after  
4 January first, two thousand twenty-one, the rate of tax for a small  
5 business as defined in paragraph (f) of this subdivision shall be zero  
6 percent. The rate of tax for a qualified New York manufacturer shall be  
7 .132 percent for taxable years beginning on or after January first, two  
8 thousand fifteen and before January first, two thousand sixteen, .106  
9 percent for taxable years beginning on or after January first, two thou-  
10 sand sixteen and before January first, two thousand seventeen, .085  
11 percent for taxable years beginning on or after January first, two thou-  
12 sand seventeen and before January first, two thousand eighteen; .056  
13 percent for taxable years beginning on or after January first, two thou-  
14 sand eighteen and before January first, two thousand nineteen; .038  
15 percent for taxable years beginning on or after January first, two thou-  
16 sand nineteen and before January first, two thousand twenty; .019  
17 percent for taxable years beginning on or after January first, two thou-  
18 sand twenty and before January first, two thousand twenty-one; and zero  
19 percent for years beginning on or after January first, two thousand  
20 twenty-one. (ii) In no event shall the amount prescribed by this para-  
21 graph exceed three hundred fifty thousand dollars for qualified New York  
22 manufacturers and for all other taxpayers five million dollars.

23 § 3. This act shall take effect immediately.

24

#### SUBPART B

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

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

50 § 2. Subparagraph (i) of paragraph (a) of subdivision 26 of section  
51 210-B of the tax law, as amended by section 2 of part CCC of chapter 59  
52 of the laws of 2021, is amended to read as follows:

53 (i) For taxable years beginning on or after January first, two thou-  
54 sand ten, and before January first, two thousand [twenty-five] thirty, a

1 taxpayer shall be allowed a credit as hereinafter provided, against the  
2 tax imposed by this article, in an amount equal to one hundred percent  
3 of the amount of credit allowed the taxpayer for the same taxable year  
4 with respect to a certified historic structure, and one hundred fifty  
5 percent of the amount of credit allowed the taxpayer with respect to a  
6 certified historic structure that is a small project, under internal  
7 revenue code section 47(c)(3), determined without regard to ratably  
8 allocating the credit over a five year period as required by subsection  
9 (a) of such section 47, with respect to a certified historic structure  
10 located within the state. Provided, however, the credit shall not exceed  
11 five million dollars.

12 § 3. Clause (B) of subparagraph (ii) of paragraph (a) of subdivision  
13 26 of section 210-B of the tax law, as added by section 17 of part A of  
14 chapter 59 of the laws of 2014, is redesignated as paragraph (a-1) and  
15 is amended to read as follows:

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

22 § 4. Subparagraph (ii) of paragraph (a) of subdivision 26 of section  
23 210-B of the tax law, as amended by section 2 of part RR of chapter 59  
24 of the laws of 2018, is amended to read as follows:

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

36 § 5. Subparagraph (A) of paragraph 1 of subdivision (y) of section  
37 1511 of the tax law, as amended by section 3 of part CCC of chapter 59  
38 of the laws of 2021, is amended to read as follows:

39 (A) For taxable years beginning on or after January first, two thou-  
40 sand ten and before January first, two thousand [twenty-five] thirty, a  
41 taxpayer shall be allowed a credit as hereinafter provided, against the  
42 tax imposed by this article, in an amount equal to one hundred percent  
43 of the amount of credit allowed the taxpayer with respect to a certified  
44 historic structure, and one hundred fifty percent of the amount of cred-  
45 it allowed the taxpayer with respect to a certified historic structure  
46 that is a small project, under internal revenue code section 47(c)(3),  
47 determined without regard to ratably allocating the credit over a five  
48 year period as required by subsection (a) of such section 47, with  
49 respect to a certified historic structure located within the state.  
50 Provided, however, the credit shall not exceed five million dollars. For  
51 taxable years beginning on or after January first, two thousand [twen-  
52 ty-five] thirty, a taxpayer shall be allowed a credit as hereinafter  
53 provided, against the tax imposed by this article, in an amount equal to  
54 thirty percent of the amount of credit allowed the taxpayer with respect  
55 to a certified historic structure under internal revenue code section  
56 47(c)(3), determined without regard to ratably allocating the credit

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

5 § 6. This act shall take effect immediately.

6

#### SUBPART C

7 Section 1. Paragraph 1 of subdivision (a) of section 28 of the tax  
8 law, as amended by section 1 of part AAA of chapter 59 of the laws of  
9 2019, is amended to read as follows:

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

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

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

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

31 (1) Allowance of credit. A taxpayer that is eligible pursuant to the  
32 provisions of section twenty-eight of this chapter shall be allowed a  
33 credit to be computed as provided in such section against the tax  
34 imposed by this article. The tax credit allowed pursuant to this section  
35 shall apply to taxable years beginning before January first, two thou-  
36 sand [twenty-four] twenty-nine.

37 § 4. This act shall take effect immediately.

38

#### SUBPART D

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

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

1 § 2. This act shall take effect immediately.

2

SUBPART E

3 Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws  
4 of 2021 amending the tax law and the state finance law relating to  
5 establishing the New York city musical and theatrical production tax  
6 credit and establishing the New York state council on the arts cultural  
7 program fund, as amended by section 7 of part F of chapter 59 of the  
8 laws of 2022, is amended to read as follows:

9 § 6. This act shall take effect immediately; provided however, that  
10 [section] sections one, two, three and four of this act shall apply to  
11 taxable years beginning on or after January 1, 2021, and before January  
12 1, [2024] 2026 and shall expire and be deemed repealed January 1, [2024]  
13 2026; provided further, however that the obligations under paragraph 3  
14 of subdivision (g) of section 24-c of the tax law, as added by section  
15 one of this act, shall remain in effect until December 31, [2025] 2027.

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

19 (2) The amount of the credit shall be the product (or pro rata share  
20 of the product, in the case of a member of a partnership) of twenty-five  
21 percent and the sum of the qualified production expenditures paid for  
22 during the qualified New York city musical and theatrical production's  
23 credit period. Provided however that the amount of the credit cannot  
24 exceed three million dollars per qualified New York city musical and  
25 theatrical production for productions whose first performance is prior  
26 to January first, two thousand [twenty-three] twenty-five. [For  
27 productions whose first performance is on or after January first, two  
28 thousand twenty-three, such cap shall decrease to one million five  
29 hundred thousand dollars per qualified New York city musical and theat-  
30 rical production unless the New York city tourism economy has not suffi-  
31 ciently recovered, as determined by the department of economic develop-  
32 ment in consultation with the division of the budget. In determining  
33 whether the New York city tourism economy has sufficiently recovered,  
34 the department of economic development will perform an analysis of key  
35 New York city economic indicators which shall include, but not be limit-  
36 ed to, hotel occupancy rates and travel metrics. The department of  
37 economic development's analysis shall also be informed by the status of  
38 any remaining COVID-19 restrictions affecting New York city musical and  
39 theatrical productions.] In no event shall a qualified New York city  
40 musical and theatrical production be eligible for more than one credit  
41 under this program.

42 § 3. Subparagraph (i) of paragraph 5 of subdivision (b) of section  
43 24-c of the tax law, as amended by section 2 of part F of chapter 59 of  
44 the laws of 2022, is amended to read as follows:

45 (i) "The credit period of a qualified New York city musical and theat-  
46 rical production company" is the period starting on the production start  
47 date and ending on the earlier of the date the qualified musical and  
48 theatrical production has expended sufficient qualified production  
49 expenditures to reach its credit cap, September thirtieth, two thousand  
50 [twenty-three] twenty-five or the date the qualified musical and theat-  
51 rical production closes.

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

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

6 § 5. Paragraphs 1 and 2 of subdivision (f) of section 24-c of the tax  
7 law, paragraph 1 as amended by section 3 of part F of chapter 59 of the  
8 laws of 2022, and paragraph 2 as amended by section 4 of part F of chap-  
9 ter 59 of the laws of 2022, are amended to read as follows:

10 (1) The aggregate amount of tax credits allowed under this section,  
11 subdivision fifty-seven of section two hundred ten-B and subsection  
12 (mmm) of section six hundred six of this chapter shall be [two] three  
13 hundred million dollars. Such aggregate amount of credits shall be allo-  
14 cated by the department of economic development among taxpayers based on  
15 the date of first performance of the qualified musical and theatrical  
16 production.

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

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

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

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

47 PART J

48 Section 1. This act enacts into law major components of legislation  
49 relating to taxation. Each component is wholly contained within a  
50 Subpart identified as Subparts A through C. The effective date for each  
51 particular provision contained within such Subpart is set forth in the  
52 last section of such Subpart. Any provision in any section contained  
53 within a Subpart, including the effective date of the Subpart, which  
54 makes reference to a section "of this act", when used in connection with

1 that particular component, shall be deemed to mean and refer to the  
2 corresponding section of the Subpart in which it is found. Section three  
3 of this act sets forth the general effective date of this act.

4

## SUBPART A

5 Section 1. Paragraph (b) of subdivision 38 of section 210-B of the tax  
6 law, as amended by section 2 of part L of chapter 59 of the laws of  
7 2022, is amended to read as follows:

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

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

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

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

37

## SUBPART B

38 Section 1. Paragraph 2 of subdivision (b) of section 21 of the tax  
39 law, as amended by section 7 of part LL of chapter 58 of the laws of  
40 2022, is amended to read as follows:

41 (2) Site preparation costs. The term "site preparation costs" shall  
42 mean all amounts properly chargeable to a capital account, which are  
43 paid or incurred which are necessary to implement a site's investi-  
44 gation, remediation, or qualification for a certificate of completion,  
45 and shall include costs of: excavation; demolition; activities undertak-  
46 en under the oversight of the department of labor or in accordance with  
47 standards established by the department of health to remediate and  
48 dispose of regulated materials including asbestos, lead or polychlori-  
49 nated biphenyls; environmental consulting; engineering; legal costs;  
50 transportation, disposal, treatment or containment of contaminated soil;  
51 remediation measures taken to address contaminated soil vapor; cover  
52 systems consistent with applicable regulations; physical support of

1 excavation; dewatering and other work to facilitate or enable remedi-  
2 ation activities; sheeting, shoring, and other engineering controls  
3 required to prevent off-site migration of contamination from the quali-  
4 fied site or migrating onto the qualified site; and the costs of fenc-  
5 ing, temporary electric wiring, scaffolding, and security facilities  
6 until such time as the certificate of completion has been issued. Site  
7 preparation shall include all costs paid or incurred within sixty months  
8 after the last day of the tax year in which the certificate of  
9 completion is issued that are necessary for compliance with the certif-  
10 icate of completion or subsequent modifications thereof, or the remedial  
11 program defined in such certificate of completion including but not  
12 limited to institutional controls, engineering controls, an approved  
13 site management plan, and an environmental easement with respect to the  
14 qualified site; provided, however, with respect to any qualified site  
15 for which [the department of environmental conservation has issued a  
16 notice to the taxpayer on or after July first, two thousand fifteen but  
17 on or before June twenty-fourth, two thousand twenty-one that its  
18 request for participation has been accepted under subdivision six of  
19 section 27-1407 of the environmental conservation law] a certificate of  
20 completion was issued on or after July first, two thousand fifteen but  
21 on or before June twenty-fourth, two thousand twenty-one, site prepara-  
22 tion shall include all costs paid or incurred within eighty-four months  
23 after the last day of the tax year in which the certificate of  
24 completion is issued that are necessary for compliance with the certif-  
25 icate of completion or subsequent modifications thereof, or the remedial  
26 program defined in such certificate of completion including but not  
27 limited to institutional controls, engineering controls, an approved  
28 site management plan, and an environmental easement with respect to the  
29 qualified site. Site preparation cost shall not include the costs of  
30 foundation systems that exceed the cover system requirements in the  
31 regulations applicable to the qualified site.  
32 § 2. This act shall take effect immediately and shall be deemed to  
33 have been in effect on and after April 9, 2022.

34

## SUBPART C

35 Section 1. Paragraphs 1, 2 and 3 of subsection (h) of section 860 of  
36 the tax law, paragraph 1 as added by section 1 of part C of chapter 59  
37 of the laws of 2021, and paragraph 2 as amended and paragraph 3 as added  
38 by section 2 of subpart A of part MM of chapter 59 of the laws of 2022,  
39 are amended to read as follows:  
40 (1) In the case of an electing partnership, the sum of (i) all items  
41 of income, gain, loss, or deduction derived from or connected with New  
42 York sources to the extent they are included in the taxable income of a  
43 nonresident partner subject to tax under article twenty-two, under para-  
44 graph one of subsection (a) of section six hundred thirty-two of this  
45 chapter; [and] (ii) all items of income, gain, loss, or deduction to the  
46 extent they are included in the taxable income of a resident partner  
47 subject to tax under article twenty-two of this chapter; and (iii) all  
48 pass-through entity taxes including taxes paid under this article to New  
49 York, taxes paid under article twenty-four-B of this chapter to the city  
50 of New York, and taxes paid to other jurisdictions that are substantial-  
51 ly similar to the taxes paid under this article, to the extent that, for  
52 federal income tax purposes, the taxes are paid and deducted in the  
53 taxable year, and are included in the taxable income of the partners



1 subject to tax under article twenty-two of this chapter for the taxable  
2 year.

3 (2) In the case of an electing standard S corporation, the sum of (i)  
4 all items of income, gain, loss, or deduction derived from or connected  
5 with New York sources to the extent they would be included under para-  
6 graph two of subsection (a) of section six hundred thirty-two of this  
7 chapter in the taxable income of a shareholder subject to tax under  
8 article twenty-two of this chapter; and (ii) all pass-through entity  
9 taxes including taxes paid under this article to New York, taxes paid  
10 under article twenty-four-B of this chapter to the city of New York, and  
11 taxes paid to other jurisdictions that are substantially similar to the  
12 taxes paid under this article, to the extent that, for federal income  
13 tax purposes, the taxes are paid and deducted in the taxable year, and  
14 are included in the taxable income of the shareholders subject to tax  
15 under article twenty-two of this chapter for the taxable year.

