

STATE OF NEW YORK

S. 8009--C

A. 9009--C

SENATE - ASSEMBLY

January 19, 2022

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

AN ACT to amend the tax law, in relation to accelerating the middle-class tax cut (Subpart A); and to amend the tax law, in relation to alternative tax table benefit recapture for certain taxpayers (Subpart B) (Part A); to amend the tax law, in relation to providing an enhanced investment tax credit to farmers (Subpart A); to amend the tax law and chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, in relation to the effectiveness of such credit (Subpart B); and to amend the tax law, in relation to establishing a farm employer overtime credit (Subpart C) (Part B); to amend the tax law and the administrative code of the city of New York, in relation to expanding the small business subtraction modification (Part C); to amend the tax law, in relation to excluding certain loan forgiveness awards from state income tax (Part D); to amend the economic development law and the tax law, in relation to creating the COVID-19 capital costs tax credit program (Part E); to amend the tax law and the state finance law, in relation to extending and expanding the New York city musical and theatrical production tax credit and the purposes of the New York state council on the arts cultural programs fund; and to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law

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

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relating to establishing the New York city musical and theatrical production tax credit and establishing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof (Part F); intentionally omitted (Part G); to amend the tax law, in relation to extending and modifying the hire a vet credit (Part H); to amend the tax law, in relation to establishing a tax credit for the conversion from grade no. 6 heating oil usage to biodiesel heating oil and geothermal systems (Part I); to amend the public housing law, in relation to extending the credit against income tax for persons or entities investing in low-income housing (Part J); to amend the tax law, in relation to extending the clean heating fuel credit for three years (Part K); to amend chapter 604 of the laws of 2011 amending the tax law relating to the credit for companies who provide transportation to people with disabilities, in relation to the effectiveness thereof; and to amend the tax law, in relation to the application of a credit for companies who provide transportation to individuals with disabilities (Part L); to amend the tax law, in relation to the empire state film production credit and the empire state film post production credit (Part M); to amend the labor law, in relation to extending the New York youth jobs program tax credit (Part N); to amend the labor law, in relation to extending the empire state apprenticeship tax credit program (Part O); to amend the tax law, in relation to extending the alternative fuels and electric vehicle recharging property credit (Part P); to amend the labor law, in relation to the program period for the workers with disabilities tax credit program; and to amend part MM of chapter 59 of the laws of 2014 amending the labor law and the tax law relating to the creation of the workers with disabilities tax credit program, in relation to the effectiveness thereof (Part Q); intentionally omitted (Part R); intentionally omitted (Part S); to amend the tax law, in relation to exempting certain fuels used by tugboats and towboats from the petroleum business tax (Part T); intentionally omitted (Part U); intentionally omitted (Part V); to amend the tax law, in relation to requiring publication of changes in withholding tables and interest rates (Part W); to amend the tax law, in relation to expanding the definition of financial institution under the financial institution data match program (Part X); to amend the real property tax law, in relation to the challenge of assessed value by owners of local public utility mass real property; and to amend chapter 475 of the laws of 2013, relating to assessment ceilings for local public utility mass real property, in relation to extending the assessment ceiling for local public utility mass real property to January 1, 2027 (Part Y); to amend the real property tax law, in relation to good cause refunds for the STAR program (Subpart A); intentionally omitted (Subpart B); to amend the tax law, in relation to clarifying the applicable income tax year for the basic STAR credit (Subpart C); to amend the tax law, in relation to allowing names of STAR credit recipients to be shared with assessors outside of New York state (Subpart D); and to amend the tax law, in relation to allowing decedent reports to be given to assessors (Subpart E) (Part Z); to amend the real property tax law, in relation to the grievance process with respect to the valuation of solar and wind energy systems (Part AA); to amend the tax law, in relation to establishing a homeowner tax rebate credit (Part BB); intentionally omitted (Part CC); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Catskill and Capital regions off-track betting corporation's capital acquisition funds; and to amend part LLL

of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law, relating to the utilization of funds in the Catskill and Capital regions off-track betting corporation's capital acquisition funds, in relation to the effectiveness thereof (Part DD); 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 EE); to amend the tax law, in relation to establishing a credit for geothermal energy systems (Part FF); to amend the tax law, in relation to extending sales tax exemption for certain food and drink vending machines (Part GG); to amend the real property tax law, in relation to an abatement of real property taxes for the creation or expansion of childcare centers in certain buildings in a city having a population of one million or more (Part HH); to amend the administrative code of the city of New York, in relation to establishing a tax credit for child care against the unincorporated business tax, general corporation tax, and the business corporation tax of 2015 (Part II); to amend the tax law and the administrative code of the city of New York, in relation to the earned income tax credit (Part JJ); to amend the economic development law and the tax law, in relation to creating the additional restaurant return-to-work credit (Part KK); clarifying for certain tax credit programs that work performed remotely within the state due to the outbreak of novel coronavirus, COVID-19, qualifies for certain tax credit programs; and providing for the repeal of such provisions upon expiration thereof (Part LL); to amend the tax law, in relation to pass-through entity tax for electing resident and standard S corporations (Subpart A); and to amend the tax law, the public authorities law, and the administrative code of the city of New York, in relation to establishing a city pass-through entity tax (Subpart B) (Part MM); to amend the tax law, in relation to providing a supplemental empire state child credit, earned income tax credit payment and enhanced earned income tax credit payment to resident taxpayers (Part NN); to amend the tax law and the economic development law, in relation to the creation of the empire state digital gaming media production credit (Part OO); to amend the tax law, in relation to permitting deductions for commercial cannabis activity (Part PP); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part QQ); and to amend the tax law, in relation to suspending the excise tax, prepaid sales tax and state sales taxes on motor fuel and Diesel motor fuel, and authorizing localities to elect a cents-per-gallon rate of tax on such fuels based on four dollars (Part RR)

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 2022-2023
 3 state fiscal year. Each component is wholly contained within a Part
 4 identified as Parts A through RR. 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. This Part enacts into law major components of legislation
 14 accelerating middle class tax cuts and providing for an alternative tax
 15 table benefit recapture for certain taxpayers. Each component is wholly
 16 contained within a Subpart identified as Subparts A and B. The effective
 17 date for each particular provision contained within such Subpart is set
 18 forth in the last section of such Subpart. Any provision in any section
 19 contained within a Subpart, including the effective date of the Subpart,
 20 which makes reference to a section of "this act", when used in
 21 connection with that particular component, shall be deemed to mean and
 22 refer to the corresponding section of the Subpart in which it is found.
 23 Section two this act sets forth the general effective date of this Part.

24 SUBPART A

25 Section 1. Clauses (vi), (vii), (viii) and (ix) of subparagraph (B) of
 26 paragraph 1 of subsection (a) of section 601 of the tax law, clauses
 27 (vi), (vii) and (viii) as amended and clause (ix) as added by section 1
 28 of part A of chapter 59 of the laws of 2021, are amended to read as
 29 follows:

30 (vi) For taxable years beginning in two thousand twenty-three and
 31 before two thousand twenty-eight the following rates shall apply:
 32 ~~[If the New York taxable income is: The tax is:~~
 33 ~~Not over \$17,150 4% of the New York taxable income~~
 34 ~~Over \$17,150 but not over \$23,600 \$686 plus 4.5% of excess over~~
 35 ~~\$17,150~~
 36 ~~Over \$23,600 but not over \$27,900 \$976 plus 5.25% of excess over~~
 37 ~~\$23,600~~
 38 ~~Over \$27,900 but not over \$161,550 \$1,202 plus 5.73% of excess over~~
 39 ~~\$27,900~~
 40 ~~Over \$161,550 but not over \$323,200 \$8,860 plus 6.17% of excess over~~
 41 ~~\$161,550~~
 42 ~~Over \$323,200 but not over \$2,155,350 \$18,834 plus 6.85% of~~
 43 ~~\$2,155,350 excess over \$323,200~~
 44 ~~Over \$2,155,350 but not over \$5,000,000 \$144,336 plus 9.65% of excess over~~
 45 ~~\$5,000,000 \$2,155,350~~
 46 ~~Over \$5,000,000 but not over \$25,000,000 \$418,845 plus 10.30% of excess over~~
 47 ~~\$25,000,000 \$5,000,000~~
 48 ~~Over \$25,000,000 \$2,478,845 plus 10.90% of excess over~~
 49 ~~\$25,000,000~~
 50 ~~(vii) For taxable years beginning in two thousand twenty-four the~~
 51 ~~following rates shall apply:~~

1	If the New York taxable income is:	The tax is:
2	Not over \$17,150	4% of the New York taxable income
3	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
4		\$17,150
5	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
6		\$23,600
7	Over \$27,900 but not over \$161,550	\$1,202 plus 5.61% of excess over
8		\$27,900
9	Over \$161,550 but not over \$323,200	\$8,700 plus 6.00% of excess over
10		\$161,550
11	Over \$323,200 but not over	\$18,544 plus 6.85% of excess over
12	\$2,155,350	\$323,200
13	Over \$2,155,350 but not over	\$144,047 plus 9.65% of excess over
14	\$5,000,000	\$2,155,350
15	Over \$5,000,000 but not over	\$418,555 plus 10.30% of excess over
16	\$25,000,000	\$5,000,000
17	Over \$25,000,000	\$2,478,555 plus 10.90% of excess over
18		\$25,000,000
19	(viii) For taxable years beginning after two thousand twenty-four and	
20	before two thousand twenty-eight the following rates shall apply:]	
21	If the New York taxable income is:	The tax is:
22	Not over \$17,150	4% of the New York taxable income
23	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
24		\$17,150
25	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
26		\$23,600
27	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
28		\$27,900
29	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
30		\$161,550
31	Over \$323,200 but not over	\$18,252 plus 6.85% of excess over
32	\$2,155,350	\$323,200
33	Over \$2,155,350 but not over	\$143,754 plus 9.65% of excess over
34	\$5,000,000	\$2,155,350
35	Over \$5,000,000 but not over	\$418,263 plus 10.30% of excess over
36	\$25,000,000	\$5,000,000
37	Over \$25,000,000	\$2,478,263 plus 10.90% of excess over
38		\$25,000,000
39	[(ix)](vii) For taxable years beginning after two thousand twenty-sev-	
40	en the following rates shall apply:	
41	If the New York taxable income is:	The tax is:
42	Not over \$17,150	4% of the New York taxable income
43	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
44		\$17,150
45	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
46		\$23,600
47	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
48		\$27,900
49	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess
50		over \$161,550
51	Over \$323,200 but not over	\$18,252 plus 6.85% of excess
52	\$2,155,350	over \$323,200
53	Over \$2,155,350	\$143,754 plus 8.82% of excess
54		over \$2,155,350

§ 2. Clauses (vi), (vii), (viii) and (ix) of subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law, clauses (vi), (vii) and (viii) as amended and clause (ix) as added by section 2 of part A of chapter 59 of the laws of 2021, are amended to read as follows:

(vi) For taxable years beginning in two thousand twenty-three and before two thousand twenty-eight the following rates shall apply:

~~If the New York taxable income is: The tax is:~~

~~Not over \$12,800 4% of the New York taxable income~~

~~Over \$12,800 but not over \$17,650 \$512 plus 4.5% of excess over \$12,800~~

~~Over \$17,650 but not over \$20,900 \$730 plus 5.25% of excess over \$17,650~~

~~Over \$20,900 but not over \$107,650 \$901 plus 5.73% of excess over \$20,900~~

~~Over \$107,650 but not over \$269,300 \$5,872 plus 6.17% of excess over \$107,650~~

~~Over \$269,300 but not over \$1,616,450 \$15,845 plus 6.85% of excess over \$269,300~~

~~Over \$1,616,450 but not over \$5,000,000 \$108,125 plus 9.65% of excess over \$5,000,000~~

~~Over \$5,000,000 but not over \$25,000,000 \$434,638 plus 10.30% of excess over \$25,000,000~~

~~Over \$25,000,000 \$2,494,638 plus 10.90% of excess over \$25,000,000~~

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

~~If the New York taxable income is: The tax is:~~

~~Not over \$12,800 4% of the New York taxable income~~

~~Over \$12,800 but not over \$17,650 \$512 plus 4.5% of excess over \$12,800~~

~~Over \$17,650 but not over \$20,900 \$730 plus 5.25% of excess over \$17,650~~

~~Over \$20,900 but not over \$107,650 \$901 plus 5.61% of excess over \$20,900~~

~~Over \$107,650 but not over \$269,300 \$5,768 plus 6.00% of excess over \$107,650~~

~~Over \$269,300 but not over \$1,616,450 \$15,612 plus 6.85% of excess over \$269,300~~

~~Over \$1,616,450 but not over \$5,000,000 \$107,892 plus 9.65% of excess over \$5,000,000~~

~~Over \$5,000,000 but not over \$25,000,000 \$434,404 plus 10.30% of excess over \$25,000,000~~

~~Over \$25,000,000 \$2,494,404 plus 10.90% of excess over \$25,000,000~~

~~(viii) For taxable years beginning after two thousand twenty-four and before two thousand twenty-eight the following rates shall apply:]~~

~~If the New York taxable income is: The tax is:~~

~~Not over \$12,800 4% of the New York taxable income~~

~~Over \$12,800 but not over \$17,650 \$512 plus 4.5% of excess over \$12,800~~

~~Over \$17,650 but not over \$20,900 \$730 plus 5.25% of excess over \$17,650~~

~~Over \$20,900 but not over \$107,650 \$901 plus 5.5% of excess over \$20,900~~

~~Over \$107,650 but not over \$269,300 \$5,672 plus 6.00% of excess over~~

1		\$107,650
2	Over \$269,300 but not over	\$15,371 plus 6.85% of excess over
3	\$1,616,450	\$269,300
4	Over \$1,616,450 but not over	\$107,651 plus 9.65% of excess over
5	\$5,000,000	\$1,616,450
6	Over \$5,000,000 but not over	\$434,163 plus 10.30% of excess over
7	\$25,000,000	\$5,000,000
8	Over \$25,000,000	\$2,494,163 plus 10.90% of excess over
9		\$25,000,000

10 ~~[(ix)]~~ **(vii)** For taxable years beginning after two thousand twenty-sev-
 11 en the following rates shall apply:

12	If the New York taxable income is:	The tax is:
13	Not over \$12,800	4% of the New York taxable income
14	Over \$12,800 but not over	\$512 plus 4.5% of excess over
15	\$17,650	\$12,800
16	Over \$17,650 but not over	\$730 plus 5.25% of excess over
17	\$20,900	\$17,650
18	Over \$20,900 but not over	\$901 plus 5.5% of excess over
19	\$107,650	\$20,900
20	Over \$107,650 but not over	\$5,672 plus 6.00% of excess
21	\$269,300	over \$107,650
22	Over \$269,300 but not over	\$15,371 plus 6.85% of excess
23	\$1,616,450	over \$269,300
24	Over \$1,616,450	\$107,651 plus 8.82% of excess
25		over \$1,616,450

26 § 3. Clauses (vi), (vii), (viii) and (ix) of subparagraph (B) of para-
 27 graph 1 of subsection (c) of section 601 of the tax law, clauses (vi),
 28 (vii) and (viii) as amended, and clause (ix) as added by section 3 of
 29 part A of chapter 59 of the laws of 2021, are amended to read as
 30 follows:

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

33	[If the New York taxable income is:	The tax is:
34	Not over \$8,500	4% of the New York taxable income
35	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
36		\$8,500
37	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
38		\$11,700
39	Over \$13,900 but not over \$80,650	\$600 plus 5.73% of excess over
40		\$13,900
41	Over \$80,650 but not over \$215,400	\$4,424 plus 6.17% of excess over
42		\$80,650
43	Over \$215,400 but not over	\$12,738 plus 6.85% of excess
44	\$1,077,550	over \$215,400
45	Over \$1,077,550 but not over	\$71,796 plus 9.65% of excess over
46	\$5,000,000	\$1,077,550
47	Over \$5,000,000 but not over	\$450,312 plus 10.30% of excess over
48	\$25,000,000	\$5,000,000
49	Over \$25,000,000	\$2,510,312 plus 10.90% of excess over
50		\$25,000,000

51 ~~(vii) For taxable years beginning in two thousand twenty-four the~~
 52 ~~following rates shall apply:~~

~~If the New York taxable income is: The tax is:~~
~~Not over \$8,500 4% of the New York taxable income~~
~~Over \$8,500 but not over \$11,700 \$340 plus 4.5% of excess over~~
~~\$8,500~~
~~Over \$11,700 but not over \$13,900 \$484 plus 5.25% of excess over~~
~~\$11,700~~
~~Over \$13,900 but not over \$80,650 \$600 plus 5.61% of excess over~~
~~\$13,900~~
~~Over \$80,650 but not over \$215,400 \$4,344 plus 6.00% of excess over~~
~~\$80,650~~
~~Over \$215,400 but not over \$1,077,550 \$12,550 plus 6.85% of excess~~
~~over \$215,400~~
~~Over \$1,077,550 but not over \$5,000,000 \$71,608 plus 9.65% of excess over~~
~~\$1,077,550~~
~~Over \$5,000,000 but not over \$25,000,000 \$450,124 plus 10.30% of excess over~~
~~\$5,000,000~~
~~Over \$25,000,000 \$2,510,124 plus 10.90% of excess over~~
~~\$25,000,000~~

~~(viii) For taxable years beginning after two thousand twenty-four and before two thousand twenty-eight the following rates shall apply:]~~

If the New York taxable income is: The tax is:
 Not over \$8,500 4% of the New York taxable income
 Over \$8,500 but not over \$11,700 \$340 plus 4.5% of excess over
 \$8,500
 Over \$11,700 but not over \$13,900 \$484 plus 5.25% of excess over
 \$11,700
 Over \$13,900 but not over \$80,650 \$600 plus 5.50% of excess over
 \$13,900
 Over \$80,650 but not over \$215,400 \$4,271 plus 6.00% of excess over
 \$80,650
 Over \$215,400 but not over \$1,077,550 \$12,356 plus 6.85% of excess over
 \$215,400
 Over \$1,077,550 but not over \$5,000,000 \$71,413 plus 9.65% of excess over
 \$1,077,550
 Over \$5,000,000 but not over \$25,000,000 \$449,929 plus 10.30% of excess over
 \$5,000,000
 Over \$25,000,000 \$2,509,929 plus 10.90% of excess over
 \$25,000,000

~~(ix)~~ (vii) For taxable years beginning after two thousand twenty-seven the following rates shall apply:

If the New York taxable income is: The tax is:
 Not over \$8,500 4% of the New York taxable income
 Over \$8,500 but not over \$11,700 \$340 plus 4.5% of excess over
 \$8,500
 Over \$11,700 but not over \$13,900 \$484 plus 5.25% of excess over
 \$11,700
 Over \$13,900 but not over \$80,650 \$600 plus 5.50% of excess over
 \$13,900
 Over \$80,650 but not over \$215,400 \$4,271 plus 6.00% of excess
 over \$80,650
 Over \$215,400 but not over \$1,077,550 \$12,356 plus 6.85% of excess
 over \$215,400
 Over \$1,077,550 \$71,413 plus 8.82% of excess
 over \$1,077,550

§ 4. This act shall take effect immediately.

SUBPART B

Section 1. Section 601 of the tax law is amended by adding a new subsection (d-2) to read as follows:

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

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$43,000</u>	<u>\$161,550</u>	<u>\$0</u>	<u>\$474</u>
<u>\$161,550</u>	<u>\$323,200</u>	<u>\$474</u>	<u>\$582</u>
<u>\$323,200</u>	<u>\$2,155,350</u>	<u>\$1,056</u>	<u>\$1,680</u>
<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>\$2,736</u>	<u>\$60,350</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$63,086</u>	<u>\$32,500</u>

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

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
<u>\$43,000</u>	<u>\$161,550</u>	<u>New York adjusted gross income minus \$107,650</u>
<u>\$161,550</u>	<u>\$323,200</u>	<u>New York adjusted gross income minus \$161,550</u>
<u>\$323,200</u>	<u>\$2,155,350</u>	<u>New York adjusted gross income minus \$323,200</u>
<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income minus \$2,155,350</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus \$5,000,000</u>

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than forty-three thousand dollars, the supplemental tax shall equal the difference between the product of 5.97 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

(2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
\$107,650	\$269,300	\$0	\$742
\$269,300	\$1,616,450	\$742	\$1,401
\$1,616,450	\$5,000,000	\$2,143	\$45,260
\$5,000,000	\$25,000,000	\$47,403	\$32,500

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 6.33 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
\$80,650	\$215,400	\$0	\$526
\$215,400	\$1,077,550	\$526	\$1,120
\$1,077,550	\$5,000,000	\$1,646	\$30,171
\$5,000,000	\$25,000,000	\$31,817	\$32,500

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-

in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 6.33 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

§ 2. Section 601 of the tax law is amended by adding a new subsection (d-3) to read as follows:

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

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
\$27,900	\$161,550	\$0	\$430
\$161,550	\$323,200	\$430	\$646
\$323,200	\$2,155,350	\$1,076	\$1,940
\$2,155,350	\$5,000,000	\$3,016	\$60,349
\$5,000,000	\$25,000,000	\$63,365	\$32,500

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of 5.85 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is

1 the lesser of fifty thousand dollars or New York adjusted gross income
 2 minus one hundred seven thousand six hundred fifty dollars, and the
 3 denominator of which is fifty thousand dollars.

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

9 (2) For resident heads of households:

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$107,650</u>	<u>\$269,300</u>	<u>\$0</u>	<u>\$752</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>\$752</u>	<u>\$1,616</u>
<u>\$1,616,450</u>	<u>\$5,000,000</u>	<u>\$2,368</u>	<u>\$45,261</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$47,629</u>	<u>\$32,500</u>

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

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

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

29 (iv) the supplemental tax due shall equal the sum of the recapture
 30 base and the product of (i) the incremental benefit and (ii) the phase-
 31 in fraction. Provided, however, that if the New York taxable income of
 32 the taxpayer is less than one hundred seven thousand six hundred fifty
 33 dollars, the supplemental tax shall equal the difference between the
 34 product of 6.25 percent and New York taxable income and the tax table
 35 computation on the New York taxable income set forth in paragraph one of
 36 subsection (b) of this section, multiplied by a fraction, the numerator
 37 of which is the lesser of fifty thousand dollars or New York adjusted
 38 gross income minus one hundred seven thousand six hundred fifty
 39 dollars, and the denominator of which is fifty thousand dollars.

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

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$536</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$536</u>	<u>\$1,293</u>
<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>\$1,829</u>	<u>\$30,171</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$32,000</u>	<u>\$32,500</u>

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 6.25 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

§ 3. Section 601 of the tax law is amended by adding a new subsection (d-4) to read as follows:

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

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$27,900</u>	<u>\$161,550</u>	<u>\$0</u>	<u>\$333</u>
<u>\$161,550</u>	<u>\$323,200</u>	<u>\$333</u>	<u>\$807</u>
<u>\$323,200</u>	<u>\$2,155,350</u>	<u>\$1,140</u>	<u>\$2,747</u>
<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>\$3,887</u>	<u>\$60,350</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$64,237</u>	<u>\$32,500</u>

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

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

1 \$2,155,350 \$5,000,000 New York adjusted gross income minus \$2,155,350
 2 \$5,000,000 \$25,000,000 New York adjusted gross income minus \$5,000,000

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

6 (iv) the supplemental tax due shall equal the sum of the recapture
 7 base and the product of (i) the incremental benefit and (ii) the phase-
 8 in fraction. Provided, however, that if the New York taxable income of
 9 the taxpayer is less than twenty-seven thousand nine hundred dollars,
 10 the supplemental tax shall equal the difference between the product of
 11 5.50 percent and New York taxable income and the tax table computation
 12 on the New York taxable income set forth in paragraph one of subsection
 13 (a) of this section, multiplied by a fraction, the numerator of which is
 14 the lesser of fifty thousand dollars or New York adjusted gross income
 15 minus one hundred seven thousand six hundred fifty dollars, and the
 16 denominator of which is fifty thousand dollars.