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

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

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

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

38 (1) In the case of an electing city partnership, the sum of (i) all  
39 items of income, gain, loss, or deduction to the extent they are  
40 included in the city taxable income of a partner or member of the elect-  
41 ing city partnership who is a city taxpayer; and (ii) all pass-through  
42 entity taxes including taxes paid under article twenty-four-A of this  
43 chapter to New York, taxes paid under this article to the city of New  
44 York, and taxes paid to other jurisdictions that are substantially simi-  
45 lar to taxes paid under article twenty-four-A of this chapter, to the  
46 extent that, for federal income tax purposes, the taxes were paid and  
47 deducted in the taxable year, and they are included in the taxable  
48 income of the partners subject to tax under article twenty-two of this  
49 chapter for the taxable year.

50 (2) In the case of an electing city resident S corporation, the sum of  
51 (i) all items of income, gain, loss, or deduction to the extent they  
52 would be included in the city taxable income of a shareholder of the  
53 electing city resident S corporation who is a city taxpayer; and (ii)  
54 all pass-through entity taxes including taxes paid under article twen-  
55 ty-four-A of this chapter to New York, taxes paid under this article to  
56 the city of New York, and taxes paid to other jurisdictions that are

1 substantially similar to taxes paid under article twenty-four-A of this  
2 chapter, to the extent that, for federal income tax purposes, the taxes  
3 were paid and deducted in the taxable year, and they are included in the  
4 taxable income of the shareholders subject to tax under article twenty-  
5 two of this chapter for the taxable year.

6 § 4. Subsection (e) of section 867 of the tax law, as added by section  
7 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
8 to read as follows:

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

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

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

16 § 5. Subsection (i) of section 867 of the tax law, as added by section  
17 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
18 to read as follows:

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

29 § 6. Subsection (j) of section 867 of the tax law, as added by section  
30 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
31 to read as follows:

32 (j) Eligible city resident S corporation. Eligible city resident S  
33 corporation means any New York S corporation as defined pursuant to  
34 subdivision one-A of section two hundred eight of this chapter that is  
35 subject to tax under section two hundred nine of this chapter that has  
36 only city [resident individual] taxpayer shareholders. An eligible city  
37 resident S corporation includes any entity, including a limited liabil-  
38 ity company, treated as an S corporation for federal income tax purposes  
39 that otherwise meets the requirements of this subsection.

40 § 7. Subsection (c) of section 868 of the tax law, as added by section  
41 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
42 to read as follows:

43 (c) The annual election to be taxed pursuant to this article must be  
44 made [by] on or before the due date of the first estimated payment under  
45 section eight hundred sixty-four of this chapter and will take effect  
46 for the current taxable year. Only one election to be taxed pursuant to  
47 this article may be made during each calendar year. An election made  
48 under this section is irrevocable [as of] after such due date. To the  
49 extent an election made under section eight hundred sixty-one of this  
50 chapter is revoked or otherwise invalidated an election made under this  
51 section is automatically invalidated.

52 § 8. This act shall take effect immediately, provided, however, that:  
53 (i) sections one and two of this act shall be deemed to have been in  
54 full force and effect on and after the effective date of part C of chap-  
55 ter 59 of the laws of 2021; (ii) sections three and seven of this act  
56 shall be deemed to have been in full force and effect on and after the

1 effective date of section 1 of subpart B of part MM of chapter 59 of the  
2 laws of 2022; and (iii) sections four, five and six of this act shall  
3 apply to taxable years beginning on or after January 1, 2023.

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 dates of Subparts A through C of this act shall  
15 be as specifically set forth in the last section of such Subparts.

16

## PART K

17 Section 1. Paragraphs (a) and (d) of subdivision 1 of section 467 of  
18 the real property tax law, as amended by section 1 of part B of chapter  
19 686 of the laws of 2022, are amended to read as follows:

20 (a) Real property owned by one or more persons, each of whom is  
21 sixty-five years of age or over, or real property owned by [husband and  
22 wife] a married couple or by siblings, one of whom is sixty-five years  
23 of age or over, or real property owned by one or more persons, some of  
24 whom qualify under this section and the others of whom qualify under  
25 section four hundred fifty-nine-c of this title, shall be exempt from  
26 payments in lieu of taxes (PILOT) to the battery park city authority or  
27 from taxation by any municipal corporation in which located to the  
28 extent of fifty per centum of the assessed valuation thereof, provided  
29 the governing board of such municipality, after public hearing, adopts a  
30 local law, ordinance or resolution providing therefor. For the purposes  
31 of this section, [sibling shall mean a brother or a sister, whether  
32 related] the term "sibling" shall include persons whose relationship as  
33 siblings has been established through either half blood, whole blood or  
34 adoption.

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

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

44 3. No exemption shall be granted:

45 (a) (i) if the income of the owner or the combined income of the owners  
46 of the property for the applicable income tax year [immediately preced-  
47 ing the date of making application for exemption] exceeds the sum of  
48 three thousand dollars, or such other sum not less than three thousand  
49 dollars nor more than [twenty-six thousand dollars beginning July first,  
50 two thousand six, twenty-seven thousand dollars beginning July first,  
51 two thousand seven, twenty-eight thousand dollars beginning July first,  
52 two thousand eight, twenty-nine thousand dollars beginning July first,  
53 two thousand nine, fifty thousand dollars beginning July first, two  
54 thousand twenty-two, and in a city with a population of one million or

1 more fifty thousand dollars beginning July first, two thousand seven-  
2 teen,] fifty thousand dollars, as may be provided by the local law,  
3 ordinance or resolution adopted pursuant to this section.

4 (ii) Where the taxable status date is on or before April fourteenth,  
5 the applicable income tax year shall [mean] be the twelve-month period  
6 for which the owner or owners filed a federal personal income tax return  
7 for the year before the income tax year immediately preceding the date  
8 of application and where the taxable status date is on or after April  
9 fifteenth, the applicable income tax year shall [mean] be the twelve-  
10 month period for which the owner or owners filed a federal personal  
11 income tax return for the income tax year immediately preceding the date  
12 of application.

13 (iii) Where title is vested in [either the husband or the wife, their]  
14 a married person, the combined income of such person and such person's  
15 spouse may not exceed such sum, except where [the husband or wife, or  
16 ex-husband or ex-wife] one spouse or ex-spouse is absent from the prop-  
17 erty as provided in subparagraph (ii) of paragraph (d) of this subdivi-  
18 sion, then only the income of the spouse or ex-spouse residing on the  
19 property shall be considered and may not exceed such sum. [Such income  
20 shall include social security and retirement benefits, interest, divi-  
21 dends, total gain from the sale or exchange of a capital asset which may  
22 be offset by a loss from the sale or exchange of a capital asset in the  
23 same income tax year, net rental income, salary or earnings, and net  
24 income from self-employment, but shall not include a return of capital,  
25 gifts, inheritances, payments made to individuals because of their  
26 status as victims of Nazi persecution, as defined in P.L. 103-286 or  
27 monies earned through employment in the federal foster grandparent  
28 program and any such income shall be offset by all medical and  
29 prescription drug expenses actually paid which were not reimbursed or  
30 paid for by insurance, if the governing board of a municipality, after a  
31 public hearing, adopts a local law, ordinance or resolution providing  
32 therefor. In addition, an exchange of an annuity for an annuity  
33 contract, which resulted in non-taxable gain, as determined in section  
34 one thousand thirty-five of the internal revenue code, shall be excluded  
35 from such income. Provided that such exclusion shall be based on satis-  
36 factory proof that such an exchange was solely an exchange of an annuity  
37 for an annuity contract that resulted in a non-taxable transfer deter-  
38 mined by such section of the internal revenue code. Furthermore, such  
39 income shall not include the proceeds of a reverse mortgage, as author-  
40 ized by section six-h of the banking law, and sections two hundred  
41 eighty and two hundred eighty-a of the real property law; provided,  
42 however, that monies used to repay a reverse mortgage may not be  
43 deducted from income, and provided additionally that any interest or  
44 dividends realized from the investment of reverse mortgage proceeds  
45 shall be considered income. The provisions of this paragraph notwith-  
46 standing, such income shall not include veterans disability compen-  
47 sation, as defined in Title 38 of the United States Code provided the  
48 governing board of such municipality, after public hearing, adopts a  
49 local law, ordinance or resolution providing therefor. In computing net  
50 rental income and net income from self-employment no depreciation  
51 deduction shall be allowed for the exhaustion, wear and tear of real or  
52 personal property held for the production of income;]

53 (iv) The term "income" as used herein shall mean the "adjusted gross  
54 income" for federal income tax purposes as reported on the applicant's  
55 federal or state income tax return for the applicable income tax year,  
56 subject to any subsequent amendments or revisions, plus any social secu-

1 rity benefits not included in such adjusted gross income, minus any  
2 distributions, to the extent included in federal adjusted gross income,  
3 received from an individual retirement account and an individual retire-  
4 ment annuity; provided that if no such return was filed for the applica-  
5 ble income tax year, the applicant's income shall be determined based on  
6 the amounts that would have so been reported if such a return had been  
7 filed; and provided further, that the governing board of a municipality  
8 may adopt a local law, ordinance or resolution providing that any social  
9 security benefits that were not included in the applicant's adjusted  
10 gross income shall not be considered income for purposes of this  
11 section;

12 (b) unless the owner shall have held an exemption under this section  
13 for [his] the owner's previous residence or unless the title of the  
14 property shall have been vested in the owner or one of the owners of the  
15 property for at least twelve consecutive months prior to the date of  
16 making application for exemption, provided, however, that in the event  
17 of the death of [either a husband or wife] a married person in whose  
18 name title of the property shall have been vested at the time of death  
19 and then becomes vested solely in [the survivor] such person's surviving  
20 spouse by virtue of devise by or descent from the deceased [husband or  
21 wife] spouse, the time of ownership of the property by the deceased  
22 [husband or wife] spouse shall be deemed also a time of ownership by the  
23 [survivor] surviving spouse and such ownership shall be deemed contin-  
24 uous for the purposes of computing such period of twelve consecutive  
25 months. In the event of a transfer by [either a husband or wife to the  
26 other] a married person to such person's spouse of all or part of the  
27 title to the property, the time of ownership of the property by the  
28 transferor spouse shall be deemed also a time of ownership by the trans-  
29 feree spouse and such ownership shall be deemed continuous for the  
30 purposes of computing such period of twelve consecutive months. Where  
31 property of the owner or owners has been acquired to replace property  
32 formerly owned by such owner or owners and taken by eminent domain or  
33 other involuntary proceeding, except a tax sale, the period of ownership  
34 of the former property shall be combined with the period of ownership of  
35 the property for which application is made for exemption and such peri-  
36 ods of ownership shall be deemed to be consecutive for purposes of this  
37 section. Where a residence is sold and replaced with another within one  
38 year and both residences are within the state, the period of ownership  
39 of both properties shall be deemed consecutive for purposes of the  
40 exemption from taxation by a municipality within the state granting such  
41 exemption. Where the owner or owners transfer title to property which as  
42 of the date of transfer was exempt from taxation or PILOT under the  
43 provisions of this section, the reacquisition of title by such owner or  
44 owners within nine months of the date of transfer shall be deemed to  
45 satisfy the requirement of this paragraph that the title of the property  
46 shall have been vested in the owner or one of the owners for such period  
47 of twelve consecutive months. Where, upon or subsequent to the death of  
48 an owner or owners, title to property which as of the date of such death  
49 was exempt from taxation or PILOT under such provisions, becomes vested,  
50 by virtue of devise or descent from the deceased owner or owners, or by  
51 transfer by any other means within nine months after such death, solely  
52 in a person or persons who, at the time of such death, maintained such  
53 property as a primary residence, the requirement of this paragraph that  
54 the title of the property shall have been vested in the owner or one of  
55 the owners for such period of twelve consecutive months shall be deemed  
56 satisfied;



1 (c) unless the property is used exclusively for residential purposes,  
2 provided, however, that in the event any portion of such property is not  
3 so used exclusively for residential purposes but is used for other  
4 purposes, such portion shall be subject to taxation or PILOT and the  
5 remaining portion only shall be entitled to the exemption provided by  
6 this section;

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

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

28 (a) For the purposes of this section, title to that portion of real  
29 property owned by a cooperative apartment corporation in which a  
30 tenant-stockholder of such corporation resides and which is represented  
31 by [his] the tenant-stockholder's share or shares of stock in such  
32 corporation as determined by its or their proportional relationship to  
33 the total outstanding stock of the corporation, including that owned by  
34 the corporation, shall be deemed to be vested in such tenant-stockhold-  
35 er.

36 § 4. Subdivisions 5 and 5-a of section 467 of the real property tax  
37 law, as amended by section 1 of part B of chapter 686 of the laws of  
38 2022, are amended to read as follows:

39 5. Application for such exemption must be made by the owner, or all of  
40 the owners of the property, on forms prescribed by the commissioner to  
41 be furnished by the appropriate assessing authority and shall furnish  
42 the information and be executed in the manner required or prescribed in  
43 such forms, and shall be filed in such assessor's office on or before  
44 the appropriate taxable status date. Notwithstanding any other provision  
45 of law, at the option of the municipal corporation, any person otherwise  
46 qualifying under this section shall not be denied the exemption under  
47 this section if [he] such person becomes sixty-five years of age after  
48 the appropriate taxable status date and on or before December thirty-  
49 first of the same year.