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

22 (2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
\$107,650	\$269,300	\$0	\$787
\$269,300	\$1,616,450	\$787	\$2,289
\$1,616,450	\$5,000,000	\$3,076	\$45,261
\$5,000,000	\$25,000,000	\$48,337	\$32,500

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

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

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

42 (iv) the supplemental tax due shall equal the sum of the recapture
 43 base and the product of (i) the incremental benefit and (ii) the phase-
 44 in fraction. Provided, however, that if the New York taxable income of
 45 the taxpayer is less than one hundred seven thousand six hundred fifty
 46 dollars, the supplemental tax shall equal the difference between the
 47 product of 6.00 percent and New York taxable income and the tax table
 48 computation on the New York taxable income set forth in paragraph one of
 49 subsection (b) of this section, multiplied by a fraction, the numerator
 50 of which is the lesser of fifty thousand dollars or New York adjusted
 51 gross income minus one hundred seven thousand six hundred fifty
 52 dollars, and the denominator of which is fifty thousand dollars.

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

tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section.

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$568</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$568</u>	<u>\$1,831</u>
<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>\$2,399</u>	<u>\$30,172</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$32,571</u>	<u>\$32,500</u>

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 6.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

§ 4. This act shall take effect immediately.

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

PART B

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

1

SUBPART A

2 Section 1. Subdivision 1 of section 210-B of the tax law is amended by
3 adding a new paragraph (a-1) to read as follows:

4 (a-1) For a taxpayer that is an eligible farmer, as defined in subdi-
5 vision eleven of this section, the percentage to be used to compute the
6 credit allowed under this subdivision shall be twenty percent for prop-
7 erty described in subparagraph (i) of paragraph (b) of this subdivision
8 that is principally used by the taxpayer in the production of goods by
9 farming, agriculture, horticulture, floriculture or viticulture.

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

12 (1-a) For a taxpayer that is an eligible farmer, as defined in
13 subsection (n) of this section, the percentage to be used to compute the
14 credit allowed under this subsection shall be twenty percent for proper-
15 ty described in subparagraph (A) of paragraph two of this subsection
16 that is principally used by the taxpayer in the production of goods by
17 farming, agriculture, horticulture, floriculture or viticulture.

18 § 3. This act shall take effect immediately and apply to property
19 placed in service on or after April 1, 2022.

20

SUBPART B

21 Section 1. Subsection (e) of section 42 of the tax law, as amended by
22 section 1 of part FF of chapter 59 of the laws of 2021, is amended to
23 read as follows:

24 (e) For taxable years beginning on or after January first, two thou-
25 sand seventeen and before January first, two thousand eighteen, the
26 amount of the credit allowed under this section shall be equal to the
27 product of the total number of eligible farm employees and two hundred
28 fifty dollars. For taxable years beginning on or after January first,
29 two thousand eighteen and before January first, two thousand nineteen,
30 the amount of the credit allowed under this section shall be equal to
31 the product of the total number of eligible farm employees and three
32 hundred dollars. For taxable years beginning on or after January first,
33 two thousand nineteen and before January first, two thousand twenty,
34 the amount of the credit allowed under this section shall be equal to the
35 product of the total number of eligible farm employees and five hundred
36 dollars. For taxable years beginning on or after January first, two
37 thousand twenty and before January first, two thousand twenty-one, the
38 amount of the credit allowed under this section shall be equal to the
39 product of the total number of eligible farm employees and four hundred
40 dollars. For taxable years beginning on or after January first, two
41 thousand twenty-one and before January first, two thousand ~~twenty-five~~
42 twenty-two, the amount of the credit allowed under this section shall be
43 equal to the product of the total number of eligible farm employees and
44 six hundred dollars. For taxable years beginning on or after January
45 first, two thousand twenty-two and before January first, two thousand
46 twenty-six, the amount of the credit allowed under this section shall be
47 equal to the product of the total number of eligible farm employees and
48 twelve hundred dollars.

49 § 2. Section 5 of part RR of chapter 60 of the laws of 2016 amending
50 the tax law relating to creating a farm workforce retention credit, as
51 amended by section 2 of part FF of chapter 59 of the laws of 2021, is
52 amended to read as follows:

§ 5. This act shall take effect immediately and shall apply only to taxable years beginning on or after January 1, 2017 and before January 1, ~~2025~~ 2026.

§ 3. This act shall take effect immediately.

SUBPART C

Section 1. Subdivision (f) of section 42 of the tax law, as added by section 1 of part RR of chapter 60 of the laws of 2016, is amended to read as follows:

(f) A taxpayer claiming the credit allowed under this section shall not be allowed to claim any other tax credit allowed under this chapter, except the credit allowed under section forty-two-a of this article, with respect to any eligible farm employee included in the total number of eligible farm employees used to determine the amount of the credit allowed under this section.

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

§ 42-a. Farm employer overtime credit. (a) Notwithstanding subdivision (f) of section forty-two of this article, a taxpayer that is a farm employer or an owner of a farm employer shall be eligible for a credit against the tax imposed under article nine-A or twenty-two of this chapter, pursuant to the provisions referenced in subdivision (i) of this section.

(b) A farm employer is a corporation (including a New York S corporation), a sole proprietorship, a limited liability company or a partnership that is an eligible farmer.

(c) For purposes of this section, the term "eligible farmer" means a taxpayer whose federal gross income from farming as defined in subsection (n) of section six hundred six of this chapter for the taxable year is at least two-thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year in excess of thirty thousand dollars. For purposes of this section, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers.

(d) An eligible farm employee is an individual who meets the definition of a "farm laborer" under section two of the labor law who is employed by a farm employer in New York state, but excluding general executive officers of the farm employer.

(e) Eligible overtime is the aggregate number of hours of work performed during the taxable year by an eligible farm employee that in any calendar week exceeds the overtime work threshold set by the commissioner of labor pursuant to the recommendation of the farm laborers wage board, provided that work performed in such calendar week in excess of sixty hours shall not be included.

(f) Special rules. If more than fifty percent of such eligible farmer's federal gross income from farming is from the sale of wine from a licensed farm winery as provided for in article six of the alcoholic beverage control law, or from the sale of cider from a licensed farm cidery as provided for in section fifty-eight-c of the alcoholic beverage control law, then an eligible farm employee of such eligible farmer shall be included for purposes of calculating the amount of credit allowed under this section only if such eligible farm employee is employed by such eligible farmer on qualified agricultural property as

1 defined in paragraph four of subsection (n) of section six hundred six
2 of this chapter.

3 (g) The amount of the credit allowed under this section shall be equal
4 to the aggregate amount of such credit allowed per eligible farm employ-
5 ee, as follows. The amount of the credit allowed per eligible farm
6 employee shall be equal to one hundred eighteen percent of the product
7 of (1) the eligible overtime worked during the taxable year by the
8 eligible farm employee and (2) the overtime rate paid by the farm
9 employer to the eligible farm employee less such employee's regular rate
10 of pay.

11 (h)(1) Taxpayers shall have the option to request an advance payment
12 of the portion of the amount of tax credit they are allowed under this
13 section for the amount of eligible overtime that the farm employer paid
14 from January first through July thirty-first. To be eligible for the
15 advance payment, the farm employer must submit by September thirtieth a
16 properly completed application to the department of agriculture and
17 markets, in a form prescribed by the commissioner of agriculture and
18 markets, that demonstrates how much the farm employer paid in eligible
19 overtime during that period. After reviewing a farm employer's completed
20 application for the advance payment of a portion of the amount of tax
21 credit allowed under this section, the department of agriculture and
22 markets may issue to that farm employer a certificate of tax credit that
23 specifies the exact amount of the tax credit under this article that a
24 taxpayer may claim as an advance payment pursuant to this subdivision.

25 (2) A taxpayer must submit a request to the department in the manner
26 prescribed by the commissioner after it has been issued a certificate of
27 tax credit by the department of agriculture and markets pursuant to
28 paragraph one of this subdivision (or such certificate has been issued
29 to a partnership, limited liability company or subchapter S corporation
30 in which it is a partner, member or shareholder, respectively, that is a
31 farm employer), but such request must be submitted no later than Novem-
32 ber first of the taxable year for which the credit is being claimed. For
33 those taxpayers who have requested an advance payment and for whom the
34 commissioner has determined to be eligible for this credit, the commis-
35 sioner shall advance a payment of the portion of the amount of tax cred-
36 it allowed to the taxpayer. The taxpayer will claim on the taxpayers'
37 return for the taxable year the portion of the amount of tax credit
38 allowed for eligible overtime paid by the farm employer from August
39 first through December thirty-first. The taxpayer must properly recon-
40 cile the advance payment of tax credit allowed under this subdivision on
41 the taxpayer's return.

42 (3) If a taxpayer that has received an advance payment is not an
43 eligible farmer for the taxable year for which it received an advance
44 payment, the taxpayer shall be required to add back as tax the amount of
45 advance payment the taxpayer received during the taxable year.

46 (4) Notwithstanding any provision of this chapter, employees of the
47 department of agriculture and markets and the department shall be
48 allowed to share and exchange:

49 (i) information derived from tax returns or reports that is relevant
50 to a taxpayer's eligibility for the credit allowed by this section;

51 (ii) information regarding the credit applied for, allowed or claimed
52 pursuant to this section and regarding taxpayers that are applying for
53 the credit or that are claiming the credit; and

54 (iii) information collected by the department of agriculture and
55 markets and exchanged between the department of agriculture and markets

1 and the department pursuant to this section shall not be subject to
2 disclosure or inspection under the state's freedom of information law.

3 (i) Cross references: For application of the credit provided in this
4 section, see the following provisions of this chapter:

5 (1) Article 9-A: Section 210-B, subdivision 58.

6 (2) Article 22: Section 606, subsection (nnn).

7 § 3. Section 210-B of the tax law is amended by adding a new subdivi-
8 sion 58 to read as follows:

9 58. Farm employer overtime credit. (a) Allowance of credit. A taxpay-
10 er shall be allowed a credit, to be computed as provided in section
11 forty-two-a of this chapter, against the tax imposed by this article.

12 (b) Application of credit. The credit allowed under this subdivision
13 for any taxable year shall not reduce the tax due for such year to less
14 than the amount prescribed in paragraph (d) of subdivision one of
15 section two hundred ten of this article. However, if the amount of cred-
16 it allowed under this subdivision for any taxable year reduces the tax
17 to such amount or if the taxpayer otherwise pays tax based on the fixed
18 dollar minimum amount, any amount of credit thus not deductible in such
19 taxable year shall be treated as an overpayment of tax to be credited or
20 refunded in accordance with the provisions of section one thousand
21 eighty-six of this chapter. Provided, however, the provisions of
22 subsection (c) of section one thousand eighty-eight of this chapter
23 notwithstanding, no interest shall be paid thereon.

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

27 <u>(xlix) Farm employer overtime</u>	<u>Amount of credit under</u>
28 <u>credit under subsection (nnn)</u>	<u>subdivision fifty-eight of</u>
29	<u>section two hundred ten-B</u>

30 § 5. Section 606 of the tax law is amended by adding a new subsection
31 (nnn) to read as follows:

32 (nnn) Farm employer overtime credit. (1) A taxpayer shall be allowed a
33 credit, to be computed as provided in section forty-two-a of this chap-
34 ter, against the tax imposed by this article.

35 (2) Application of credit. If the amount of credit allowed under this
36 subsection for any taxable year exceeds the taxpayer's tax for such
37 year, the excess shall be treated as an overpayment of tax to be credit-
38 ed or refunded in accordance with the provision of section six hundred
39 eighty-six of this article, provided, however, that no interest shall be
40 paid thereon.

41 § 6. This act shall take effect immediately and shall apply to taxable
42 years beginning on or after January 1, 2022.

43 § 2. This act shall take effect immediately provided, however, that
44 the applicable effective date of Subparts A through C of this act shall
45 be as specifically set forth in the last section of such Subparts.

46 PART C

47 Section 1. Paragraph 39 of subsection (c) of section 612 of the tax
48 law, as added by section 1 of part Y of chapter 59 of the laws of 2013,
49 is amended to read as follows:

50 (39) (A) In the case of a taxpayer who is a small business or a
51 taxpayer who is a member, partner, or shareholder of a limited liability
52 company, partnership, or New York S corporation, respectively, that is a
53 small business, who or which has business income and/or farm income as
54 defined in the laws of the United States, an amount equal to [three]

1 fifteen percent of the net items of income, gain, loss and deduction
2 attributable to such business or farm entering into federal adjusted
3 gross income, but not less than zero[, ~~for taxable years beginning after~~
4 ~~two thousand thirteen, an amount equal to three and three quarters~~
5 ~~percent of the net items of income, gain, loss and deduction attribut-~~
6 ~~able to such business or farm entering into federal adjusted gross~~
7 ~~income, but not less than zero, for taxable years beginning after two~~
8 ~~thousand fourteen, and an amount equal to five percent of the net items~~
9 ~~of income, gain, loss and deduction attributable to such business or~~
10 ~~farm entering into federal adjusted gross income, but not less than~~
11 ~~zero, for taxable years beginning after two thousand fifteen].~~

12 (B) (i) For the purposes of this paragraph, the term small business
13 shall mean: (I) a sole proprietor [~~or a farm business~~] who employs one
14 or more persons during the taxable year and who has net business income
15 or net farm income of greater than zero but less than two hundred fifty
16 thousand dollars;

17 (II) a limited liability company, partnership, or New York S corpo-
18 ration that during the taxable year employs one or more persons and has
19 net farm income attributable to a farm business that is greater than
20 zero but less than two hundred fifty thousand dollars; or

21 (III) a limited liability company, partnership, or New York S corpo-
22 ration that during the taxable year employs one or more persons and has
23 New York gross business income attributable to a non-farm business that
24 is greater than zero but less than one million five hundred thousand
25 dollars.

26 (ii) For purposes of this paragraph, the term New York gross business
27 income shall mean: (I) in the case of a limited liability company or a
28 partnership, New York source gross income as defined in subparagraph (B)
29 of paragraph three of subsection (c) of section six hundred fifty-eight
30 of this article; and (II) in the case of a New York S corporation, New
31 York receipts included in the numerator of the apportionment factor
32 determined under section two hundred ten-A of this chapter for the taxa-
33 ble year.

34 (C) To qualify for this modification in relation to a non-farm small
35 business that is a limited liability company, partnership, or New York S
36 corporation, the taxpayer's income attributable to the net business
37 income from its ownership interests in non-farm limited liability compa-
38 nies, partnerships, or New York S corporations must be less than two
39 hundred fifty thousand dollars.

40 § 2. Paragraph 35 of subdivision (c) of section 11-1712 of the admin-
41 istrative code of the city of New York, as added by section 2 of part Y
42 of chapter 59 of the laws of 2013, is amended to read as follows:

43 (35) (A) In the case of a taxpayer who is a small business or a
44 taxpayer who is a member, partner, or shareholder of a limited liability
45 company, partnership, or New York S corporation, respectively, that is a
46 small business, who or which has business income and/or farm income as
47 defined in the laws of the United States, an amount equal to [~~three~~]
48 fifteen percent of the net items of income, gain, loss and deduction
49 attributable to such business or farm entering into federal adjusted
50 gross income, but not less than zero[, ~~for taxable years beginning after~~
51 ~~two thousand thirteen, an amount equal to three and three quarters~~
52 ~~percent of the net items of income, gain, loss and deduction attribut-~~
53 ~~able to such business or farm entering into federal adjusted gross~~
54 ~~income, but not less than zero, for taxable years beginning after two~~
55 ~~thousand fourteen, and an amount equal to five percent of the net items~~
56 ~~of income, gain, loss and deduction attributable to such business or~~

~~farm entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fifteen~~].

(B) (i) For the purposes of this paragraph, the term small business shall mean: (I) a sole proprietor [or a farm business] who employs one or more persons during the taxable year and who has net business income or net farm income of greater than zero but less than two hundred fifty thousand dollars;

(II) a limited liability company, partnership, or New York S corporation that during the taxable year employs one or more persons and has net farm income that is greater than zero but less than two hundred fifty thousand dollars; or

(III) a limited liability company, partnership, or New York S corporation that during the taxable year employs one or more persons and has New York gross business income attributable to a non-farm business that is greater than zero but less than one million five hundred thousand dollars.

(ii) For purposes of this paragraph, the term New York gross business income shall mean: (I) in the case of a limited liability company or a partnership, New York source gross income as defined in subparagraph (b) or paragraph three of subsection (c) of section six hundred fifty-eight of the tax law, and, (II) in the case of a New York S corporation, New York receipts included in the numerator of the apportionment factor determined under section two hundred ten-A of the tax law for the taxable year.

(C) To qualify for this modification in relation to a non-farm small business that is a limited liability company, partnership, or New York S corporation, the taxpayer's income attributable to the net business income from its ownership interests in non-farm limited liability companies, partnerships, or New York S corporations must be less than two hundred fifty thousand dollars.

§ 3. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2022.

PART D

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 46 to read as follows:

(46) The amount of any student loan forgiveness award made by the state, including any awards made pursuant to a program established under article fourteen of the education law to the extent included in federal adjusted gross income.

§ 2. This act shall take effect immediately and shall apply to tax years beginning on or after January 1, 2022.

PART E

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

ARTICLE 26

COVID-19 CAPITAL COSTS TAX CREDIT PROGRAM

Section 480. Short title.

481. Statement of legislative findings and declaration.

482. Definitions.

483. Eligibility criteria.

484. Application and approval process.

485. COVID-19 capital costs tax credit.

486. Powers and duties of the commissioner.

487. Maintenance of records.

488. Reporting.

489. Cap on tax credit.

§ 480. Short title. This article shall be known and may be cited as the "COVID-19 capital costs tax credit program act".

§ 481. Statement of legislative findings and declaration. It is hereby found and declared that New York state needs, as a matter of public policy, to provide critical assistance to small businesses to comply with public health or other emergency orders or regulations, and to take infectious disease mitigation measures related to the COVID-19 pandemic. The COVID-19 capital costs tax credit program is created to provide financial assistance to economically harmed businesses to offer relief and reduce the duration and severity of the current economic difficulties.

§ 482. Definitions. For the purposes of this article:

1. "Certificate of tax credit" means the document issued to a business entity by the department after the department has verified that the business entity has met all applicable eligibility criteria in this article. The certificate shall specify the exact amount of the tax credit under this article that a business entity may claim, pursuant to section four hundred eighty-five of this article.

2. "Commissioner" shall mean commissioner of the department of economic development.

3. "Department" shall mean the department of economic development.

4. "Qualified COVID-19 capital costs" shall mean costs incurred from January first, two thousand twenty-one through December thirty-first, two thousand twenty-two at a business location in New York state to comply with public health or other emergency orders or regulations related to the COVID-19 pandemic, or to generally increase safety through infectious disease mitigation, including costs for: (i) supplies to disinfect and/or protect against COVID-19 transmission; (ii) restocking of perishable goods to replace those lost during the COVID-19 pandemic; (iii) physical barriers and sneeze guards; (iv) hand sanitizer stations; (v) respiratory devices such as air purifier systems installed at the business entity's location; (vi) signage related to the COVID-19 pandemic including, but not limited to, signage detailing vaccine and masking requirements, and social distancing; (vii) materials required to define and/or protect space such as barriers; (viii) materials needed to block off certain seats to allow for social distancing; (ix) certain point of sale payment equipment to allow for contactless payment; (x) equipment and/or materials and supplies for new product lines in response to the COVID-19 pandemic; (xi) software for online payment platforms to enable delivery or contactless purchases; (xii) building construction and retrofits to accommodate social distancing and installation of air purifying equipment but not for costs for non-COVID-19 pandemic related capital renovations or general "closed for renovations" upgrades; (xiii) machinery and equipment to accommodate contactless sales; (xiv) materials to accommodate increased outdoor activity such as heat lamps, outdoor lighting, and materials related to outdoor space expansions; and (xv) other costs as determined by the department to be eligible under this section; provided, however, that "qualified COVID-19 capital costs" do not include any costs paid for with other COVID-19 grant funds as determined by the commissioner.

§ 483. Eligibility criteria. 1. To be eligible for a tax credit under the COVID-19 capital costs tax credit program, a business entity must:

1 (a) be a small business as defined in section one hundred thirty-one
2 of this chapter and have two million five hundred thousand dollars or
3 less of gross receipts in the taxable year that includes December thir-
4 ty-first, two thousand twenty-one;

5 (b) operate a business location in New York state; and

6 (c) have at least two thousand dollars in qualifying COVID-19 capital
7 costs.

8 2. A business entity must be in substantial compliance with any public
9 health or other emergency orders or regulations related to the entity's
10 business sector or other laws and regulations as determined by the
11 commissioner. In addition, a business entity may not owe past due state
12 taxes or local property taxes unless the business entity is making
13 payments and complying with an approved binding payment agreement
14 entered into with the taxing authority.

15 § 484. Application and approval process. 1. A business entity must
16 submit a complete application as prescribed by the commissioner.

17 2. The commissioner shall establish procedures and a timeframe for
18 business entities to submit applications. As part of the application,
19 each business entity must:

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

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

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

28 (d) certify, under penalty of perjury, that it is in substantial
29 compliance with all emergency orders or public health regulations
30 currently required of such entity, and local, and state tax laws;

31 (e) certify, under penalty of perjury, that it did not include any
32 cost paid for with other COVID-19 grant funds as determined by the
33 commissioner in its application for a tax credit under the COVID-19
34 capital costs tax credit program; and

35 (f) agree to provide any additional information required by the
36 department relevant to this article.

37 3. After reviewing a business entity's completed final application and
38 determining that the business entity meets the eligibility criteria as
39 set forth in this article, the department may issue to that business
40 entity a certificate of tax credit.

41 4. The business entity must submit its application by March thirty-
42 first, two thousand twenty-three.

43 § 485. COVID-19 capital costs tax credit. 1. A business entity in the
44 COVID-19 capital costs tax credit program that meets the eligibility
45 requirements of section four hundred eighty-three of this article may be
46 eligible to claim a credit equal to fifty percent of its qualified
47 COVID-19 capital costs as defined in subdivision four of section four
48 hundred eighty-two of this article. Provided, however, that such credit
49 shall not be less than one thousand dollars.

50 2. A business entity, including a partnership, limited liability
51 company and subchapter S corporation, may not receive in excess of twen-
52 ty-five thousand dollars under this program.

53 3. The credit shall be allowed as provided in section forty-seven,
54 subdivision fifty-eight of section two hundred ten-B and subsection
55 (nnn) of section six hundred six of the tax law.

1 4. A business entity may claim the tax credit in the taxable year that
2 includes the date the certificate of tax credit was issued by the
3 department pursuant to subdivision three of section four hundred eight-
4 y-four of this article.

5 § 486. Powers and duties of the commissioner. 1. The commissioner may
6 promulgate regulations establishing an application process and eligibil-
7 ity criteria, that will be applied consistent with the purposes of this
8 article, so as not to exceed the annual cap on tax credits set forth in
9 section four hundred eighty-nine of this article which, notwithstanding
10 any provisions to the contrary in the state administrative procedure
11 act, may be adopted on an emergency basis.

12 2. The commissioner shall, in consultation with the department of
13 taxation and finance, develop a certificate of tax credit that shall be
14 issued by the commissioner to eligible businesses. Such certificate
15 shall contain such information as required by the department of taxation
16 and finance.

17 3. The commissioner shall solely determine the eligibility of any
18 applicant applying for entry into the program and shall remove any busi-
19 ness entity from the program for failing to meet any of the requirements
20 set forth in section four hundred eighty-three of this article, or for
21 failing to meet the requirements set forth in subdivision one of section
22 four hundred eighty-four of this article.

23 § 487. Maintenance of records. Each business entity participating in
24 the program shall keep all relevant records for their duration of
25 program participation for at least three years.

26 § 488. Reporting. Each business entity participating in this program
27 shall submit a performance report to the department at a time prescribed
28 in regulations by the commissioner. The commissioner shall on or before
29 April first, two thousand twenty-three and every quarter thereafter
30 until program funds are fully expended, submit a report to the governor,
31 the temporary president of the senate, the speaker of the assembly, the
32 chair of the senate finance committee, and the chair of the assembly
33 ways and means committee, setting forth the activities undertaken by the
34 program. Such report shall include, but not necessarily be limited to,
35 the following in each reporting period to the extent such information
36 is available: total number of participants approved and the economic
37 development region in which the business is located; total amount of
38 payments disbursed and tax credits claimed, and average amount of
39 payments disbursed and tax credits claimed; names of payment recipients
40 and tax credits claimed; and such other information as the commis-
41 sioner determines necessary and appropriate to effectuate the purpose of
42 the program. Such reports shall, at the same time, be included on
43 the department's website and any other publicly accessible database that
44 lists economic development programs as determined by the department.