50 5-a. Any local law or ordinance adopted pursuant to paragraph (a) of  
51 subdivision one of this section may be amended, or a local law or ordi-  
52 nance may be adopted to provide, notwithstanding subdivision five of  
53 this section, that an application for such exemption may be filed with  
54 the assessor after the appropriate taxable status date but not later  
55 than the last date on which a petition with respect to complaints of  
56 assessment may be filed, where failure to file a timely application

1 resulted from: (a) a death of the applicant's spouse, child, parent[,  
2 brother or sister] or sibling; or (b) an illness of the applicant or of  
3 the applicant's spouse, child, parent[, brother or sister] or sibling,  
4 which actually prevents the applicant from filing on a timely basis, as  
5 certified by a licensed physician. The assessor shall approve or deny  
6 such application as if it had been filed on or before the taxable status  
7 date.

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

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

32 (b) Except in cities of one million or more, any person who has been  
33 granted exemption pursuant to this section on five (5) consecutive  
34 completed assessment rolls, including any years when the exemption was  
35 granted to a property owned by [a husband and/or wife] a married person  
36 or a married couple while both spouses resided in such property, shall  
37 not be subject to the requirements set forth in paragraph (a) of this  
38 subdivision provided the governing board of the municipality in which  
39 said property is situated after public hearing adopts a local law, ordi-  
40 nance or resolution providing therefor however said person shall be  
41 mailed an application form and a notice [informing him of his] setting  
42 forth such person's rights. Such exemption shall be automatically grant-  
43 ed on each subsequent assessment roll. Provided, however, that when tax  
44 payment is made by such person a sworn affidavit must be included with  
45 such payment which shall state that such person continues to be eligible  
46 for such exemption. Such affidavit shall be on a form prescribed by the  
47 commissioner. If such affidavit is not included with the tax payment,  
48 the collecting officer shall proceed pursuant to section five hundred  
49 fifty-one-a of this chapter.

50 (c) In cities of one million or more, any person who has been granted  
51 exemption pursuant to this section shall file the completed application  
52 with the appropriate assessing authority every twenty-four months from  
53 the date such exemption was granted without the necessity of having been  
54 granted exemption pursuant to this section on five (5) consecutive  
55 completed assessment rolls including any years when the exemption was

1 granted to a property owned by [a husband and/or wife] a married person  
2 or a married couple while both spouses resided in such property.

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

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

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

38

## PART L

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

43 § 2. This act shall take effect immediately and shall be deemed to  
44 have been in full force and effect on and after April 1, 1992; provided,  
45 however that any charges imposed by section 593 of the real property tax  
46 law as added by section one of this act shall first be due for values  
47 for assessment rolls with tentative completion dates after July 1, 1992,  
48 and provided further, that this act shall remain in full force and  
49 effect until March 31, [2024] 2027, at which time section 593 of the  
50 real property tax law as added by section one of this act shall be  
51 repealed.

52 § 2. This act shall take effect immediately.

53

## PART M

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

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

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

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

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

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

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

28 3. When a foreclosure concludes with the tax district taking title to  
29 property, the provisions of this section shall not apply unless and  
30 until the tax district sells the property to a third party; provided  
31 that in such a case, if there are excess proceeds to be paid to the  
32 prior owner or owners of the property, such proceeds shall be paid to  
33 the owner or owners of the property prior to its acquisition by the tax  
34 district.

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

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

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

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

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

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

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

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

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

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

28 PART N

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

31 1-a. Notwithstanding any provision of law to the contrary, the solar  
32 or wind energy system appraisal model authorized by this section shall  
33 be identified, formulated, adopted, published, and updated periodically  
34 in the manner provided in this section without regard to the provisions  
35 of article two of the state administrative procedure act.

36 § 2. Subparagraph (viii) of paragraph (b) of subdivision 2 of section  
37 102 of the state administrative procedure act, as amended by chapter 74  
38 of the laws of 1987, is amended to read as follows:

39 (viii) appraisal models, discount rates, state equalization rates,  
40 class ratios, special equalization rates and special equalization ratios  
41 established pursuant to the real property tax law;

42 § 3. No assessing unit that failed to use the appraisal model pursu-  
43 ant to section 575-b of the real property tax law in 2022 shall be held  
44 liable for failing to use such model in 2022. Within fifteen days from  
45 the effective date of this act, the commissioner of taxation and finance  
46 may readopt the 2022 appraisal model or models and discount rates for  
47 use in 2023, without additional consultation with the New York state  
48 energy research and development authority or the New York state asses-  
49 sors association, and without soliciting or considering additional  
50 public comments.

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

1

## PART O

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

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

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

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

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

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

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

28 (E) Provided, however, that (I) the county of Rockland may impose  
29 additional rates of five-eighths percent and three-eighths percent, in  
30 lieu of imposing such additional rate in quarter percent increments;  
31 (II) the county of Ontario may impose additional rates of one-eighth  
32 percent and three-eighths percent, in lieu of imposing such additional  
33 rate in quarter percent increments; (III) three-quarters percent of the  
34 additional rate authorized to be imposed by the county of Nassau shall  
35 be subject to the limitation set forth in section twelve hundred sixty-  
36 two-e of this article; (IV) the one and three-quarters percent addi-  
37 tional rate to be imposed by the county of Erie shall be subject to the  
38 limitations set forth in section twelve hundred sixty-two-q of this  
39 article.

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

43 (ii) the following cities that impose taxes described in subdivision  
44 (a) of this section at the rate of one and one-half percent or higher as  
45 authorized above in this paragraph for such cities are hereby further  
46 authorized and empowered to adopt and amend local laws, ordinances, or  
47 resolutions imposing such taxes at additional rates, in quarter percent  
48 increments, not to exceed the following rates, which rates are addi-  
49 tional to the one and one-half percent or higher rates authorized above  
50 in this paragraph:

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

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

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



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

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

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

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

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

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

30 (a) No transaction taxable under sections twelve hundred two through  
31 twelve hundred four of this article shall be taxed pursuant to this  
32 article by any county or by any city located therein, or by both, at an  
33 aggregate rate in excess of the highest rate set forth in the applicable  
34 subdivision of section twelve hundred one of this article or, in the  
35 case of any taxes imposed pursuant to the authority of section twelve  
36 hundred ten or twelve hundred eleven of this article (other than taxes  
37 imposed by the county of Nassau, Erie, [Steuben, Cattaraugus, Suffolk,]  
38 Oneida, [Genesee, Greene, Franklin, Hamilton,] Herkimer, [Tioga, Orle-  
39 ans,] and Allegany[, Ulster, Albany, Rensselaer, Tompkins, Wyoming,  
40 Columbia, Schuyler, Rockland, Chenango, Monroe, Chemung, Seneca, Sulli-  
41 van, Wayne, Livingston, Schenectady, Montgomery, Delaware, Clinton,  
42 Niagara, Yates, Lewis, Essex, Dutchess, Schoharie, Putnam, Chautauqua,  
43 Orange, Oswego, Ontario, Jefferson, St. Lawrence, Westchester or Ononda-  
44 ga and by the county of Cortland and the city of Cortland and by the  
45 county of Broome and the city of Binghamton and by the county of Cayuga  
46 and the city of Auburn and by the county of Otsego and the city of  
47 Oneonta and by the county of Madison and the city of Oneida and by the  
48 county of Fulton and the city of Gloversville or the city of Johnstown]  
49 as provided in section twelve hundred ten of this article) at a rate in  
50 excess of [three] four percent, except that, in the city of Yonkers[, in  
51 the city of Mount Vernon, in the city of New Rochelle, in the city of  
52 Fulton, in the city of Oswego, and in the city of White Plains,] the  
53 rate may not be in excess of four and one-half percent, and except that  
54 in the city of Poughkeepsie in the county of Dutchess, if such county  
55 withdraws from the metropolitan commuter transportation district pursu-  
56 ant to section twelve hundred seventy-nine-b of the public authorities



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

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

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

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

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

27 (1) Counties:

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

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

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

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

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

44 (2) Cities:

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

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

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

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

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

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

51 (f) Each of the following cities is authorized to preempt the taxes  
52 imposed by the county in which it is located pursuant to the authority  
53 of section twelve hundred ten of this article, to the extent of one-half  
54 the maximum aggregate rate authorized under section twelve hundred ten  
55 of this article, including the additional rate that the county in which  
56 such city is located is authorized to impose: Auburn, in Cayuga county;

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

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

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

15 § 1262-e. Establishment of local government assistance programs in  
16 Nassau county. 1. Towns and cities. Notwithstanding any other provision  
17 of law to the contrary, for the calendar year beginning on January  
18 first, nineteen hundred ninety-eight and continuing through the calendar  
19 year beginning on January first, two thousand twenty-three, and each  
20 calendar year thereafter beginning on January first, the county of  
21 Nassau shall enact and establish a local government assistance program  
22 for the towns and cities within such county to assist such towns and  
23 cities to minimize real property taxes; defray the cost and expense of  
24 the treatment, collection, management, disposal, and transportation of  
25 municipal solid waste, and to comply with the provisions of chapter two  
26 hundred ninety-nine of the laws of nineteen hundred eighty-three; and  
27 defray the cost of maintaining conservation and environmental control  
28 programs. Such special assistance program for the towns and cities with-  
29 in such county and the funding for such program shall equal one-third of  
30 the revenues received by such county from the imposition of the three-  
31 quarters percent sales and use tax during calendar years two thousand  
32 one, two thousand two, two thousand three, two thousand four, two thou-  
33 sand five, two thousand six, two thousand seven, two thousand eight, two  
34 thousand nine, two thousand ten, two thousand eleven, two thousand  
35 twelve, two thousand thirteen, two thousand fourteen, two thousand  
36 fifteen, two thousand sixteen, two thousand seventeen, two thousand  
37 eighteen, two thousand nineteen, two thousand twenty, two thousand twen-  
38 ty-one, two thousand twenty-two [and], two thousand twenty-three and  
39 each calendar year thereafter additional to the regular three percent  
40 rate authorized for such county in section twelve hundred ten of this  
41 article. The monies for such special local assistance shall be paid and  
42 distributed to the towns and cities on a per capita basis using the  
43 population figures in the latest decennial federal census. Provided  
44 further, that notwithstanding any other law to the contrary, the estab-  
45 lishment of such special assistance program shall preclude any city or  
46 town within such county from preempting or claiming under any other  
47 section of this chapter the revenues derived from the additional tax  
48 authorized by section twelve hundred ten of this article. Provided  
49 further, that any such town or towns may, by resolution of the town  
50 board, apportion all or a part of monies received in such special  
51 assistance program to an improvement district or special district  
52 account within such town or towns in order to accomplish the purposes of  
53 this special assistance program.

54 2. Villages. Notwithstanding any other provision of law to the contra-  
55 ry, for the calendar year beginning on January first, nineteen hundred  
56 ninety-eight and continuing through the calendar year beginning on Janu-

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

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

25 § 1262-g. Oneida county allocation and distribution of net collections  
26 from the additional [one percent rate] rates of sales and compensating  
27 use taxes. Notwithstanding any contrary provision of law, (a) if the  
28 county of Oneida imposes sales and compensating use taxes at a rate  
29 which is one percent additional to the three percent rate authorized by  
30 section twelve hundred ten of this article, as authorized by such  
31 section, [(a)] (i) where a city in such county imposes tax pursuant to  
32 the authority of subdivision (a) of such section twelve hundred ten,  
33 such county shall allocate, distribute and pay in cash quarterly to such  
34 city one-half of the net collections attributable to such additional one  
35 percent rate of the county's taxes collected in such city's boundaries;  
36 [(b)] (ii) where a city in such county does not impose tax pursuant to  
37 the authority of such subdivision (a) of such section twelve hundred  
38 ten, such county shall allocate, distribute and pay in cash quarterly to  
39 such city not so imposing tax a portion of the net collections attribut-  
40 able to one-half of the county's additional one percent rate of tax  
41 calculated on the basis of the ratio which such city's population bears  
42 to the county's total population, such populations as determined in  
43 accordance with the latest decennial federal census or special popu-  
44 lation census taken pursuant to section twenty of the general municipal  
45 law completed and published prior to the end of the quarter for which  
46 the allocation is made, which special census must include the entire  
47 area of the county; [and (c)] provided, however, that such county shall  
48 dedicate the first one million five hundred thousand dollars of net  
49 collections attributable to such additional one percent rate of tax  
50 received by such county after the county receives in the aggregate eigh-  
51 teen million five hundred thousand dollars of net collections from such  
52 additional one percent rate of tax [imposed for any of the periods:  
53 September first, two thousand twelve through August thirty-first, two  
54 thousand thirteen; September first, two thousand thirteen through August  
55 thirty-first, two thousand fourteen; and September first, two thousand  
56 fourteen through August thirty-first, two thousand fifteen; September



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

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

33 § 1262-h. Allocation and distribution of net collections from the  
34 additional one percent rate of sales and compensating use taxes in Steu-  
35 ben county. Notwithstanding any provision of law to the contrary, of the  
36 net collections received by the county of Steuben as a result of the  
37 imposition of the additional one percent rate of tax authorized by  
38 section twelve hundred ten of this article [(a) during the period begin-  
39 ning December first, nineteen hundred ninety-three and ending November  
40 thirtieth, nineteen hundred ninety-four, the county of Steuben shall pay  
41 or cause to be paid to the city of Hornell the sum of two hundred thou-  
42 sand dollars, to the city of Corning the sum of three hundred thousand  
43 dollars, and the sum of five hundred thousand dollars to the towns and  
44 villages of the county of Steuben, on the basis of the ratio which the  
45 full valuation of real property in each town or village bears to the  
46 aggregate full valuation of real property in all of the towns and  
47 villages in such area. Of the net collections received by the county of  
48 Steuben as a result of the imposition of said additional one percent  
49 rate of tax authorized by section twelve hundred ten of this article  
50 during the period beginning December first, nineteen hundred ninety-four  
51 and ending November thirtieth, nineteen hundred ninety-five, the county  
52 of Steuben shall pay or cause to be paid to the city of Hornell the sum  
53 of three hundred thousand dollars, to the city of Corning the sum of  
54 four hundred fifty thousand dollars, and the sum of seven hundred fifty  
55 thousand dollars to the towns and villages of the county of Steuben, on  
56 the basis of the ratio which the full valuation of real property in each