45 § 489. Cap on tax credit. The total amount of tax credits listed on
46 certificates of tax credit issued by the commissioner pursuant to this
47 article may not exceed two hundred fifty million dollars.

48 § 2. The tax law is amended by adding a new section 47 to read as
49 follows:

50 § 47. COVID-19 capital costs tax credit. (a) Allowance of credit. A
51 taxpayer subject to tax under article nine-A or twenty-two of this chap-
52 ter shall be allowed a credit against such tax, pursuant to the
53 provisions referenced in subdivision (f) of this section. The amount of
54 the credit is equal to the amount determined pursuant to section four
55 hundred eighty-five of the economic development law. No cost or expense
56 paid or incurred by the taxpayer which is included as part of the calcu-

1 lation of this credit shall be the basis of any other tax credit allowed
2 under this chapter.

3 (b) Eligibility. To be eligible for the COVID-19 capital costs tax
4 credit, the taxpayer shall have been issued a certificate of tax credit
5 by the department of economic development pursuant to subdivision three
6 of section four hundred eighty-four of the economic development law,
7 which certificate shall set forth the amount of the credit that may be
8 claimed for the taxable year. The taxpayer shall be allowed to claim
9 only the amount listed on the certificate of tax credit for that taxable
10 year. A taxpayer that is a partner in a partnership, member of a limited
11 liability company or shareholder in a subchapter S corporation that has
12 received a certificate of tax credit shall be allowed its pro rata share
13 of the credit earned by the partnership, limited liability company or
14 subchapter S corporation.

15 (c) Tax return requirement. The taxpayer shall be required to attach
16 to its tax return in the form prescribed by the commissioner, proof of
17 receipt of its certificate of tax credit issued by the commissioner of
18 the department of economic development.

19 (d) Information sharing. Notwithstanding any provision of this chap-
20 ter, employees of the department of economic development and the depart-
21 ment shall be allowed and are directed to share and exchange:

22 (1) information derived from tax returns or reports that is relevant
23 to a taxpayer's eligibility to participate in the COVID-19 capital costs
24 tax credit program;

25 (2) information regarding the credit applied for, allowed or claimed
26 pursuant to this section and taxpayers that are applying for the credit
27 or that are claiming the credit; and

28 (3) information contained in or derived from credit claim forms
29 submitted to the department and applications for admission into the
30 COVID-19 capital costs tax credit program. Except as provided in para-
31 graph two of this subdivision, all information exchanged between the
32 department of economic development and the department shall not be
33 subject to disclosure or inspection under the state's freedom of infor-
34 mation law.

35 (e) Credit recapture. If a certificate of tax credit issued by the
36 department of economic development under article twenty-six of the
37 economic development law is revoked by such department, the amount of
38 credit described in this section and claimed by the taxpayer prior to
39 that revocation shall be added back to tax in the taxable year in which
40 any such revocation becomes final.

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

43 (1) article 9-A: section 210-B, subdivision 58;

44 (2) article 22: section 606, subsection (nnn).

45 § 3. Section 210-B of the tax law is amended by adding a new subdivi-
46 sion 58 to read as follows:

47 58. COVID-19 capital costs tax credit. (a) Allowance of credit. A
48 taxpayer shall be allowed a credit, to be computed as provided in
49 section forty-seven of this chapter, against the taxes imposed by this
50 article.

51 (b) Application of credit. The credit allowed under this subdivision
52 for the taxable year shall not reduce the tax due for such year to less
53 than the amount prescribed in paragraph (d) of subdivision one of
54 section two hundred ten of this article. However, if the amount of cred-
55 it allowed under this subdivision for the taxable year reduces the tax
56 to such amount or if the taxpayer otherwise pays tax based on the fixed

dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest will be paid thereon.

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

(nnn) COVID-19 capital costs tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-seven of this chapter, against the tax imposed by this article.

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

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

<u>(xlix) COVID-19 capital costs</u>	<u>Amount of credit under</u>
<u>tax credit under subsection (nnn)</u>	<u>subdivision 58 of</u>
	<u>section two hundred ten-B</u>

§ 6. This act shall take effect immediately.

PART F

Section 1. Paragraph 2 of subdivision (a) of section 24-c of the tax law, as added by section 1 of subpart B of part PP of chapter 59 of the laws of 2021, is amended to read as follows:

(2) The amount of the credit shall be the product (or pro rata share of the product, in the case of a member of a partnership) of twenty-five percent and the sum of the qualified production expenditures paid for during the qualified New York city musical and theatrical production's credit period. Provided however that the amount of the credit cannot exceed three million dollars per qualified New York city musical and theatrical production for productions whose first performance is [~~during the first year in which applications are accepted~~] prior to January first, two thousand twenty-three. For productions whose first performance is [~~during the second year in which applications are accepted~~] on or after January first, two thousand twenty-three, such cap shall decrease to one million five hundred thousand dollars per qualified New York city musical and theatrical production unless the New York city tourism economy has not sufficiently recovered, as determined by the department of economic development in consultation with the division of the budget. In determining whether the New York city tourism economy has sufficiently recovered, the department of economic development will perform an analysis of key New York city economic indicators which shall include, but not be limited to, hotel occupancy rates and travel metrics. The department of economic development's analysis shall also be informed by the status of any remaining COVID-19 restrictions affecting New York city musical and theatrical productions. In no event shall a qualified New York city musical and theatrical production be eligible for more than one credit under this program.

§ 2. Subparagraph (i) of paragraph 5 of subdivision (b) of section 24-c of the tax law, as added by section 1 of subpart B of part PP of chapter 59 of the laws of 2021, is amended to read as follows:

(i) "The credit period of a qualified New York city musical and theatrical production company" is the period starting on the production start date and ending on the earlier of the date the qualified musical and theatrical production has expended sufficient qualified production expenditures to reach its credit cap, [~~March thirty-first~~] September thirtieth, two thousand twenty-three or the date the qualified musical and theatrical production closes.

§ 3. Paragraph 1 of subdivision (f) of section 24-c of the tax law, as added by section 1 of subpart B of part PP of chapter 59 of the laws of 2021, is amended to read as follows:

(1) The aggregate amount of tax credits allowed under this section, subdivision fifty-seven of section two hundred ten-B and subsection (mmm) of section six hundred six of this chapter shall be [~~one~~] two hundred million dollars. Such aggregate amount of credits shall be allocated by the department of economic development among taxpayers based on the date of first performance of the qualified musical and theatrical production.

§ 4. Paragraph 2 of subdivision (f) of section 24-c of the tax law, as added by section 1 of subpart B of part PP of chapter 59 of the laws of 2021, is amended to read as follows:

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

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

(g) Any qualified New York city musical and theatrical production company that performs in a qualified New York city production facility and applies to receive a credit under this section shall be required to: (1) participate in a New York state diversity and arts job training program; (2) create and implement a plan to ensure that their production is available and accessible for low-or no-cost to low income New Yorkers; and (3) contribute to the New York state council on the arts, cultural program fund an amount up to fifty percent of the total credits received if its production earns ongoing revenue prospectively after the end of the credit period that is at least equal to two hundred percent of its ongoing production costs, with such amount payable from twenty-five percent of net operating profits, such amounts payable on a monthly basis, up until such fifty percent of the total credit amount is reached. Any funds deposited pursuant to this subdivision may be used for arts and cultural [~~educational and workforce development~~] grant

1 programs of the New York state council on the arts as specified in
2 subdivision five of section ninety-nine-ll of the state finance law.

3 § 6. Subdivision 5 of section 99-ll of the state finance law, as added
4 by section 5 of subpart B of part PP of chapter 59 of the laws of 2021,
5 is amended to read as follows:

6 5. The moneys in such fund shall be expended for the purpose of
7 supplementing art and cultural grant programs [~~for secondary and elemen-~~
8 ~~tary children~~] of the New York state council on the arts, including
9 [~~programs that increase access to art and cultural programs and events~~
10 ~~for children in underserved communities~~] but not limited to: arts educa-
11 tion programs, and art and cultural programs for children and adults,
12 including programs that increase access to art and cultural programs and
13 events in underserved communities.

14 § 7. Section 6 of subpart B of part PP of chapter 59 of the laws of
15 2021 amending the tax law and the state finance law relating to estab-
16 lishing the New York city musical and theatrical production tax credit
17 and establishing the New York state council on the arts cultural program
18 fund, is amended to read as follows:

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

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

30 PART G

31 Intentionally Omitted

32 PART H

33 Section 1. Paragraphs (a), (b) and (d) of subdivision 29 of section
34 210-B of the tax law, paragraph (a) and subparagraph 2 of paragraph (b)
35 as amended by section 1 of part II of chapter 59 of the laws of 2021,
36 paragraph (b) as amended by section 1 of part Q of chapter 59 of the
37 laws of 2018, subparagraph 1 of paragraph (b) as amended by chapter 490
38 of the laws of 2019 and paragraph (d) as added by section 17 of part A
39 of chapter 59 of the laws of 2014, are amended to read as follows:

40 (a) Allowance of credit. For taxable years beginning on or after Janu-
41 ary first, two thousand fifteen and before January first, two thousand
42 [~~twenty-three~~] twenty-six, a taxpayer shall be allowed a credit, to be
43 computed as provided in this subdivision, against the tax imposed by
44 this article, for hiring and employing, for not less than [~~one year and~~
45 ~~for not less than thirty-five hours each week~~] twelve continuous and
46 uninterrupted months (hereinafter referred to as the twelve-month peri-
47 od) in a full-time or part-time position, a qualified veteran within the
48 state. The taxpayer may claim the credit in the year in which the qual-
49 ified veteran completes [~~one year~~] the twelve-month period of employment
50 by the taxpayer. If the taxpayer claims the credit allowed under this
51 subdivision, the taxpayer may not use the hiring of a qualified veteran

1 that is the basis for this credit in the basis of any other credit
2 allowed under this article.

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

4 (1) who served on active duty in the United States army, navy, air
5 force, space force, marine corps, coast guard or the reserves thereof,
6 or who served in active military service of the United States as a
7 member of the army national guard, air national guard, New York guard or
8 New York naval militia, or who served in the active uniformed services
9 of the United States as a member of the commissioned corps of the
10 national oceanic and atmospheric administration or the commissioned
11 corps of the United States public health service; who (i) was released
12 from active duty by general or honorable discharge [~~after September~~
13 ~~eleventh, two thousand one~~], or (ii) has a qualifying condition, as
14 defined in section three hundred fifty of the executive law, and has
15 received a discharge other than bad conduct or dishonorable from such
16 service [~~after September eleventh, two thousand one~~], or (iii) is a
17 discharged LGBT veteran, as defined in section three hundred fifty of
18 the executive law, and has received a discharge other than bad conduct
19 or dishonorable from such service [~~after September eleventh, two thou-~~
20 ~~sand one~~];

21 (2) who commences employment by the qualified taxpayer on or after
22 January first, two thousand fourteen, and before January first, two
23 thousand [~~twenty-two~~] twenty-five; and

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

28 (d) Amount of credit. The amount of the credit shall be [~~ten~~] fifteen
29 percent of the total amount of wages paid to the qualified veteran
30 during the veteran's first [~~full-year~~] twelve-month period of employ-
31 ment. Provided, however, that, if the qualified veteran is a disabled
32 veteran, as defined in paragraph (b) of subdivision one of section
33 eighty-five of the civil service law, the amount of the credit shall be
34 [~~fifteen~~] twenty percent of the total amount of wages paid to the quali-
35 fied veteran during the veteran's first [~~full-year~~] twelve-month period
36 of employment. The credit allowed pursuant to this subdivision shall not
37 exceed in any taxable year[~~, five~~]: (1) fifteen thousand dollars for any
38 qualified veteran [and fifteen], other than a disabled veteran, employed
39 in a full-time position for one thousand eight hundred twenty or more
40 hours in one twelve-month period, (2) twenty thousand dollars for any
41 qualified veteran who is a disabled veteran employed in a full-time
42 position for one thousand eight hundred twenty or more hours in one
43 twelve-month period, (3) seven thousand five hundred dollars for any
44 qualified veteran, other than a disabled veteran, employed in a part-
45 time position for at least one thousand forty hours but not more than
46 one thousand eight hundred nineteen hours in one twelve-month period,
47 and (4) ten thousand dollars for any qualified veteran who is a disabled
48 veteran employed in a part-time position for at least one thousand forty
49 hours but not more than one thousand eight hundred nineteen hours in one
50 twelve-month period.