1 town or village bears to the aggregate full valuation of real property  
2 in all of the towns and villages in such area; and (b) during the period  
3 beginning December first, nineteen hundred ninety-five and ending Novem-  
4 ber thirtieth, two thousand seven, the county of Steuben shall annually  
5 pay or cause to be paid to the city of Hornell the sum of five hundred  
6 fifty thousand dollars, to the city of Corning the sum of six hundred  
7 thousand dollars, and the sum of seven hundred fifty thousand dollars to  
8 the towns and villages of the county of Steuben, on the basis of the  
9 ratio which the full valuation of real property in each town or village  
10 bears to the aggregate full valuation of real property in all of the  
11 towns and villages in such area; and during the period beginning Decem-  
12 ber first, two thousand seven and ending November thirtieth, two thou-  
13 sand nine, the county of Steuben shall annually pay or cause to be paid  
14 to the city of Hornell the sum of six hundred ten thousand dollars, to  
15 the city of Corning the sum of six hundred fifty thousand dollars, and  
16 the sum of seven hundred fifty thousand dollars to the towns and  
17 villages of the county of Steuben, on the basis of the ratio which the  
18 full valuation of real property in each town or village bears to the  
19 aggregate full valuation of real property in all of the towns and  
20 villages in such area; and during the period beginning December first,  
21 two thousand nine and ending November thirtieth, two thousand eleven,  
22 the county of Steuben shall annually pay or cause to be paid to the city  
23 of Hornell the sum of seven hundred ten thousand dollars, to the city of  
24 Corning the sum of seven hundred ten thousand dollars, and the sum of  
25 seven hundred fifty thousand dollars to the towns and villages of the  
26 county of Steuben, on the basis of the ratio which the full valuation of  
27 real property in each town or village bears to the aggregate full valu-  
28 ation of real property in all of the towns and villages in such area;  
29 and during the period beginning December first, two thousand eleven and  
30 ending November thirtieth, two thousand thirteen, the county of Steuben  
31 shall annually pay or cause to be paid to the city of Hornell the sum of  
32 seven hundred forty thousand dollars, to the city of Corning the sum of  
33 seven hundred forty thousand dollars, and the sum of seven hundred fifty  
34 thousand dollars to the towns and villages of the county of Steuben, on  
35 the basis of the ratio which the full valuation of real property in each  
36 town or village bears to the aggregate full valuation of real property  
37 in all of the towns and villages in such area; and during the period  
38 beginning December first, two thousand thirteen and ending November  
39 thirtieth, two thousand fifteen, the county of Steuben shall annually  
40 pay or cause to be paid to the city of Hornell the sum of seven hundred  
41 sixty-five thousand dollars, to the city of Corning the sum of seven  
42 hundred sixty-five thousand dollars, and the sum of seven hundred fifty  
43 thousand dollars to the towns and villages of the county of Steuben, on  
44 the basis of the ratio which the full valuation of real property in each  
45 town or village bears to the aggregate full valuation of real property  
46 in all of the towns and villages in such area; and during the period  
47 beginning December first, two thousand fifteen and ending November thir-  
48 tieth, two thousand seventeen, the county of Steuben shall annually pay  
49 or cause to be paid to the city of Hornell the sum of seven hundred  
50 sixty-five thousand dollars, to the city of Corning the sum of seven  
51 hundred sixty-five thousand dollars, and the sum of seven hundred fifty  
52 thousand dollars to the towns and villages of the county of Steuben, on  
53 the basis of the ratio which the full valuation of real property in each  
54 town or village bears to the aggregate full valuation of real property  
55 in all of the towns and villages in such area; and during the period  
56 beginning December first, two thousand seventeen and ending November



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

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

21 (c) Notwithstanding any provision of law to the contrary, of the net  
22 collections received by the county of Suffolk as a result of the  
23 increase of one percent to the tax authorized by section twelve hundred  
24 ten of this article for [the] any period beginning or after June first,  
25 two thousand one [and ending November thirtieth, two thousand twenty-  
26 three], imposed by local laws or resolutions (by simple majority) by the  
27 county legislature, and signed by the county executive, the county of  
28 Suffolk shall allocate such net collections as follows: no less than  
29 one-eighth and no more than three-eighths of such net collections  
30 received shall be dedicated for public safety purposes and the balance  
31 shall be deposited in the general fund of the county of Suffolk.

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

35 § 1262-1. Allocation and distribution of net collections from the  
36 additional rate of sales and compensating use tax in Rockland county. 1.  
37 Notwithstanding any provision of law to the contrary, if the county of  
38 Rockland imposes the additional five-eighths of one percent rate of tax  
39 authorized by section twelve hundred ten of this article [during the]  
40 for each period beginning on or after March first, two thousand two,  
41 [and ending November thirtieth, two thousand twenty-three,] such county  
42 shall allocate and distribute twenty percent of the net collections from  
43 such additional rate to the towns and villages in the county in accord-  
44 ance with subdivision (c) of section twelve hundred sixty-two of this  
45 part on the basis of the ratio which the population of each such town or  
46 village bears to such county's total population; and

47 2. Notwithstanding any provision of law to the contrary, if the county  
48 of Rockland imposes the additional three-eighths of one percent rate of  
49 tax authorized by section twelve hundred ten of this article [during  
50 the] for any period beginning on or after March first, two thousand  
51 seven, [and ending November thirtieth, two thousand twenty-three,] such  
52 county shall allocate and distribute [sixteen and two-thirds] thirty-  
53 three and one-third percent of the net collections from such additional  
54 rate to the general funds of towns and villages within the county of  
55 Rockland with existing town and village police departments from [March  
56 first, two thousand seven through December thirty-first, two thousand

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

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

12 § 1262-n. Disposition of net collections from the additional one  
13 percent rate of sales and compensating use taxes in the county of  
14 Niagara. Notwithstanding any contrary provision of law, if the county  
15 of Niagara imposes the additional one percent rate of sales and compen-  
16 sating use taxes authorized by section twelve hundred ten of this arti-  
17 cle for all or any portion of [the] each period beginning on or after  
18 March first, two thousand three [and ending November thirtieth, two  
19 thousand twenty-three,] the county shall use all net collections from  
20 such additional one percent rate to pay the county's expenses for Medi-  
21 caid. The net collections from the additional one percent rate imposed  
22 pursuant to this section shall be deposited in a special fund to be  
23 created by such county separate and apart from any other funds and  
24 accounts of the county. Any and all remaining net collections from such  
25 additional one percent tax, after the Medicaid expenses are paid, shall  
26 be deposited by the county of Niagara in the general fund of such county  
27 for any county purpose.

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

31 § 1262-o. Disposition of net collections from the additional rate of  
32 sales and compensating use taxes in the county of Chautauqua. [Notwith-  
33 standing any contrary provision of law, if the county of Chautauqua  
34 imposes the additional one and one-quarter percent rate of sales and  
35 compensating use taxes authorized by section twelve hundred ten of this  
36 article for all or any portion of the period beginning March first, two  
37 thousand five and ending August thirty-first, two thousand six, the  
38 additional one percent rate authorized by such section for all or any of  
39 the period beginning September first, two thousand six and ending Novem-  
40 ber thirtieth, two thousand seven, the additional three-quarters of one  
41 percent rate authorized by such section for all or any of the period  
42 beginning December first, two thousand seven and ending November thirti-  
43 eth, two thousand ten, the county shall allocate one-fifth of the net  
44 collections from the additional three-quarters of one percent to the  
45 cities, towns and villages in the county on the basis of their respec-  
46 tive populations, determined in accordance with the latest decennial  
47 federal census or special population census taken pursuant to section  
48 twenty of the general municipal law completed and published prior to the  
49 end of the quarter for which the allocation is made, and allocate the  
50 remainder of the net collections from the additional three-quarters of  
51 one percent as follows: (1) to pay the county's expenses for Medicaid  
52 and other expenses required by law; (2) to pay for local road and bridge  
53 projects; (3) for the purposes of capital projects and repaying any  
54 debts incurred for such capital projects in the county of Chautauqua  
55 that are not otherwise paid for by revenue received from the mortgage  
56 recording tax; and (4) for deposit into a reserve fund for bonded

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

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

47 § 1262-p. Disposition of net collections from the additional one  
48 percent rate of sales and compensating use taxes in the county of  
49 Livingston. Notwithstanding any contrary provision of law, if the coun-  
50 ty of Livingston imposes the additional one percent rate of sales and  
51 compensating use taxes authorized by section twelve hundred ten of this  
52 article for all or any portion of [the] any period beginning on or after  
53 June first, two thousand three [and ending November thirtieth, two thou-  
54 sand twenty-three], the county shall use all net collections from such  
55 additional one percent rate to pay the county's expenses for Medicaid.  
56 The net collections from the additional one percent rate imposed pursu-

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

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

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

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

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

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

40 (1) Notwithstanding any contrary provision of law, if the county of  
41 Ontario imposes the additional one-eighth of one percent and the addi-  
42 tional three-eighths of one percent rates of tax authorized pursuant to  
43 clause two of subparagraph (i) of the opening paragraph of section  
44 twelve hundred ten of this article, net collections from such additional  
45 three-eighths of one percent rate of such taxes shall be set aside for  
46 county purposes and shall not be subject to any agreement entered into  
47 by the county and the cities in the county pursuant to the authority of  
48 subdivision (c) of section twelve hundred sixty-two of this part or this  
49 section.

50 (2) Notwithstanding the provisions of subdivision (c) of section  
51 twelve hundred sixty-two of this part to the contrary, if the cities of  
52 Canandaigua and Geneva in the county of Ontario do not impose sales and  
53 compensating use taxes pursuant to the authority of section twelve  
54 hundred ten of this article and such cities and county enter into an  
55 agreement pursuant to the authority of subdivision (c) of section twelve

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

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

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

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

30 § 1262-t. City of Yonkers - disposition of net collections from the  
31 additional one-half of one percent rate of sales and compensating use  
32 taxes in the city of Yonkers. Notwithstanding any provision of law to  
33 the contrary, if the city of Yonkers imposes the additional one-half of  
34 one percent rate of sales and compensating use taxes authorized by [item  
35 (b) of clause one of] subparagraph (ii) of the opening paragraph of  
36 section twelve hundred ten of this article, the city shall use the net  
37 collections from such additional one-half of one percent rate solely for  
38 the support of education, unless the city council votes, on an annual  
39 basis, to use such net collections for a different purpose of the city,  
40 provided, however, that the requirements of paragraph b of subdivision  
41 five-b of section two thousand five hundred seventy-six of the education  
42 law are met.

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

45 § 1262-w. Disposition of net collections from the additional rate of  
46 sales and compensating use tax in Clinton county. Notwithstanding any  
47 contrary provision of law, if the county of Clinton imposes the addi-  
48 tional one percent rate of sales and compensating use taxes authorized  
49 pursuant to clause two of subparagraph (i) of the opening paragraph of  
50 section twelve hundred ten of this article, net collections from such  
51 additional rate shall be paid to the county and the county shall set  
52 aside such net collections and use them solely for county purposes. Such  
53 net collections shall not be subject to any revenue distribution agree-  
54 ment entered into by the county and the city in the county pursuant to  
55 the authority of subdivision (c) of section twelve hundred sixty-two of  
56 this part.

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

3 § 1262-x. Allocation and distribution of net collections from the  
4 additional one percent rate of sales and compensating use taxes in West-  
5 chester county. Notwithstanding any provision of law to the contrary,  
6 if the county of Westchester imposes the additional one percent rate of  
7 sales and compensating use tax authorized by section twelve hundred ten  
8 of this article, the county shall allocate and credit or pay net  
9 collections from such additional one percent rate with respect to the  
10 area of the county outside any city imposing sales and compensating use  
11 taxes at a rate of one and one-half percent or greater pursuant to the  
12 authority of subdivision (a) or at any rate pursuant to the authority of  
13 subdivision (b) of section twelve hundred ten of this article as  
14 follows:

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

17 (2) Ten percent of such net collections shall be allocated and paid  
18 quarterly by the county commissioner of finance, in cash, to the several  
19 school districts in such area of the county outside any such city impos-  
20 ing sales and compensating use taxes. Such allocation and payment, to  
21 such several school districts, shall be made on the basis of the ratio  
22 which the population of each such school district bears to the aggregate  
23 population of all of the school districts in such area. In the case of  
24 school districts which are partially within and partially without the  
25 county, or partially within or partially without the area of the county  
26 outside a city imposing sales and compensating use taxes, the allocation  
27 and payment to each such school district shall be made on the basis of  
28 the population in such school district in the county, or in such area of  
29 the county outside a city imposing sales and compensating use taxes, as  
30 the case may be. Such populations shall be determined in accordance with  
31 the latest federal census or special population census under section  
32 twenty of the general municipal law completed and published prior to the  
33 end of the quarter in which such allocation and payment are made, which  
34 special population census shall include the entire area of the county;  
35 provided that such special population census shall not be taken more  
36 than once in every two years. A school district split between Westches-  
37 ter county and another county shall apply such allocation and payment  
38 solely to the benefit of the residents of the county in which the sales  
39 and compensating use taxes are imposed.

40 (3) Twenty percent of such net collections shall be allocated and paid  
41 quarterly by the county commissioner of finance, in cash, to the cities  
42 not imposing sales and compensating use taxes and to the towns and  
43 villages on which such rate is imposed, on the basis of the ratio which  
44 the population of each such city, town or village on which such rate is  
45 imposed bears to the entire population of all such cities, towns and  
46 villages in the area on which such rate is imposed. Such populations  
47 shall be determined in accordance with the latest federal census or  
48 special population census under section twenty of the general municipal  
49 law completed and published prior to the end of the quarter in which  
50 such allocation is made, which special population census shall include  
51 the entire area of the county; provided that such special population  
52 census shall not be taken more than once in every two years.