51 § 2. Paragraphs 1, 2 and 4 of subsection (a-2) of section 606 of the
52 tax law, paragraph 1 and subparagraph (B) of paragraph 2 as amended by
53 section 2 of part II of chapter 59 of the laws of 2021, paragraph 2 as
54 amended by section 2 of part Q of chapter 59 of the laws of 2018,
55 subparagraph (A) of paragraph 2 as amended by chapter 490 of the laws of

2019 and paragraph 4 as added by section 3 of part AA of chapter 59 of the laws of 2013, are amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand ~~[twenty-three]~~ twenty-six, a taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article, for hiring and employing, for not less than ~~[one-year-and-for-not-less-than-thirty-five-hours-each-week]~~ twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes ~~[one-year]~~ the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subsection, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

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

(A) who served on active duty in the United States army, navy, air force, space force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia, or who served in the active uniformed services of the United States as a member of the commissioned corps of the national oceanic and atmospheric administration or the commissioned corps of the United States public health service; who (i) was released from active duty by general or honorable discharge ~~[after September eleventh, two thousand one]~~, or (ii) has a qualifying condition, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service ~~[after September eleventh, two thousand one]~~, or (iii) is a discharged LGBT veteran, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service ~~[after September eleventh, two thousand one]~~;

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand ~~[twenty-two]~~ twenty-five; and

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

(4) Amount of credit. The amount of the credit shall be ~~[ten]~~ fifteen percent of the total amount of wages paid to ~~[he]~~ the qualified veteran during the veteran's first ~~[full-year]~~ twelve-month period of employment. Provided, however, that, if the qualified veteran is a disabled veteran, as defined in paragraph (b) of subdivision one of section eighty-five of the civil service law, the amount of the credit shall be ~~[fifteen]~~ twenty percent of the total amount of wages paid to the qualified veteran during the veteran's first ~~[full-year]~~ twelve-month period of employment. The credit allowed pursuant to this subsection shall not exceed in any taxable year ~~[, five]~~ : (i) fifteen thousand dollars for any qualified veteran ~~[and fifteen]~~, other than a disabled veteran, employed in a full-time position for one thousand eight hundred twenty or more hours in one twelve-month period, (ii) twenty thousand dollars for any qualified veteran who is a disabled veteran employed in a full-time position for one thousand eight hundred twenty or more hours in one

twelve-month period, (iii) seven thousand five hundred dollars for any qualified veteran, other than a disabled veteran, employed in a part-time position for at least one thousand forty hours but not more than one thousand eight hundred nineteen hours in one twelve-month period, and (iv) ten thousand dollars for any qualified veteran who is a disabled veteran employed in a part-time position for at least one thousand forty hours but not more than one thousand eight hundred nineteen hours in one twelve-month period.

§ 3. Paragraphs 1, 2 and 4 of subdivision (g-1) of section 1511 of the tax law, paragraph 1 and subparagraph (B) of paragraph 2 as amended by section 3 of part II of chapter 59 of the laws of 2021, paragraph 2 as amended by section 3 of part Q of chapter 59 of the laws of 2018, subparagraph (A) of paragraph 2 as amended by chapter 490 of the laws of 2019 and paragraph 4 as added by section 5 of part AA of chapter 59 of the laws of 2013, are amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand ~~[twenty-three]~~ twenty-six, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than ~~[one year and for not less than thirty-five hours each week]~~ twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes ~~[one year]~~ the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

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

(A) who served on active duty in the United States army, navy, air force, space force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia, or who served in the active uniformed services of the United States as a member of the commissioned corps of the national oceanic and atmospheric administration or the commissioned corps of the United States public health service; who (i) was released from active duty by general or honorable discharge ~~[after September eleventh, two thousand one]~~, or (ii) has a qualifying condition, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service ~~[after September eleventh, two thousand one]~~, or (iii) is a discharged LGBT veteran, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service ~~[after September eleventh, two thousand one]~~;

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand ~~[twenty-two]~~ twenty-five; and

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

(4) Amount of credit. The amount of the credit shall be ~~[ten]~~ fifteen percent of the total amount of wages paid to the qualified veteran

during the veteran's first ~~[full-year]~~ twelve-month period of employment. Provided, however, that, if the qualified veteran is a disabled veteran, as defined in paragraph (b) of subdivision one of section eighty-five of the civil service law, the amount of the credit shall be ~~[fifteen]~~ twenty percent of the total amount of wages paid to the qualified veteran during the veteran's first ~~[full-year]~~ twelve-month period of employment. The credit allowed pursuant to this subdivision shall not exceed in any taxable year ~~[, five]~~ :(i) fifteen thousand dollars for any qualified veteran ~~[and fifteen]~~, other than a disabled veteran, employed in a full-time position for one thousand eight hundred twenty or more hours in one twelve-month period, (ii) twenty thousand dollars for any qualified veteran who is a disabled veteran employed in a full-time position for one thousand eight hundred twenty or more hours in one twelve-month period, (iii) seven thousand five hundred dollars for any qualified veteran, other than a disabled veteran, employed in a part-time position for at least one thousand forty hours but not more than one thousand eight hundred nineteen hours in one twelve-month period, and (iv) ten thousand dollars for any qualified veteran who is a disabled veteran employed in a part-time position for at least one thousand forty hours but not more than one thousand eight hundred nineteen hours in one twelve-month period.

§ 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2022.

PART I

Section 1. The tax law is amended by adding a new section 47 to read as follows:

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

(2) A taxpayer that is a partner in a partnership, member of a limited liability company or shareholder in a subchapter S corporation shall be allowed its pro rata share of the credit earned by the partnership, limited liability company or subchapter S corporation that meets the eligibility criteria described in subdivision (b) of this section to claim a grade no. 6 heating oil conversion tax credit. In no event may the total amount of the credit earned by the partnership, limited liability company or subchapter S corporation exceed five hundred thousand dollars for all buildings located at a New York state department of environmental conservation regulated facility.

(3) No cost or expense paid or incurred by the taxpayer that is included as part of the calculation of this credit shall be the basis of any other tax credit allowed under this chapter.

(b) Eligibility criteria. (1) To be eligible to claim a grade no. 6 heating oil conversion tax credit, a business entity must:

1 (i) incur expenses for the conversion from grade no. 6 heating oil
2 fuel, as described as "conversion costs" in paragraph (1) of subdivision
3 (c) of this section, to biodiesel heating oil or a geothermal system at
4 any building located in New York state outside the city of New York;

5 (ii) submit an application to and obtain approval of such application
6 by the New York state energy research and development authority describ-
7 ing the conversion and approved costs to complete such conversion;

8 (iii) not be principally engaged in the generation or distribution of
9 electricity, power or energy;

10 (iv) be in compliance with all environmental conservation laws and
11 regulations; and

12 (v) not owe past due state taxes unless the business entity is making
13 payments and complying with an approved binding payment agreement
14 entered into with the taxing authority.

15 (c) Definitions. As used in this section the following terms shall
16 have the following meanings:

17 (1) Conversion costs means the equipment and labor costs associated
18 with the design, installation and use of space heating and other energy
19 conversion systems that are designed to or accommodate the use of biod-
20 iesel fuel or a geothermal system and, at the option of the taxpayer,
21 the costs of completing an ASHRAE level 2 energy audit including assess-
22 ment of electrification options.

23 (2) Biodiesel means a minimum blend of eighty-five (85) percent biod-
24 iesel, defined as fuel manufactured from vegetable oils, animal fats, or
25 other agricultural or other products or by-products, with petrodiesel
26 fuel commonly used for heating systems.

27 (3) Geothermal means a system that uses the ground or ground water as
28 a thermal energy source/sink to heat or cool a building or provide hot
29 water within the building.

30 (4) A New York state department of environmental conservation regu-
31 lated facility is a facility regulated pursuant to section 19-0302 or
32 title ten of article seventeen of the environmental conservation law.

33 (d) The commissioner, in consultation with the New York state energy
34 research and development authority, will develop an application process
35 to certify the expenses necessary for the conversion and a taxpayer will
36 not be eligible to claim the credit unless it has completed that appli-
37 cation process and the application has been approved by the New York
38 state energy research and development authority.

39 (e) Information sharing. The department, the department of environ-
40 mental conservation and the New York state energy research and develop-
41 ment authority shall be allowed and are directed to share and exchange
42 information regarding the information contained on the credit applica-
43 tion for claiming the grade no. 6 heating oil conversion tax credit and
44 such information exchanged between the department, the department of
45 environmental conservation and the New York state energy research and
46 development authority shall not be subject to disclosure or inspection
47 under the state's freedom of information law.

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

50 (1) article 9-A: section 210-B, subdivision 58;

51 (2) article 22: section 606, subsection (nnn).

52 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
53 sion 58 to read as follows:

54 58. Grade no. 6 heating oil conversion tax credit. (a) Allowance of
55 credit. A taxpayer will be allowed a credit, to be computed as provided

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

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

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

18 <u>(xlix) Grade no. 6 heating oil</u>	<u>Amount of credit under subdivision</u>
19 <u>conversion tax credit under</u>	<u>fifty-eight of section two hundred</u>
20 <u>subsection (nnn)</u>	<u>ten-B</u>

21 § 4. Section 606 of the tax law is amended by adding a new subsection
22 (nnn) to read as follows:

23 (nnn) Grade no. 6 heating oil conversion tax credit. (1) Allowance of
24 credit. A taxpayer shall be allowed a credit, to be computed as provided
25 in section forty-seven of this chapter, against the tax imposed by this
26 article.

27 (2) Application of credit. If the amount of the credit allowed under
28 this subsection for the taxable year exceeds the taxpayer's tax for such
29 year, the excess will be treated as an overpayment of tax to be credited
30 or refunded in accordance with the provisions of section six hundred
31 eighty-six of this article, provided, however, that no interest will be
32 paid thereon.

33 § 5. This act shall take effect immediately and shall apply to taxable
34 years beginning on or after January 1, 2022.

35 PART J

36 Section 1. Subdivision 4 of section 22 of the public housing law, as
37 amended by section 2 of part GG of chapter 59 of the laws of 2021, is
38 amended to read as follows:

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

46 § 2. Subdivision 4 of section 22 of the public housing law, as
47 amended by section 3 of part GG of chapter 59 of the laws of 2021, is
48 amended to read as follows:

49 4. Statewide limitation. The aggregate dollar amount of credit which
50 the commissioner may allocate to eligible low-income buildings under
51 this article shall be one hundred [~~twenty-eight~~] forty-two million
52 dollars. The limitation provided by this subdivision applies only to
53 allocation of the aggregate dollar amount of credit by the commissioner,

1 and does not apply to allowance to a taxpayer of the credit with respect
2 to an eligible low-income building for each year of the credit period.

3 § 3. Subdivision 4 of section 22 of the public housing law, as amended
4 by section 4 of part GG of chapter 59 of the laws of 2021, is amended to
5 read as follows:

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

13 § 4. Subdivision 4 of section 22 of the public housing law, as amended
14 by section 5 of part GG of chapter 59 of the laws of 2021, is amended to
15 read as follows:

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

23 § 5. This act shall take effect immediately; provided, however,
24 section one of this act shall take effect April 1, 2022; section two of
25 this act shall take effect April 1, 2023; section three of this act
26 shall take effect April 1, 2024; and section four of this act shall take
27 effect April 1, 2025.