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

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

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

11 § 1265. References to certain provisions authorizing additional rates.  
12 Notwithstanding any provision of law to the contrary, any reference in  
13 any section of this chapter or other law, or in any local law, ordi-  
14 nance, or resolution adopted pursuant to the authority of this article,  
15 to net collections or revenues from a tax imposed by a county or city  
16 pursuant to the authority of a clause, or to a subclause of a clause, of  
17 subparagraph (i) or (ii) of the opening paragraph of section twelve  
18 hundred ten of this article repealed by section one or two of a part of  
19 the chapter of the laws of two thousand twenty-three that added this  
20 section or pursuant to section twelve hundred ten-E of this article  
21 repealed by section five of such part shall be deemed to be a reference  
22 to net collections or revenues from a tax imposed by that county or city  
23 pursuant to the authority of the equivalent provision of clause two of  
24 subparagraph (i) or to subparagraph (ii) of the opening paragraph of  
25 such section twelve hundred ten as added by such section one or two of  
26 such part of the chapter of the laws of two thousand twenty-three.

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

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

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

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

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

49 § 2. Notwithstanding the provisions of subdivisions (b) and (c) of  
50 section 1262 and section 1262-g of the tax law, net collections, as such  
51 term is defined in section 1262 of the tax law, derived from the imposi-  
52 tion of sales and compensating use taxes by the county of Monroe at the  
53 additional rate of one percent as authorized pursuant to [clause (25) of  
54 subparagraph (i) of the opening paragraph of] section 1210 of the tax  
55 law[, as amended by section one of this act,] which are in addition to  
56 the current net collections derived from the imposition of such taxes at

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

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

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

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

49 § 2. Notwithstanding subdivision (c) of section 1262 of the tax law,  
50 net collections from any additional rate of sales and compensating use  
51 taxes which may be imposed by the county of Orange [during the] for any  
52 period commencing on or after December 1, 2020, [and ending November 30,  
53 2023,] pursuant to the authority of section 1210 of the tax law, shall  
54 be paid to the county of Orange and shall be used by such county solely  
55 for county purposes and shall not be subject to any revenue distribution

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

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

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

16 § 33. This act shall take effect immediately.

17

#### PART P

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

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

22 § 3. This act shall take effect immediately.

23

#### PART Q

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

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

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

36 5. Upon each sale of Diesel motor fuel, other than a sale that is  
37 otherwise exempt under this article, the distributor must charge the tax  
38 imposed by this article to the purchaser on each gallon sold. If the  
39 taxes imposed by this article have not already been assumed or paid by a  
40 distributor on any quantity of such fuel for any reason, including, but  
41 not limited to, the expansion of such fuel as a result of temperature  
42 fluctuation, the distributor must remit such taxes to the commissioner  
43 on the return for the period in which such sale was made.

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

46 (j) Every petroleum business subject to tax under this article that is  
47 also a distributor, as defined in section two hundred eighty-two of this  
48 chapter, must charge the tax imposed by this article to the purchaser on  
49 each gallon sold, unless otherwise exempt. If the taxes imposed by this  
50 article have not already been assumed or paid by such petroleum business  
51 on any quantity of such fuel for any reason, including, but not limited  
52 to, the expansion of such fuel as a result of temperature fluctuation,



1 such petroleum business must remit such taxes to the commissioner on the  
2 return for the period in which such sale was made.

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

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

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

15

## PART R

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

19 (B) Until May [thirty first] thirty-first, two thousand [twenty-three]  
20 twenty-four, the food and drink excluded from the exemption provided by  
21 clauses (i), (ii) and (iii) of subparagraph (A) of this paragraph, and  
22 bottled water, shall be exempt under this subparagraph: (i) when sold  
23 for one dollar and fifty cents or less through any vending machine oper-  
24 ated by a participant in the "business enterprise program", as such term  
25 is defined in paragraph two of subdivision a of section eleven-a of  
26 chapter four hundred fifteen of the laws of nineteen hundred thirteen  
27 that accepts coin or currency only; or (ii) when sold for two dollars or  
28 less through any vending machine operated by such a participant that  
29 accepts any form of payment other than coin or currency, whether or not  
30 it also accepts coin or currency.

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

32

## PART S

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

36 1. There is hereby imposed and shall be paid a tax on all cigarettes  
37 possessed in the state by any person for sale, except that no tax shall  
38 be imposed on cigarettes sold under such circumstances that this state  
39 is without power to impose such tax, including sales to qualified Indi-  
40 ans for their own use and consumption on their nations' or tribes' qual-  
41 ified reservation, or sold to the United States or sold to or by a  
42 voluntary unincorporated organization of the armed forces of the United  
43 States operating a place for the sale of goods pursuant to regulations  
44 promulgated by the appropriate executive agency of the United States, to  
45 the extent provided in such regulations and policy statements of such an  
46 agency applicable to such sales. The tax imposed by this section is  
47 imposed on all cigarettes sold on an Indian reservation to non-members  
48 of the Indian nation or tribe and to non-Indians and evidence of such  
49 tax shall be by means of an affixed cigarette tax stamp. Indian nations  
50 or tribes may elect to participate in the Indian tax exemption coupon  
51 system established in section four hundred seventy-one-e of this article  
52 which provides a mechanism for the collection of the tax imposed by this

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

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

23 § 471-a. Use tax on cigarettes. There is hereby imposed and shall be  
24 paid a tax on all cigarettes used in the state by any person, except  
25 that no tax shall be imposed (1) if the tax provided in section four  
26 hundred seventy-one of this article is paid, (2) on the use of ciga-  
27 rettes which are exempt from the tax imposed by said section, or (3) on  
28 the use of four hundred or less cigarettes, brought into the state on,  
29 or in the possession of, any person. Such tax on cigarettes shall be at  
30 the rate of [four] five dollars and thirty-five cents for each twenty  
31 cigarettes or fraction thereof, provided, however, that if a package of  
32 cigarettes contains more than twenty cigarettes, the rate of tax on the  
33 cigarettes in such package in excess of twenty shall be one dollar and  
34 [eight] thirty-three and three-quarters cents for each five cigarettes  
35 or fraction thereof. Within twenty-four hours after liability for the  
36 tax accrues, each such person shall file with the commissioner a return  
37 in such form as the commissioner may prescribe together with a remit-  
38 tance of the tax shown to be due thereon. For purposes of this article,  
39 the word "use" means the exercise of any right or power actual or  
40 constructive and shall include but is not limited to the receipt, stor-  
41 age or any keeping or retention for any length of time, but shall not  
42 include possession for sale. All other provisions of this article if not  
43 inconsistent shall apply to the administration and enforcement of the  
44 tax imposed by this section in the same manner as if the language of  
45 said provisions had been incorporated in full into this section.

46 § 3. Notwithstanding any other provision of law to the contrary, the  
47 tax due on cigarettes possessed in New York state as of the close of  
48 business on August 31, 2023, by any person for sale solely attributable  
49 to the increase imposed by the amendments to section 471 of the tax law,  
50 as amended by section one of this act, shall be paid by November 20,  
51 2023, subject to such terms and conditions as the commissioner of taxa-  
52 tion and finance shall prescribe.

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

1

## PART T

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

4 4. (a) At the time of delivering cigarettes to any person each agent  
5 or wholesale dealer, and at the time of delivering tobacco products to  
6 any person each distributor or wholesale dealer of tobacco products,  
7 shall make a true duplicate invoice showing the date of delivery, the  
8 number of packages and number of cigarettes contained therein, in each  
9 shipment of cigarettes delivered, and the items and quantity and whole-  
10 sale price of each item in each shipment of tobacco products delivered,  
11 and the name of the purchaser to whom delivery is made, and shall retain  
12 the same for a period of three years subject to the use and inspection  
13 of the commissioner [of taxation and finance]. Each dealer shall procure  
14 and retain invoices showing the number of packages and number of ciga-  
15 rettes contained therein, in each shipment of cigarettes received by him  
16 or her, and the items and quantity and wholesale price of each item in  
17 each shipment of tobacco products received by him or her, the date ther-  
18 eof, and the name of the shipper, and shall retain the same for a period  
19 of three years subject to the use and inspection of the commissioner [of  
20 taxation and finance]. The commissioner [of taxation and finance] by  
21 regulation may provide that whenever cigarettes or tobacco products are  
22 shipped into the state, the railroad company, express company, trucking  
23 company or other public carrier transporting any shipment thereof shall  
24 file with the commissioner [of taxation and finance] a copy of the  
25 freight bill within ten days after the delivery in the state of each  
26 shipment. All dealers shall maintain and keep for a period of three  
27 years such other records of cigarettes or tobacco products received,  
28 sold or delivered within the state as may be required by the commission-  
29 er [of taxation and finance]. The commissioner [of taxation and finance]  
30 is hereby authorized to examine the books, papers, invoices and other  
31 records of any person in possession, control or occupancy of any prem-  
32 ises where cigarettes or tobacco products are placed, stored, sold or  
33 offered for sale, and the equipment of any such person pertaining to the  
34 stamping of cigarettes or the sale and delivery of cigarettes or tobacco  
35 products taxable under this article, as well as the stock of cigarettes  
36 or tobacco products in any such premises or vehicle. To verify the accu-  
37 racy of the tax imposed and assessed by this article, each such person  
38 is hereby directed and required to give to the commissioner [of taxation  
39 and finance] or his or her duly authorized representatives, the means,  
40 facilities and opportunity for such examinations as are herein provided  
41 for and required.

42 (b) If a retail dealer, or its employees or agents, refuses to give  
43 the commissioner or his or her duly authorized representatives, the  
44 means, facilities and opportunity for such examinations as are required  
45 and provided for by this section: (i) its registration to sell ciga-  
46 rettes and tobacco products shall be revoked for a period of one year;  
47 (ii) for a second such failure within a period of three years, its  
48 registration shall be permanently revoked. If such retail dealer does  
49 not possess a valid registration, either because it failed to obtain a  
50 registration or its registration is suspended or revoked at the time of  
51 such refusal, the retail dealer shall be subject to a penalty of up to  
52 five thousand dollars for a first refusal and up to ten thousand dollars  
53 for a second refusal within three years.

54 § 2. This act shall take effect immediately.

1

## PART U

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

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

17 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section  
18 1201 of the tax law, as amended by section 2 of item UUU of subpart B of  
19 part XXX of chapter 58 of the laws of 2020, is amended to read as  
20 follows:

21 (2) any issuance or transfer of an interest in a REIT, or in a part-  
22 nership or corporation in which a REIT owns a controlling interest imme-  
23 diately following the issuance or transfer, in connection with a trans-  
24 action described in subparagraph one of this paragraph. Notwithstanding  
25 the foregoing, a transaction described in the preceding sentence shall  
26 not constitute a real estate investment trust transfer unless (A) it  
27 occurs in connection with the initial formation of the REIT and the  
28 conditions described in subparagraphs three and four of this paragraph  
29 are satisfied, or (B) in the case of any real estate investment trust  
30 transfer occurring on or after July thirteenth, nineteen hundred nine-  
31 ty-six and before September first, two thousand [twenty-three] twenty-  
32 six, the transaction is described in subparagraph five of this paragraph  
33 in which case the provisions of such subparagraph shall apply.

34 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section  
35 11-2102 of the administrative code of the city of New York, as amended  
36 by section 3 of item UUU of subpart B of part XXX of chapter 58 of the  
37 laws of 2020, is amended to read as follows:

38 (B) any issuance or transfer of an interest in a REIT, or in a part-  
39 nership or corporation in which a REIT owns a controlling interest imme-  
40 diately following the issuance or transfer in connection with a trans-  
41 action described in subparagraph (A) of this paragraph. Notwithstanding  
42 the foregoing, a transaction described in the preceding sentence shall  
43 not constitute a real estate investment trust transfer unless (i) it  
44 occurs in connection with the initial formation of the REIT and the  
45 conditions described in subparagraphs (C) and (D) of this paragraph are  
46 satisfied, or (ii) in the case of any real estate investment trust  
47 transfer occurring on or after July thirteenth, nineteen hundred nine-  
48 ty-six and before September first, two thousand [twenty-three] twenty-  
49 six, the transaction is described in subparagraph (E) of this paragraph  
50 in which case the provision of such subparagraph shall apply.

51 § 4. This act shall take effect immediately.

52

## PART V



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

3 § 2016. Judicial review. A decision of the tax appeals tribunal, which  
4 is not subject to any further administrative review, shall finally and  
5 irrevocably decide all the issues which were raised in proceedings  
6 before the division of tax appeals upon which such decision is based  
7 unless, within four months after notice of such decision is served by  
8 the tax appeals tribunal upon every party to the proceeding before such  
9 tribunal by certified mail or personal service, the petitioner who  
10 commenced the proceeding [petitions] or the commissioner, or both, peti-  
11 tion for judicial review in the manner provided by article seventy-eight  
12 of the civil practice law and rules, except as otherwise provided in  
13 this [section] chapter. Such service by certified mail shall be  
14 complete upon deposit of such notice, enclosed in a post-paid properly  
15 addressed wrapper, in a post office or official depository under the  
16 exclusive care and custody of the United States postal service. [The]  
17 Where the petitioner who commenced the proceeding before the division of  
18 tax appeals files a petition for judicial review, the petition shall  
19 designate the tax appeals tribunal and the commissioner [of taxation and  
20 finance] as respondents in the proceeding for judicial review. Where  
21 the commissioner files a petition for judicial review, the petition  
22 shall designate the tax appeals tribunal and the petitioner who  
23 commenced the proceeding before the division of tax appeals as respond-  
24 ents in the proceeding for judicial review. The tax appeals tribunal  
25 shall not participate in proceedings for judicial review of its deci-  
26 sions and such proceedings for judicial review shall be commenced in the  
27 appellate division of the supreme court, third department. In all other  
28 respects the provisions and standards of article seventy-eight of the  
29 civil practice law and rules shall apply. The record to be reviewed in  
30 such proceedings for judicial review shall include the determination of  
31 the administrative law judge, the decision of the tax appeals tribunal,  
32 the stenographic transcript of the hearing before the administrative law  
33 judge, the transcript of any oral proceedings before the tax appeals  
34 tribunal and any exhibit or document submitted into evidence at any  
35 proceeding in the division of tax appeals upon which such decision is  
36 based.

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

40

## PART W

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

44 1. All moneys received by the commissioner of taxation and finance on  
45 account of the state, excepting such moneys as are required by law to be  
46 deposited to the credit of the comptroller, but including such moneys as  
47 are thereafter paid into the state treasury by the comptroller, shall be  
48 deposited by the commissioner of taxation and finance within three busi-  
49 ness days after the receipt thereof, either as a demand deposit or an  
50 interest-bearing time deposit (other than a time certificate of depos-  
51 it), as [he] the commissioner and the comptroller may determine, in such  
52 banks, trust companies and industrial banks as in [his] the opinion of  
53 the commissioner and the opinion of the comptroller are secure. The  
54 moneys so deposited shall be placed to the account of the commissioner



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

20 § 2. This act shall take effect immediately.

21

#### PART X

22 Section 1. Legislative findings. The legislature finds that it is in  
23 the interests of the state to assist The New York Racing Association,  
24 Inc., which is the franchised corporation pursuant to section two  
25 hundred six of the racing, pari-mutuel wagering and breeding law, to  
26 renovate Belmont Park racetrack and repurpose the Aqueduct property.  
27 The legislature further finds and determines that the anticipated cost  
28 of renovating Belmont Park racetrack is four hundred fifty-five million  
29 dollars and that the renovation of Belmont Park racetrack shall initial-  
30 ly be financed by the state subject to the provisions of the repayment  
31 agreement of the franchised corporation required by section two of this  
32 act. The franchised corporation will be responsible for repayment of the  
33 state funds in accordance with the terms of such repayment agreement.

34 § 2. Prior to, and as a condition to the state initially providing  
35 funds for the renovation of Belmont Park racetrack, the franchised  
36 corporation shall enter into a repayment agreement with the state  
37 authorizing and directing that a portion of the funds of the franchised  
38 corporation dedicated for capital expenditures of the franchised corpo-  
39 ration pursuant to paragraph 3 of subdivision f and paragraph 3 of  
40 subdivision f-1 of section 1612 of the tax law shall be used to repay  
41 the state for the funds provided by the state for the renovation of  
42 Belmont Park racetrack, in accordance with the repayment agreement  
43 between the state and the franchised corporation. Such agreement shall  
44 further provide that in the event the franchised corporation receives  
45 future statutory payments enacted for the specific purpose of holding  
46 the franchised corporation harmless for any loss of payments pursuant to  
47 paragraph 3 of subdivision f and paragraph 3 of subdivision f-1 of  
48 section 1612 of the tax law, such statutory payments shall also be used  
49 to repay the state for the funds provided by the state for the reno-  
50 vation of Belmont Park racetrack. Such agreement may also be amended  
51 from time to time as agreed to by the state and the franchised corpo-  
52 ration. At any time prior to the repayment of the state funds for the  
53 renovation of Belmont Park racetrack, the state may issue state personal  
54 income tax revenue bonds or state sales tax revenue bonds. In the event



1 of the issuance of such bonds, the repayment agreement shall be revised  
2 to reflect the obligation of the franchised corporation to fully repay  
3 the debt service costs associated with such bonds.

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

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

18 § 5. The opening paragraph of paragraph 3 of subdivision f of section  
19 1612 of the tax law is designated subparagraph (i) and a new subpara-  
20 graph (ii) is added to read as follows:

21 (ii) Notwithstanding subparagraph (i) of this paragraph, in the event  
22 the state provides funds to the franchised corporation for the reno-  
23 vation of Belmont Park racetrack, out of the amount payable to the fran-  
24 chised corporation for capital expenditures pursuant to subparagraph (i)  
25 of this paragraph during any state fiscal year, an amount pursuant to  
26 the repayment agreement between the state and the franchised corporation  
27 shall instead be deposited into the miscellaneous capital projects fund,  
28 New York racing capital improvement fund as required to repay the state  
29 for funds provided for the renovation of Belmont Park racetrack. Any  
30 amount payable to the franchised corporation in any state fiscal year  
31 for capital expenditures pursuant to subparagraph (i) of this paragraph  
32 in excess of the amount pursuant to the repayment agreement between  
33 the state and the franchised corporation shall be deposited pursuant to  
34 subparagraph (i) of this paragraph. Once the state has been fully reim-  
35 bursed for the costs related to the renovation of Belmont Park race-  
36 track, this subparagraph shall no longer apply and subparagraph (i) of  
37 this paragraph shall apply.

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

41 (ii) Notwithstanding subparagraph (i) of this paragraph, in the event  
42 the state provides funds to the franchised corporation for the reno-  
43 vation of Belmont Park racetrack, and in the event the amount deposited  
44 pursuant to subparagraph (ii) of paragraph three of subdivision f of  
45 this section is insufficient to make the required repayment pursuant to  
46 such subparagraph during any state fiscal year, an amount payable to the  
47 franchised corporation for capital expenditures pursuant to subparagraph  
48 (i) of this paragraph shall instead be deposited into the miscellaneous  
49 capital projects fund, New York racing capital improvement fund to the  
50 extent necessary, when combined with the amount set forth in subpara-  
51 graph (ii) of paragraph three of subdivision f of this section, to make  
52 any required repayment of funds provided by the state related to the  
53 renovation of Belmont Park racetrack during such fiscal year. Any amount  
54 payable to the franchised corporation in any state fiscal year for capi-  
55 tal expenditures pursuant to subparagraph (i) of this paragraph in  
56 excess of the amount pursuant to the repayment agreement between the

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

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

10 § 8. 1. Notwithstanding any other provisions of law to the contrary,  
11 the dormitory authority, the urban development corporation, and the New  
12 York state thruway authority are hereby authorized to issue personal  
13 income tax revenue bonds or notes or state sales tax revenue bonds or  
14 notes in one or more series in an aggregate principal amount not to  
15 exceed four hundred fifty-five million dollars (\$455,000,000) excluding  
16 bonds or notes issued to pay costs of issuance of such bonds or notes  
17 and bonds or notes issued to refund or otherwise repay such bonds or  
18 notes previously issued, for the purpose of financing the renovation of  
19 Belmont Park racetrack.

20 2. Notwithstanding any other provision of law to the contrary, in  
21 order to assist the dormitory authority, urban development corporation,  
22 and the New York state thruway authority in undertaking the financing  
23 for the renovation of Belmont Park racetrack, the director of the budget  
24 is hereby authorized to enter into one or more financing agreements with  
25 the dormitory authority, the urban development corporation, and the New  
26 York state thruway authority, upon such terms and conditions as the  
27 director of the budget and the dormitory authority, the urban develop-  
28 ment corporation and the New York state thruway authority agree, so as  
29 to annually provide to the dormitory authority, the urban development  
30 corporation, and the New York state thruway authority, in the aggregate,  
31 a sum not to exceed the principal, interest, and related expenses  
32 required for such bonds and notes. Any financing agreement entered into  
33 pursuant to this section shall provide that the obligation of the state  
34 to pay the amount therein provided shall not constitute a debt of the  
35 state within the meaning of any constitutional or statutory provision  
36 and shall be deemed executory only to the extent of monies available and  
37 that no liability shall be incurred by the state beyond the monies  
38 available for such purpose, subject to annual appropriation by the  
39 legislature. Any such contract or any payments made or to be made there-  
40 under may be assigned and pledged by the dormitory authority, the urban  
41 development corporation, and the New York state thruway authority as  
42 security for such bonds and notes, as authorized by this section.

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

50 § 10. This act shall take effect immediately.

51

#### PART Y

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

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

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

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

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

14 (I) a commercial bowling establishment, or

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

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

26 § 2. This act shall take effect immediately.

27

#### PART Z

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

30 § 502-a. Closure of Catskill regional off-track betting corporation.

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

35 2. Catskill regional off-track betting corporation shall continue in  
36 its existence solely for the purpose of satisfying all outstanding debts  
37 and obligations and distribution of any remaining assets, taking into  
38 account the priority requirements of subdivision two of section five  
39 hundred six and subdivision two of section five hundred sixteen of this  
40 article. Such corporation shall submit a list of all outstanding debts  
41 and obligations to the commission and a plan proposing the order in  
42 which such debts and obligations shall be satisfied. The commission  
43 shall approve or modify such plan. Once all debts and obligations are  
44 satisfied or all available funds have been exhausted, and any remaining  
45 assets are distributed, such corporation shall be terminated for all  
46 purposes. Such corporation may use the following to satisfy its exist-  
47 ing debts and obligations:

48 (a) in accordance with subdivision four of section five hundred nine  
49 of this article, any remaining money in such corporation's capital  
50 reserve fund, after use of such funds for payment of the principal of  
51 bonds, interest on such bonds and the payment of any redemption premium  
52 required, as set forth in such section; and

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



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

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

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

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

36 4. As of April first, two thousand twenty-three, Catskill regional  
37 off-track betting corporation may use any remaining money in its capital  
38 acquisition fund to pay off any outstanding debts and obligations in  
39 accordance with the commission-approved plan described in subdivision  
40 two of section five hundred two-a of this article. The use of such money  
41 shall be subject to the approval of the commission and shall not be used  
42 to pay the wages and benefits of employees of such corporation until all  
43 other debts and obligations have been satisfied. Any money remaining in  
44 the fund after such debts and obligations have been paid upon termi-  
45 nation of such corporation shall be distributed to the counties in  
46 accordance with law.

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

49 9. Notwithstanding any other provision of this article to the contra-  
50 ry, a county for whose benefit Catskill regional off-track betting  
51 corporation had been established may enter into an agreement with an  
52 existing off-track betting corporation from a different region to  
53 provide the services authorized under this article within such county.

54 § 5. This act shall take effect immediately.

1 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel  
2 wagering and breeding law, as amended by section 1 of part DD of chapter  
3 59 of the laws of 2022, is amended to read as follows:

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

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

25 c. Notwithstanding any other provision of law or regulation to the  
26 contrary, from April first, two thousand twenty-three to March thirty-  
27 first, two thousand twenty-four, twenty-three percent of the funds, not  
28 to exceed four hundred forty thousand dollars, in the Capital off-track  
29 betting corporation's capital acquisition fund established pursuant to  
30 this section, shall be available to such off-track betting corporation  
31 for the purposes of statutory obligations, payroll, and expenditures  
32 necessary to accept authorized wagers.

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

41 § 2. This act shall take effect immediately.

42

#### PART BB

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

47 (a) Any racing association or corporation or regional off-track  
48 betting corporation, authorized to conduct pari-mutuel wagering under  
49 this chapter, desiring to display the simulcast of horse races on which  
50 pari-mutuel betting shall be permitted in the manner and subject to the  
51 conditions provided for in this article may apply to the commission for  
52 a license so to do. Applications for licenses shall be in such form as  
53 may be prescribed by the commission and shall contain such information  
54 or other material or evidence as the commission may require. No license

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

47 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
48 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
49 section 2 of part EE of chapter 59 of the laws of 2022, is amended to  
50 read as follows:

51 (iii) Of the sums retained by a receiving track located in Westchester  
52 county on races received from a franchised corporation, for the period  
53 commencing January first, two thousand eight and continuing through June  
54 thirtieth, two thousand [twenty-three] twenty-four, the amount used  
55 exclusively for purses to be awarded at races conducted by such receiv-  
56 ing track shall be computed as follows: of the sums so retained, two and

1 one-half percent of the total pools. Such amount shall be increased or  
2 decreased in the amount of fifty percent of the difference in total  
3 commissions determined by comparing the total commissions available  
4 after July twenty-first, nineteen hundred ninety-five to the total  
5 commissions that would have been available to such track prior to July  
6 twenty-first, nineteen hundred ninety-five.

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

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

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

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

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

41 The provisions of this section shall govern the simulcasting of races  
42 conducted at thoroughbred tracks located in another state or country on  
43 any day during which a franchised corporation is not conducting a race  
44 meeting in Saratoga county at Saratoga thoroughbred racetrack until June  
45 thirtieth, two thousand [twenty-three] twenty-four. Every off-track  
46 betting corporation branch office and every simulcasting facility  
47 licensed in accordance with section one thousand seven that have entered  
48 into a written agreement with such facility's representative horsemen's  
49 organization as approved by the commission, one thousand eight or one  
50 thousand nine of this article shall be authorized to accept wagers and  
51 display the live full-card simulcast signal of thoroughbred tracks  
52 (which may include quarter horse or mixed meetings provided that all  
53 such wagering on such races shall be construed to be thoroughbred races)  
54 located in another state or foreign country, subject to the following  
55 provisions; provided, however, no such written agreement shall be

1 required of a franchised corporation licensed in accordance with section  
2 one thousand seven of this article:

3 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
4 wagering and breeding law, as amended by section 6 of part EE of chapter  
5 59 of the laws of 2022, is amended to read as follows:

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

22 § 7. Section 32 of chapter 281 of the laws of 1994, amending the  
23 racing, pari-mutuel wagering and breeding law and other laws relating to  
24 simulcasting, as amended by section 7 of part EE of chapter 59 of the  
25 laws of 2022, is amended to read as follows:

26 § 32. This act shall take effect immediately and the pari-mutuel tax  
27 reductions in section six of this act shall expire and be deemed  
28 repealed on July 1, [2023] 2024; provided, however, that nothing  
29 contained herein shall be deemed to affect the application, qualifica-  
30 tion, expiration, or repeal of any provision of law amended by any  
31 section of this act, and such provisions shall be applied or qualified  
32 or shall expire or be deemed repealed in the same manner, to the same  
33 extent and on the same date as the case may be as otherwise provided by  
34 law; provided further, however, that sections twenty-three and twenty-  
35 five of this act shall remain in full force and effect only until May 1,  
36 1997 and at such time shall be deemed to be repealed.