28 PART K

29 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax
30 law, as amended by section 1 of part R of chapter 59 of the laws of
31 2019, is amended to read as follows:

32 (a) General. A taxpayer shall be allowed a credit against the tax
33 imposed by this article. Such credit, to be computed as hereinafter
34 provided, shall be allowed for bioheating fuel, used for space heating
35 or hot water production for residential purposes within this state
36 purchased before January first, two thousand [~~twenty-three~~] **twenty-six**.
37 Such credit shall be \$0.01 per percent of biodiesel per gallon of
38 bioheating fuel, not to exceed twenty cents per gallon, purchased by
39 such taxpayer. Provided, however, that on or after January first, two
40 thousand seventeen, this credit shall not apply to bioheating fuel that
41 is less than six percent biodiesel per gallon of bioheating fuel.

42 § 2. Paragraph 1 of subdivision (mm) of section 606 of the tax law, as
43 amended by section 2 of part R of chapter 59 of the laws of 2019, is
44 amended to read as follows:

45 (1) A taxpayer shall be allowed a credit against the tax imposed by
46 this article. Such credit, to be computed as hereinafter provided, shall
47 be allowed for bioheating fuel, used for space heating or hot water
48 production for residential purposes within this state and purchased on
49 or after July first, two thousand six and before July first, two thou-
50 sand seven and on or after January first, two thousand eight and before
51 January first, two thousand [~~twenty-three~~] **twenty-six**. Such credit shall
52 be \$0.01 per percent of biodiesel per gallon of bioheating fuel, not to
53 exceed twenty cents per gallon, purchased by such taxpayer. Provided,
54 however, that on or after January first, two thousand seventeen, this

1 credit shall not apply to bioheating fuel that is less than six percent
2 biodiesel per gallon of bioheating fuel.
3 § 3. This act shall take effect immediately.

4 PART L

5 Section 1. Section 5 of chapter 604 of the laws of 2011 amending the
6 tax law relating to the credit for companies who provide transportation
7 to people with disabilities, as amended by section 1 of part K of chap-
8 ter 60 of the laws of 2016, is amended to read as follows:

9 § 5. This act shall take effect immediately and shall remain in effect
10 until December 31, 2016 when upon such date it shall be deemed repealed;
11 provided that this act shall be deemed to have been in full force and
12 effect on December 31, 2010; provided further that this act shall apply
13 to all tax years commencing on or after January 1, 2011; and provided
14 further that sections one and two of this act shall remain in effect
15 until December 31, [2022] 2028 when upon such date such sections shall
16 be deemed repealed.

17 § 2. Paragraphs (a) and (b) of subdivision 38 of section 210-B of the
18 tax law, as added by section 17 of part A of chapter 59 of the laws of
19 2014, are amended to read as follows:

20 (a) Allowance and amount of credit. A taxpayer, who provides a taxicab
21 service as defined in section one hundred forty-eight-a of the vehicle
22 and traffic law, or a livery service as defined in section one hundred
23 twenty-one-e of the vehicle and traffic law, shall be allowed a credit,
24 to be computed as provided in this subdivision, against the tax imposed
25 by this article. The amount of the credit shall be equal to the incre-
26 mental cost associated with upgrading a vehicle so that it is accessible
27 by individuals with disabilities as defined in paragraph (b) of this
28 subdivision. Provided, however, that such credit shall not exceed
29 fifteen thousand dollars per electric vehicle and ten thousand dollars
30 per any other vehicle. For purposes of this subdivision, purchases of
31 new vehicles that are initially manufactured to be accessible for indi-
32 viduals with disabilities and for which there is no comparable make and
33 model that does not include the equipment necessary to provide accessi-
34 bility to individuals with disabilities, the credit shall be fifteen
35 thousand dollars per electric vehicle and ten thousand dollars per any
36 other vehicle.

37 (b) [Definition] Definitions. The term "accessible by individuals
38 with disabilities" shall, for the purposes of this subdivision, refer to
39 a vehicle that complies with federal regulations promulgated pursuant to
40 the Americans with Disabilities Act applicable to vans under twenty-two
41 feet in length, by the federal Department of Transportation, in Code of
42 Federal Regulations, title 49, parts 37 and 38, and by the federal
43 Architecture and Transportation Barriers Compliance Board, in Code of
44 Federal Regulations, title 36, section 1192.23, and the Federal Motor
45 Vehicle Safety Standards, Code of Federal Regulations, title 49, part
46 57. The term "electric vehicle" shall, for the purposes of this subdivi-
47 sion, have the same meaning as in section sixty-six-s of the public
48 service law.

49 § 3. Paragraph (c) of subdivision 38 of section 210-B of the tax law,
50 as amended by section 2 of part K of chapter 60 of the laws of 2016, is
51 amended to read as follows:

52 (c) Application of credit. In no event shall the credit allowed under
53 this subdivision for any taxable year reduce the tax due for such year
54 to less than the amount prescribed in paragraph (d) of subdivision one

of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be carried over to the following year or years, and may be deducted from the taxpayer's tax for such year or years. The tax credit allowed pursuant to this subdivision shall not apply to taxable years beginning on or after January first, two thousand ~~[twenty-three]~~ twenty-nine.

§ 4. Paragraphs 1 and 2 of subsection (tt) of section 606 of the tax law, as added by chapter 604 of the laws of 2011, are amended to read as follows:

(1) Allowance and amount of credit. A taxpayer, who provides a taxicab service as defined in section one hundred forty-eight-a of the vehicle and traffic law, or a livery service as defined in section one hundred twenty-one-e of the vehicle and traffic law, shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article. The amount of the credit shall be equal to the incremental cost associated with upgrading a vehicle so that it is accessible by individuals with disabilities as defined in paragraph two of this subsection. Provided, however, that such credit shall not exceed fifteen thousand dollars per electric vehicle and ten thousand dollars per any other vehicle. For purposes of this subsection, purchases of new vehicles that are initially manufactured to be accessible for individuals with disabilities and for which there is no comparable make and model that does not include the equipment necessary to provide accessibility to individuals with disabilities, the credit shall be fifteen thousand dollars per electric vehicle and ten thousand dollars per any other vehicle.

(2) ~~[Definition]~~ Definitions. The term "accessible by individuals with disabilities" shall, for the purposes of this subsection, refer to a vehicle that complies with federal regulations promulgated pursuant to the Americans with Disabilities Act applicable to vans under twenty-two feet in length, by the federal Department of Transportation, in Code of Federal Regulations, title 49, parts 37 and 38, and by the federal Architecture and Transportation Barriers Compliance Board, in Code of Federal Regulations, title 36, section 1192.23, and the Federal Motor Vehicle Safety Standards, Code of Federal Regulations, title 29, part 57. The term "electric vehicle" shall, for the purposes of this subsection, have the same meaning as in section sixty-six-s of the public service law.

§ 5. This act shall take effect immediately; provided, however, that sections two and four of this act shall apply to taxable years beginning on or after January 1, 2023, provided, however, that the amendments to subsection (tt) of section 606 of the tax law made by section four of this act shall not affect the repeal of such subsection and shall be deemed repealed therewith.

PART M

Section 1. Paragraph 4 of subdivision (a) of section 24 of the tax law, as added by section 5 of part Q of chapter 57 of the laws of 2010, is amended to read as follows:

(4) (i) Notwithstanding the foregoing provisions of this subdivision, a qualified film production company or qualified independent film production company, that has applied for credit under the provisions of

1 this section, agrees as a condition for the granting of the credit:
2 ~~[(i)]~~ (A) to include in each qualified film distributed by DVD, or other
3 media for the secondary market, a New York promotional video approved by
4 the governor's office of motion picture and television development or to
5 include in the end credits of each qualified film "Filmed With the
6 Support of the New York State Governor's Office of Motion Picture and
7 Television Development" and a logo provided by the governor's office of
8 motion picture and television development, and ~~[(ii)]~~ (B) to certify
9 that it will purchase taxable tangible property and services, defined as
10 qualified production costs pursuant to paragraph one of subdivision (b)
11 of this section, only from companies registered to collect and remit
12 state and local sales and use taxes pursuant to articles twenty-eight
13 and twenty-nine of this chapter.

14 (ii) On or after January first, two thousand twenty-three, a qualified
15 film production company or qualified independent film production company
16 that has applied for credit under the provisions of this section shall,
17 as a condition for the granting of the credit, file a diversity plan
18 with the governor's office for motion picture and television development
19 outlining specific goals for hiring a diverse workforce. The commission-
20 er of economic development shall promulgate regulations implementing the
21 requirements of this paragraph, which, notwithstanding any provisions to
22 the contrary in the state administrative procedure act, may be adopted
23 on an emergency basis, to ensure compliance with the provisions of this
24 paragraph. The governor's office for motion picture and television
25 development shall review each submitted plan as to whether it meets the
26 requirements established by the commissioner of economic development,
27 and shall verify that the applicant has met or made good-faith efforts
28 in achieving these goals. The diversity plan also shall indicate whether
29 the qualified film production company or qualified independent film
30 production company that has applied for credit under the provisions of
31 this section intends to participate in training, education, and recruit-
32 ment programs that are designed to promote and encourage the training
33 and hiring in the film and television industry of New York residents who
34 represent the diversity of the State's population.

35 § 2. Paragraph 5 of subdivision (a) of section 24 of the tax law, as
36 amended by section 1 of part F of chapter 59 of the laws of 2021, is
37 amended to read as follows:

38 (5) For the period two thousand fifteen through two thousand ~~twenty-~~
39 ~~six]~~ twenty-nine, in addition to the amount of credit established in
40 paragraph two of this subdivision, a taxpayer shall be allowed a credit
41 equal to the product (or pro rata share of the product, in the case of a
42 member of a partnership) of ten percent and the amount of wages or sala-
43 ries paid to individuals directly employed (excluding those employed as
44 writers, directors, music directors, producers and performers, including
45 background actors with no scripted lines) by a qualified film production
46 company or a qualified independent film production company for services
47 performed by those individuals in one of the counties specified in this
48 paragraph in connection with a qualified film with a minimum budget of
49 five hundred thousand dollars. For purposes of this additional credit,
50 the services must be performed in one or more of the following counties:
51 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,
52 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,
53 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,
54 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,
55 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,
56 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-

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

23 § 3. Paragraph 4 of subdivision (e) of section 24 of the tax law, as
24 amended by section 2 of part F of chapter 59 of the laws of 2021, is
25 amended to read as follows:

26 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
27 subdivision (a) of this section shall be increased by an additional four
28 hundred twenty million dollars in each year starting in two thousand ten
29 through two thousand [~~twenty-six~~] twenty-nine provided however, seven
30 million dollars of the annual allocation shall be available for the
31 empire state film post production credit pursuant to section thirty-one
32 of this article in two thousand thirteen and two thousand fourteen,
33 twenty-five million dollars of the annual allocation shall be available
34 for the empire state film post production credit pursuant to section
35 thirty-one of this article in each year starting in two thousand fifteen
36 through two thousand [~~twenty-six~~] twenty-nine and five million dollars
37 of the annual allocation shall be made available for the television
38 writers' and directors' fees and salaries credit pursuant to section
39 twenty-four-b of this article in each year starting in two thousand
40 twenty through two thousand [~~twenty-six~~] twenty-nine. This amount shall
41 be allocated by the governor's office for motion picture and television
42 development among taxpayers in accordance with subdivision (a) of this
43 section. If the commissioner of economic development determines that the
44 aggregate amount of tax credits available from additional pool 2 for the
45 empire state film production tax credit have been previously allocated,
46 and determines that the pending applications from eligible applicants
47 for the empire state film post production tax credit pursuant to section
48 thirty-one of this article is insufficient to utilize the balance of
49 unallocated empire state film post production tax credits from such
50 pool, the remainder, after such pending applications are considered,
51 shall be made available for allocation in the empire state film tax
52 credit pursuant to this section, subdivision twenty of section two
53 hundred ten-B and subsection (gg) of section six hundred six of this
54 chapter. Also, if the commissioner of economic development determines
55 that the aggregate amount of tax credits available from additional pool
56 2 for the empire state film post production tax credit have been previ-

ously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production credit pursuant to this section, subdivision thirty-two of section two hundred ten-B and subsection (qq) of section six hundred six of this chapter. The governor's office for motion picture and television development must notify taxpayers of their allocation year and include the allocation year on the certificate of tax credit. Taxpayers eligible to claim a credit must report the allocation year directly on their empire state film production credit tax form for each year a credit is claimed and include a copy of the certificate with their tax return. In the case of a qualified film that receives funds from additional pool 2, no empire state film production credit shall be claimed before the later of the taxable year the production of the qualified film is complete, or the taxable year immediately following the allocation year for which the film has been allocated credit by the governor's office for motion picture and television development.