37 § 8. Section 54 of chapter 346 of the laws of 1990, amending the  
38 racing, pari-mutuel wagering and breeding law and other laws relating to  
39 simulcasting and the imposition of certain taxes, as amended by section  
40 8 of part EE of chapter 59 of the laws of 2022, is amended to read as  
41 follows:

42 § 54. This act shall take effect immediately; provided, however,  
43 sections three through twelve of this act shall take effect on January  
44 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
45 ing law, as added by section thirty-eight of this act, shall expire and  
46 be deemed repealed on July 1, [2023] 2024; and section eighteen of this  
47 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
48 two of this act shall take effect as of the same date as chapter 772 of  
49 the laws of 1989 took effect.

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

53 (a) The franchised corporation authorized under this chapter to  
54 conduct pari-mutuel betting at a race meeting or races run thereat shall  
55 distribute all sums deposited in any pari-mutuel pool to the holders of  
56 winning tickets therein, provided such tickets are presented for payment

1 before April first of the year following the year of their purchase,  
2 less an amount that shall be established and retained by such franchised  
3 corporation of between twelve to seventeen percent of the total deposits  
4 in pools resulting from on-track regular bets, and fourteen to twenty-  
5 one percent of the total deposits in pools resulting from on-track  
6 multiple bets and fifteen to twenty-five percent of the total deposits  
7 in pools resulting from on-track exotic bets and fifteen to thirty-six  
8 percent of the total deposits in pools resulting from on-track super  
9 exotic bets, plus the breaks. The retention rate to be established is  
10 subject to the prior approval of the commission.

11 Such rate may not be changed more than once per calendar quarter to be  
12 effective on the first day of the calendar quarter. "Exotic bets" and  
13 "multiple bets" shall have the meanings set forth in section five  
14 hundred nineteen of this chapter. "Super exotic bets" shall have the  
15 meaning set forth in section three hundred one of this chapter. For  
16 purposes of this section, a "pick six bet" shall mean a single bet or  
17 wager on the outcomes of six races. The breaks are hereby defined as the  
18 odd cents over any multiple of five for payoffs greater than one dollar  
19 five cents but less than five dollars, over any multiple of ten for  
20 payoffs greater than five dollars but less than twenty-five dollars,  
21 over any multiple of twenty-five for payoffs greater than twenty-five  
22 dollars but less than two hundred fifty dollars, or over any multiple of  
23 fifty for payoffs over two hundred fifty dollars. Out of the amount so  
24 retained there shall be paid by such franchised corporation to the  
25 commissioner of taxation and finance, as a reasonable tax by the state  
26 for the privilege of conducting pari-mutuel betting on the races run at  
27 the race meetings held by such franchised corporation, the following  
28 percentages of the total pool for regular and multiple bets five percent  
29 of regular bets and four percent of multiple bets plus twenty percent of  
30 the breaks; for exotic wagers seven and one-half percent plus twenty  
31 percent of the breaks, and for super exotic bets seven and one-half  
32 percent plus fifty percent of the breaks.

33 For the period April first, two thousand one through December thirty-  
34 first, two thousand [twenty-three] twenty-four, such tax on all wagers  
35 shall be one and six-tenths percent, plus, in each such period, twenty  
36 percent of the breaks. Payment to the New York state thoroughbred breed-  
37 ing and development fund by such franchised corporation shall be one-  
38 half of one percent of total daily on-track pari-mutuel pools resulting  
39 from regular, multiple and exotic bets and three percent of super exotic  
40 bets and for the period April first, two thousand one through December  
41 thirty-first, two thousand [twenty-three] twenty-four, such payment  
42 shall be seven-tenths of one percent of regular, multiple and exotic  
43 pools.

44 § 10. This act shall take effect immediately.

45

#### PART CC

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

49 1-A. The term "New York S corporation" means, with respect to any  
50 taxable year, a federal S corporation [subject to tax under this article  
51 for which an election is in effect pursuant to] required to file as a  
52 New York S corporation pursuant to subsection (a) of section six hundred  
53 sixty of this chapter for such year, and any such year shall be denomi-  
54 nated a "New York S year", [and such election shall be denominated a

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

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

18 1-B. The term "QSSS" means a corporation which is a qualified subchap-  
19 ter S subsidiary as defined in subparagraph (B) of paragraph three of  
20 subsection (b) of section thirteen hundred sixty-one of the internal  
21 revenue code. [The term "exempt QSSS" means a QSSS exempt from tax under  
22 this article as provided in paragraph (k) of subdivision nine of this  
23 section, or a QSSS described in subclause (i) of clause (B) of subpara-  
24 graph two of paragraph (k) of subdivision nine of this section, wherein  
25 the parent corporation of the QSSS is subject to tax under this article,  
26 and the assets, liabilities, income and deductions of the QSSS are  
27 treated as the assets, liabilities, income and deductions of the parent  
28 corporation. Where a QSSS is an exempt QSSS, then for all purposes under  
29 this article] When the parent corporation of the QSSS is a New York S  
30 corporation:

31 (a) the assets, liabilities, income, deductions, property, payroll,  
32 receipts, capital, credits, and all other tax attributes and elements of  
33 economic activity of the QSSS shall be deemed to be those of the parent  
34 corporation,

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

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

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

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

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

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

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

51 (i) in determining the entire net income of such parent corporation,  
52 all assets, liabilities, income and deductions of the QSSS shall be  
53 treated as assets, liabilities, income and deductions of the parent  
54 corporation, and

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

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

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

8 (A) where the QSSS is a taxpayer,

9 (i) in determining the entire net income of such parent corporation,  
10 all assets, liabilities, income and deductions of the QSSS shall be  
11 treated as assets, liabilities, income and deductions of the parent  
12 corporation, and

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

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

16 (i) if the QSSS is not an excluded corporation, the parent corporation  
17 may make a QSSS inclusion election to include all assets, liabilities,  
18 income and deductions of the QSSS as assets, liabilities, income and  
19 deductions of the parent corporation, and

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

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

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

32 (B) For any taxable year for which such election is not in effect, the  
33 QSSS shall be a New York C corporation, and the entire net income of the  
34 QSSS shall be determined as if the federal QSSS election had not been  
35 made. For purposes of such determination, the taxable year of the parent  
36 corporation shall constitute the taxable year of the QSSS, excluding,  
37 however, any portion of such year during which the QSSS is not a taxpay-  
38 er.

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

43 (5)] (2) Excluded corporation. The term "excluded corporation" means a  
44 corporation subject to tax under sections one hundred eighty-three  
45 through one hundred eighty-six, inclusive, or article thirty-three of  
46 this chapter, or a foreign corporation not taxable by this state which,  
47 if it were taxable, would be subject to tax under any of such sections  
48 or article.

49 [(6)] (3) Taxpayer. For purposes of this paragraph, the term "taxpay-  
50 er" means a parent corporation or QSSS subject to tax under this arti-  
51 cle, determined without regard to the provisions of this paragraph.

52 [(7)] (4) QSSS inclusion election. The election under subclause (i) of  
53 clause (B) of subparagraph [two] one of this paragraph shall be effec-  
54 tive for the taxable year for which made and for all succeeding taxable  
55 years of the corporation until such election is terminated. An election

1 or termination shall be made on such form and in such manner as the  
2 commissioner may prescribe by regulation or instruction.

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

6 (A) In the case of a shareholder of an S corporation, (i) [where the  
7 election provided for in] except for when such S corporation is treated  
8 as a New York C corporation under subsection [(a)] (b) of section six  
9 hundred sixty of this chapter [is in effect with respect to such corpo-  
10 ration], there shall be added to federal unrelated business taxable  
11 income an amount equal to the shareholder's pro rata share of the corpo-  
12 ration's reductions for taxes described in paragraphs two and three of  
13 subsection (f) of section thirteen hundred sixty-six of the internal  
14 revenue code, and (ii) where such [election has not been made with  
15 respect to such corporation] S corporation is treated as a New York C  
16 corporation under subsection (b) of section six hundred sixty of this  
17 chapter, there shall be subtracted from federal unrelated business taxa-  
18 ble income any items of income of the corporation included therein, and  
19 there shall be added to federal unrelated business taxable income any  
20 items of loss or deduction included therein, and (iii) in the case of [a  
21 New York] an S termination year, the amount of any such items of S  
22 corporation income, loss, deduction and reductions for taxes shall be  
23 adjusted in the manner provided in paragraph two or three of subsection  
24 (s) of section six hundred twelve of this chapter.

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

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

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

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

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

44 (19) In the case of a shareholder of an S corporation (A) where [the  
45 election provided for in] such S corporation is treated as a New York C  
46 corporation under subsection [(a)] (b) of section six hundred sixty [has  
47 not been made with respect to such corporation] of this article, any  
48 item of loss or deduction of the corporation included in federal gross  
49 income pursuant to section thirteen hundred sixty-six of the internal  
50 revenue code, and (B) in the case of [a New York] an S termination year,  
51 subparagraph (A) of this paragraph shall apply to the amounts of loss or  
52 deduction determined under subsection (s) of this section.

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

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

17 § 8. Paragraph 22 of subsection (c) of section 612 of the tax law, as  
18 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended  
19 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by  
20 chapter 190 of the laws of 1990, is amended to read as follows:

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

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

31 § 9. The section heading and paragraph 1 of subsection (s) of section  
32 612 of the tax law, as amended by chapter 760 of the laws of 1992, is  
33 amended to read as follows:

34 (s) [New York] S termination year. (1) General. In the case of [a New  
35 York] an S termination year, the amount of any item of S corporation  
36 income, loss and deduction included in the shareholder's federal  
37 adjusted gross income and any reductions for taxes (as described in  
38 paragraphs two and three of subsection (f) of section thirteen hundred  
39 sixty-six of the internal revenue code) shall be adjusted in accordance  
40 with the treatment provided in paragraph two or three of this  
41 subsection.

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

45 (6) in the case of a shareholder of an S corporation  
46 (A) where [the election provided for in] such S corporation is treated  
47 as a New York C corporation under subsection [(a)] (b) of section six  
48 hundred sixty [has not been made] of this article, S corporation items  
49 of deduction included in federal itemized deductions, and

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

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

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

9 § 12. Subparagraph (E-1) of paragraph 1 of subsection (b) of section  
10 631 of the tax law, as added by section 3 of part C of chapter 57 of the  
11 laws of 2010, is amended to read as follows:

12 (E-1) in the case of an S corporation [for which an election is in  
13 effect pursuant] subject to subsection (a) of section six hundred sixty  
14 of this article that terminates its taxable status in New York, any  
15 income or gain recognized on the receipt of payments from an installment  
16 sale contract entered into when the S corporation was subject to tax in  
17 New York, allocated in a manner consistent with the applicable methods  
18 and rules for [allocation] apportionment under article nine-A or former  
19 article thirty-two of this chapter, in the year that the S corporation  
20 sold its assets.

21 § 13. The section heading and paragraph 2 of subsection (a) of section  
22 632 of the tax law, the section heading as amended by chapter 606 of the  
23 laws of 1984, and paragraph 2 of subsection (a) as amended by section 71  
24 of part A of chapter 59 of the laws of 2014, are amended to read as  
25 follows:

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

27 (2) In determining New York source income of a nonresident shareholder  
28 of [an] a New York S corporation [where the election provided for in  
29 subsection (a) of section six hundred sixty] as defined in subdivision  
30 one-A of section two hundred eight of [this article is in effect] this  
31 chapter, there shall be included only the portion derived from or  
32 connected with New York sources of such shareholder's pro rata share of  
33 items of S corporation income, loss and deduction entering into [his]  
34 such shareholder's federal adjusted gross income, increased by  
35 reductions for taxes described in paragraphs two and three of subsection  
36 (f) of section thirteen hundred sixty-six of the internal revenue code,  
37 as such portion shall be determined under regulations of the commission-  
38 er consistent with the applicable methods and rules for [allocation]  
39 apportionment under article nine-A of this chapter[, regardless of  
40 whether or not such item or reduction is included in entire net income  
41 under article nine-A for the tax year]. If a nonresident is a sharehold-  
42 er in [an] a New York S corporation [where the election provided for in  
43 subsection (a) of section six hundred sixty] as defined in subdivision  
44 one-A of section two hundred eight of [this article is in effect] this  
45 chapter, and the S corporation has distributed an installment obligation  
46 under section 453(h)(1)(A) of the Internal Revenue Code, then any gain  
47 recognized on the receipt of payments from the installment obligation  
48 for federal income tax purposes will be treated as New York source  
49 income allocated in a manner consistent with the applicable methods and  
50 rules for [allocation] apportionment under article nine-A of this chap-  
51 ter in the year that the assets were sold. In addition, if the share-  
52 holders of the S corporation have made an election under section  
53 338(h)(10) of the Internal Revenue Code, then any gain recognized on the  
54 deemed asset sale for federal income tax purposes will be treated as New  
55 York source income allocated in a manner consistent with the applicable  
56 methods and rules for [allocation] apportionment under article nine-A of

1 this chapter in the year that the shareholder made the section  
2 338(h)(10) election. For purposes of a section 338(h)(10) election, when  
3 a nonresident shareholder exchanges his or her S corporation stock as  
4 part of the deemed liquidation, any gain or loss recognized shall be  
5 treated as the disposition of an intangible asset and will not increase  
6 or offset any gain recognized on the deemed assets sale as a result of  
7 the section 338(h)(10) election.

8 § 14. Paragraph 2 and subparagraph (A) of paragraph 4 of subsection  
9 (c) of section 658 of the tax law, paragraph 2 as amended by chapter 190  
10 of the laws of 1990, and subparagraph (A) of paragraph 4 as amended by  
11 section 72 of part A of chapter 59 of the laws of 2014, are amended to  
12 read as follows:

13 (2) S corporations. Every S corporation [for which the election  
14 provided for in subsection (a) of section six hundred sixty is in  
15 effect] treated as a New York S corporation as defined in subdivision  
16 one-A of section two hundred eight of this chapter shall make a return  
17 for the taxable year setting forth all items of income, loss and  
18 deduction and such other pertinent information as the commissioner of  
19 taxation and finance may by regulations and instructions prescribe. Such  
20 return shall be filed on or before the fifteenth day of the third month  
21 following the close of each taxable year.

22 (A) General. Every entity which is a partnership, other than a public-  
23 ly traded partnership as defined in section 7704 of the federal Internal  
24 Revenue Code, subchapter K limited liability company or [an] a New York  
25 S corporation [for which the election provided for in subsection (a) of  
26 section six hundred sixty of this part is in effect] as defined in  
27 subdivision one-A of section two hundred eight of this chapter, which  
28 has partners, members or shareholders who are nonresident individuals,  
29 as defined under subsection (b) of section six hundred five of this  
30 article, or C corporations, and which has any income derived from New  
31 York sources, determined in accordance with the applicable rules of  
32 section six hundred thirty-one of this article as in the case of a  
33 nonresident individual, shall pay estimated tax on such income on behalf  
34 of such partners, members or shareholders in the manner and at the times  
35 prescribed by subsection (c) of section six hundred eighty-five of this  
36 article. For purposes of this paragraph, the term "estimated tax" shall  
37 mean a partner's, member's or shareholder's distributive share or pro  
38 rata share of the entity income derived from New York sources, multi-  
39 plied by the highest rate of tax prescribed by section six hundred one  
40 of this article for the taxable year of any partner, member or share-  
41 holder who is an individual taxpayer, or paragraph (a) of subdivision  
42 one of section two hundred ten of this chapter for the taxable year of  
43 any partner, member or shareholder which is a C corporation, whether or  
44 not such C corporation is subject to tax under article nine, nine-A or  
45 thirty-three of this chapter, and reduced by the distributive share or  
46 pro rata share of any credits determined under section one hundred  
47 eighty-seven, one hundred eighty-seven-a, six hundred six or fifteen  
48 hundred eleven of this chapter, whichever is applicable, derived from  
49 the entity.

50 § 15. Section 660 of the tax law, as amended by chapter 606 of the  
51 laws of 1984, subsections (a) and (h) as amended by section 73 of part A  
52 of chapter 59 of the laws of 2014, paragraph 3 of subsection (b) as  
53 amended by section 51, paragraphs 4 and 5 of subsection (b) as added and  
54 paragraph 6 of subsection (b) as renumbered by section 52 and  
55 subsections (e) and (f) as added and subsection (g) as relettered by  
56 section 53 of part A of chapter 389 of the laws of 1997, subsection (d)

1 as added by chapter 760 of the laws of 1992, subsection (i) as added by  
2 section 1 of part L of chapter 60 of the laws of 2007 and paragraph 1 of  
3 subsection (i) as amended by section 39 of part T of chapter 59 of the  
4 laws of 2015, is amended to read as follows:

5 § 660. [Election by shareholders of S corporations] Tax treatment of  
6 federal S corporations. (a) [Election.] If a corporation is an eligible  
7 S corporation, except for eligible S corporations treated as New York C  
8 corporations under subsection (b) of this section, the shareholders of  
9 the corporation [may elect in the manner set forth in subsection (b) of  
10 this section to] shall take into account, to the extent provided for in  
11 this article (or in article thirteen of this chapter, in the case of a  
12 shareholder which is a taxpayer under such article), the S corporation  
13 items of income, loss, deduction and reductions for taxes described in  
14 paragraphs two and three of subsection (f) of section thirteen hundred  
15 sixty-six of the internal revenue code which are taken into account for  
16 federal income tax purposes for the taxable year. [No election under  
17 this subsection shall be effective unless all shareholders of the corpo-  
18 ration have so elected.] An eligible S corporation is (i) [an S] a  
19 corporation [which] that has elected to be an S corporation for federal  
20 income tax purposes pursuant to section thirteen hundred sixty-two of  
21 the internal revenue code that is subject to tax under article nine-A of  
22 this chapter, or (ii) [an S] a corporation [which] that has elected to  
23 be an S corporation for federal income tax purposes pursuant to section  
24 thirteen hundred sixty-two of the internal revenue code that is not  
25 subject to tax under article nine-A of this chapter, or an excluded  
26 corporation, and is the parent of a qualified subchapter S subsidiary as  
27 defined in subparagraph (B) of paragraph three of subsection (b) of  
28 section thirteen hundred sixty-one of the internal revenue code subject  
29 to tax under article nine-A[, where the shareholders of such parent  
30 corporation are entitled to make the election under this subsection by  
31 reason of subparagraph three of paragraph (k) of subdivision nine of  
32 section two hundred eight] of this chapter. Except as provided in  
33 subsection (b) of this section, an eligible S corporation is a New York  
34 S corporation.

35 (b) [Requirements of election] Treatment of qualified New York  
36 manufacturers as New York C corporations. [An election] An eligible S  
37 corporation that meets the requirements of subparagraph (vi) of para-  
38 graph (a) of subdivision one of section two hundred ten of this chapter  
39 to be a qualified New York manufacturer may be treated as a New York C  
40 corporation subject to tax under article nine-A of this chapter. Treat-  
41 ment under this subsection [(a) of this section] as a New York C corpo-  
42 ration shall be made on such form and in such manner as the [tax commis-  
43 sion] commissioner may prescribe by regulation or instruction.

44 (1) [When made] Timing. [An election] To be treated under this  
45 subsection [(a) of this section] may be made at any time during the  
46 preceding taxable year of the corporation or at any time during the  
47 taxable year of the corporation and on or before the fifteenth day of  
48 the third month of such taxable year.

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

54 (A) on one or more days in such taxable year before the day on which  
55 the election was made the corporation did not meet the requirements of

1 subsection (b) of section thirteen hundred sixty-one of the internal  
2 revenue code or

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

6 (3) Elections made after first two and one-half months. If an election  
7 under subsection (a) of this section is made for any taxable year of the  
8 corporation and such election is made after the fifteenth day of the  
9 third month of such taxable year and on or before the fifteenth day of  
10 the third month of the following taxable year, such election shall be  
11 treated as made for the following taxable year.

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

16 (5) Authority to treat late elections, etc., as timely. If (A) an  
17 election under subsection (a) of this section is made for any taxable  
18 year (determined without regard to paragraph three of this subsection)  
19 after the date prescribed by this subsection for making such election  
20 for such taxable year, or if no such election is made for any taxable  
21 year, and

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

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

27 (6) Years for which effective. An election under subsection (a) of  
28 this section shall be effective for the taxable year of the corporation  
29 for which it is made and for all succeeding taxable years of the corpo-  
30 ration until such election is terminated under subsection (c) of this  
31 section.] as a New York C corporation for a taxable year, the corpo-  
32 ration shall file a report as a New York C corporation under article  
33 nine-A of this chapter for such year. Such treatment shall be effective  
34 as of the first day of the taxable year covered by such report.

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

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

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

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

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

52 (C) on and after the date so specified, if the revocation specifies a  
53 date for revocation which is on or after the day on which the revocation  
54 is made, or

55 (3) if any person who was not a shareholder of the corporation on the  
56 day on which the election is made becomes a shareholder in the corpo-

1 ration and affirmatively refuses to consent to such election in the  
2 manner the tax commission may prescribe by regulation, on the day such  
3 person becomes a shareholder] and, in such case, the corporation shall  
4 be treated as a New York C corporation subject to tax under article  
5 nine-A of this chapter.

6 (2) Treatment of a federal S corporation as a New York C corporation  
7 under subsection (b) of this section shall cease to be effective if the  
8 corporation no longer meets the requirements to be considered a quali-  
9 fied New York manufacturer under subparagraph (vi) of paragraph (a) of  
10 subdivision one of section two hundred ten of this chapter for the taxa-  
11 ble year, and in such case the corporation shall be treated as a New  
12 York S corporation subject to subsection (a) of this section.

13 (d) [New York] S termination year. In the case of [a New York] an S  
14 termination year, the amount of any item of S corporation income, loss  
15 and deduction and reductions for taxes (as described in paragraphs two  
16 and three of subsection (f) of section thirteen hundred sixty-six of the  
17 internal revenue code) required to be taken account of under this arti-  
18 cle shall be adjusted in the same manner that the S corporation's items  
19 which are included in the shareholder's federal adjusted gross income  
20 are adjusted under subsection (s) of section six hundred twelve.

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

26 (2) the commissioner determines that the circumstances resulting in  
27 such ineffectiveness were inadvertent,

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

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

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

44 (1) the assets, liabilities, income, deductions, property, payroll,  
45 receipts, capital, credits, and all other tax attributes and elements of  
46 economic activity of the subsidiary shall be deemed to be those of the  
47 parent corporation,

48 (2) transactions between the parent corporation and the subsidiary,  
49 including the payment of interest and dividends, shall not be taken into  
50 account, and

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

53 (f) Validated federal elections. If [(1) an election under subsection  
54 (a) of this section was made for a taxable year or years of a corpo-  
55 ration, which years occur with or within the period for which] the  
56 federal S election of [such] an eligible S corporation has been vali-

1 dated pursuant to the provisions of subsection (f) of section thirteen  
2 hundred sixty-two of the internal revenue code, [and

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

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

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

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

19 (i) Mandated New York S corporation election. (1) Notwithstanding the  
20 provisions in subsection (a) of this section, in the case of an eligible  
21 S corporation for which the election under subsection (a) of this  
22 section is not in effect for the current taxable year, the shareholders  
23 of an eligible S corporation are deemed to have made that election  
24 effective for the eligible S corporation's entire current taxable year,  
25 if the eligible S corporation's investment income for the current taxa-  
26 ble year is more than fifty percent of its federal gross income for such  
27 year. In determining whether an eligible S corporation is deemed to have  
28 made that election, the income of a qualified subchapter S subsidiary  
29 owned directly or indirectly by the eligible S corporation shall be  
30 included with the income of the eligible S corporation.

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

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

39 (4)] Rules related to change in status. (1) Net operating losses. Any  
40 net operating loss carryforward that otherwise would have been allowed  
41 under subparagraph (ix) of paragraph (a) of subdivision one of section  
42 two hundred ten of this chapter for a New York C corporation that  
43 becomes a New York S corporation shall be held in abeyance and be avail-  
44 able to such taxpayer if such taxpayer is treated as a New York C corpo-  
45 ration because its election to be a federal S corporation is terminated  
46 or by operation of subsection (b) of this section. However, the taxpay-  
47 er's years as a New York S corporation shall be counted for purposes of  
48 computing any time period applicable to the allowance of any net operat-  
49 ing loss.

50 (2) Credit carryforwards. Any carryforwards of credits allowed under  
51 section two hundred ten-B of this chapter for a New York C corporation  
52 that becomes a New York S corporation shall be held in abeyance and be  
53 available to such taxpayer if such taxpayer is treated as a New York C  
54 corporation because its election to be a federal S corporation is termi-  
55 nated or by operation of subsection (b) of this section. However, the  
56 taxpayer's years as a New York S corporation shall be counted for

1 purposes of computing any time period applicable to the allowance of any  
2 credit carryforward.

3 (3) Estimated tax payments. When making estimated tax payments  
4 required to be made under this chapter in the current tax year, the  
5 eligible S corporation and its shareholders may rely on the eligible S  
6 corporation's filing status for the prior year. If the eligible S corpo-  
7 ration's filing status changes from the prior tax year the corporation  
8 or the shareholders, as the case may be, which made the payments shall  
9 be entitled to a refund of such estimated tax payments. No additions to  
10 tax with respect to any required declarations or payments of estimated  
11 tax imposed under this chapter shall be imposed on the corporation or  
12 shareholders, whichever is the taxpayer for the current taxable year, if  
13 the corporation or the shareholders file such declarations and make such  
14 estimated tax payments by January fifteenth of the following calendar  
15 year, regardless of whether the taxpayer's tax year is a calendar or a  
16 fiscal year.

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

20 § 16. Transition rules. Any prior net operating loss conversion  
21 subtraction that otherwise would have been allowed under subparagraph  
22 (viii) of paragraph (a) of subdivision one of section two hundred ten of  
23 the tax law for the taxable years beginning on or after January 1, 2024,  
24 to any taxpayer that was a New York C corporation for a taxable year  
25 beginning on or after January 1, 2023, and before January 1, 2024, and  
26 that becomes a New York S corporation for a taxable year beginning on or  
27 after January 1, 2024, as a result of the amendments made by this act,  
28 shall be held in abeyance and be available to such taxpayer if such  
29 taxpayer is treated as a New York C corporation because its election to  
30 be a federal S corporation is terminated or by operation of subsection  
31 (b) of section six hundred sixty of the tax law. However, the taxpay-  
32 er's years as a New York S corporation shall be counted for purposes of  
33 computing the twenty-year time period specified in subclause four of  
34 clause (B) of subparagraph (viii) of paragraph (a) of subdivision one of  
35 section two hundred ten of the tax law applicable to the allowance of  
36 the prior net operating loss conversion subtraction.

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

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

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