§ 4. Paragraph 4 of subdivision (e) of section 24 of the tax law, as amended by section 3 of part F of chapter 59 of the laws of 2021, is amended to read as follows:

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand ~~twenty-six~~ **twenty-nine** provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen and twenty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand fifteen through two thousand ~~twenty-six~~ **twenty-nine**. This amount shall be allocated by the governor's office for motion picture and television development among taxpayers in accordance with subdivision (a) of this section. If the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film post production tax credit pursuant to section thirty-one of this article is insufficient to utilize the balance of unallocated empire state film post production tax credits from such pool, the remainder, after such pending applications are considered, shall be made available for allocation in the empire state film tax credit pursuant to this section, subdivision twenty of section two hundred ten-B and subsection (gg) of section six hundred six of this chapter. Also, if the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film post production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production

1 credit pursuant to this section, subdivision thirty-two of section two
2 hundred ten-B and subsection (qq) of section six hundred six of this
3 chapter. The governor's office for motion picture and television devel-
4 opment must notify taxpayers of their allocation year and include the
5 allocation year on the certificate of tax credit. Taxpayers eligible to
6 claim a credit must report the allocation year directly on their empire
7 state film production credit tax form for each year a credit is claimed
8 and include a copy of the certificate with their tax return. In the case
9 of a qualified film that receives funds from additional pool 2, no
10 empire state film production credit shall be claimed before the later of
11 the taxable year the production of the qualified film is complete, or
12 the taxable year immediately following the allocation year for which the
13 film has been allocated credit by the governor's office for motion
14 picture and television development.

15 § 5. Paragraph 1 of subdivision (f) of section 24 of the tax law, as
16 added by section 2 of subpart A of part H of chapter 39 of the laws of
17 2019, is amended to read as follows:

18 (1) With regard to certificates of tax credit issued on or after Janu-
19 ary first, two thousand twenty, the commissioner of economic development
20 shall reduce by one-quarter of one percent the amount of credit allowed
21 to a taxpayer and this reduced amount shall be reported on a certificate
22 of tax credit issued pursuant to this section and the regulations
23 promulgated by the commissioner of economic development to implement
24 this credit program. Provided, however, for certificates of tax credit
25 issued on or after January first, two thousand twenty-three, the amount
26 of credit shall be reduced by one-half of one percent allowed to the
27 taxpayer.

28 § 6. Paragraph 6 of subdivision (a) of section 31 of the tax law, as
29 amended by section 4 of part F of chapter 59 of the laws of 2021, is
30 amended to read as follows:

31 (6) For the period two thousand fifteen through two thousand [~~twenty-~~
32 ~~six~~] twenty-nine, in addition to the amount of credit established in
33 paragraph two of this subdivision, a taxpayer shall be allowed a credit
34 equal to the product (or pro rata share of the product, in the case of a
35 member of a partnership) of ten percent and the amount of wages or sala-
36 ries paid to individuals directly employed (excluding those employed as
37 writers, directors, music directors, producers and performers, including
38 background actors with no scripted lines) for services performed by
39 those individuals in one of the counties specified in this paragraph in
40 connection with the post production work on a qualified film with a
41 minimum budget of five hundred thousand dollars at a qualified post
42 production facility in one of the counties listed in this paragraph. For
43 purposes of this additional credit, the services must be performed in
44 one or more of the following counties: Albany, Allegany, Broome, Catta-
45 raugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cort-
46 land, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee,
47 Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison,
48 Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans,
49 Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie,
50 Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins,
51 Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The aggregate
52 amount of tax credits allowed pursuant to the authority of this para-
53 graph shall be five million dollars each year during the period two
54 thousand fifteen through two thousand [~~twenty-six~~] twenty-nine of the
55 annual allocation made available to the empire state film post
56 production credit pursuant to paragraph four of subdivision (e) of

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

19 § 7. This act shall take effect immediately; provided, however that
20 the amendments to paragraph 4 of subdivision (e) of section 24 of the
21 tax law made by section three of this act shall take effect on the same
22 date and in the same manner as section 5 of chapter 683 of the laws of
23 2019, as amended, takes effect.

24 PART N

25 Section 1. Subdivision (a) of section 25-a of the labor law, as
26 amended by section 1 of subpart A of part N of chapter 59 of the laws of
27 2017, is amended to read as follows:

28 (a) The commissioner is authorized to establish and administer the
29 program established under this section to provide tax incentives to
30 employers for employing at risk youth in part-time and full-time posi-
31 tions. There will be ten distinct pools of tax incentives. Program one
32 will cover tax incentives allocated for two thousand twelve and two
33 thousand thirteen. Program two will cover tax incentives allocated in
34 two thousand fourteen. Program three will cover tax incentives allocated
35 in two thousand fifteen. Program four will cover tax incentives allo-
36 cated in two thousand sixteen. Program five will cover tax incentives
37 allocated in two thousand seventeen. Program six will cover tax incen-
38 tives allocated in two thousand eighteen. Program seven will cover tax
39 incentives allocated in two thousand nineteen. Program eight will cover
40 tax incentives allocated in two thousand twenty. Program nine will cover
41 tax incentives allocated in two thousand twenty-one. Program ten will
42 cover tax incentives allocated in two thousand twenty-two. Program elev-
43 en will cover tax incentives allocated in two thousand twenty-three.
44 Program twelve will cover tax incentives allocated in two thousand twen-
45 ty-four. Program thirteen will cover tax incentives allocated in two
46 thousand twenty-five. Program fourteen will cover tax incentives allo-
47 cated in two thousand twenty-six. Program fifteen will cover tax incen-
48 tives allocated in two thousand twenty-seven. The commissioner is
49 authorized to allocate up to twenty-five million dollars of tax credits
50 under program one, ten million dollars of tax credits under program two,
51 twenty million dollars of tax credits under program three, fifty million
52 dollars of tax credits under each of programs four and five, and forty
53 million dollars of tax credits under programs six, seven, eight, nine
54 ~~[and]~~, ten, eleven, twelve, thirteen, fourteen and fifteen.

§ 2. Paragraph 4 of subdivision (b) of section 25-a of the labor law, as added by section 1-a of subpart A of part N of chapter 59 of the laws of 2017, is amended to read as follows:

(4) For programs six, seven, eight, nine ~~and~~, ten, eleven, twelve, thirteen, fourteen, and fifteen the tax credit under each program shall be allocated as follows: (i) twenty million dollars of tax credit for qualified employees; and (ii) twenty million dollars of tax credit for individuals who meet all of the requirements for a qualified employee except for the residency requirement of subparagraph (ii) of paragraph two of this subdivision, which individuals shall be deemed to meet the residency requirements of subparagraph (ii) of paragraph two of this subdivision if they reside in New York state.

§ 3. The opening paragraph of subdivision (d) of section 25-a of the labor law, as amended by section 2 of part R of chapter 59 of the laws of 2018, is amended to read as follows:

To participate in the program established under this section, an employer must submit an application (in a form prescribed by the commissioner) to the commissioner after January first, two thousand twelve but no later than November thirtieth, two thousand twelve for program one, after January first, two thousand fourteen but no later than November thirtieth, two thousand fourteen for program two, after January first, two thousand fifteen but no later than November thirtieth, two thousand fifteen for program three, after January first, two thousand sixteen but no later than November thirtieth, two thousand sixteen for program four, after January first, two thousand seventeen but no later than November thirtieth, two thousand seventeen for program five, after January first, two thousand eighteen but no later than November thirtieth, two thousand eighteen for program six, after January first, two thousand nineteen but no later than November thirtieth, two thousand nineteen for program seven, after January first, two thousand twenty but no later than November thirtieth, two thousand twenty for program eight, after January first, two thousand twenty-one but no later than November thirtieth, two thousand twenty-one for program nine, ~~and~~ after January first, two thousand twenty-two but no later than November thirtieth, two thousand twenty-two for program ten, after January first, two thousand twenty-three but no later than November thirtieth, two thousand twenty-three for program eleven, after January first, two thousand twenty-four but no later than November thirtieth, two thousand twenty-four for program twelve, after January first, two thousand twenty-five but no later than November thirtieth, two thousand twenty-five for program thirteen, after January first, two thousand twenty-six but no later than November thirtieth, two thousand twenty-six for program fourteen, and after January first, two thousand twenty-seven but no later than November thirtieth, two thousand twenty-seven for program fifteen. The qualified employees must start their employment on or after January first, two thousand twelve but no later than December thirty-first, two thousand twelve for program one, on or after January first, two thousand fourteen but no later than December thirty-first, two thousand fourteen for program two, on or after January first, two thousand fifteen but no later than December thirty-first, two thousand fifteen for program three, on or after January first, two thousand sixteen but no later than December thirty-first, two thousand sixteen for program four, on or after January first, two thousand seventeen but no later than December thirty-first, two thousand seventeen for program five, on or after January first, two thousand eighteen but no later than December thirty-first, two thousand eighteen for program six, on or after January first, two thousand nine-

1 teen but no later than December thirty-first, two thousand nineteen for
2 program seven, on or after January first, two thousand twenty but no
3 later than December thirty-first, two thousand twenty for program eight,
4 on or after January first, two thousand twenty-one but no later than
5 December thirty-first, two thousand twenty-one for program nine, ~~[and]~~
6 on or after January first, two thousand twenty-two but no later than
7 December thirty-first, two thousand twenty-two for program ten, on or
8 after January first, two thousand twenty-three but no later than Decem-
9 ber thirty-first, two thousand three for program eleven, on or after
10 January first, two thousand twenty-four but no later than December thir-
11 ty-first, two thousand twenty-four for program twelve, on or after Janu-
12 ary first, two thousand twenty-five but no later than December thirty-
13 first, two thousand twenty-five for program thirteen, on or after
14 January first, two thousand twenty-six but no later than December thir-
15 ty-first, two thousand twenty-six for program fourteen, and on or after
16 January first, two thousand twenty-seven but no later than December
17 thirty-first, two thousand twenty-seven for program fifteen. As part of
18 such application, an employer must:
19 § 4. This act shall take effect immediately.

PART 0

21 Section 1. Subdivision (a) of section 25-c of the labor law, as added
22 by section 1 of subpart B of part N of chapter 59 of the laws of 2017,
23 is amended to read as follows:

24 (a) The commissioner is authorized to establish and administer the
25 empire state apprenticeship tax credit program to provide tax incentives
26 to certified employers for employing qualified apprentices pursuant to
27 an apprenticeship agreement registered with the department pursuant to
28 paragraph (d) of subdivision one of section eight hundred eleven of this
29 chapter. The commissioner is authorized to allocate up to ten million
30 dollars of tax credits annually, beginning in two thousand eighteen and
31 ending before two thousand ~~[twenty-three]~~ twenty-eight. Any unused annu-
32 al allocation of the credit shall be made available in each of the
33 subsequent years before two thousand ~~[twenty-three]~~ twenty-eight.

34 § 2. This act shall take effect immediately.

PART P

36 Section 1. Subdivision 6 of section 187-b of the tax law, as amended
37 by section 1 of part 0 of chapter 59 of the laws of 2017, is amended to
38 read as follows:

39 6. Termination. The credit allowed by subdivision two of this section
40 shall not apply in taxable years beginning after December thirty-first,
41 two thousand ~~[twenty-two]~~ twenty-five.

42 § 2. Paragraph (f) of subdivision 30 of section 210-B of the tax law,
43 as amended by section 2 of part 0 of chapter 59 of the laws of 2017, is
44 amended to read as follows:

45 (f) Termination. The credit allowed by paragraph (b) of this subdivi-
46 sion shall not apply in taxable years beginning after December thirty-
47 first, two thousand ~~[twenty-two]~~ twenty-five.

48 § 3. Paragraph 6 of subsection (p) of section 606 of the tax law, as
49 amended by section 3 of part 0 of chapter 59 of the laws of 2017, is
50 amended to read as follows:

1 (6) Termination. The credit allowed by this subsection shall not apply
2 in taxable years beginning after December thirty-first, two thousand
3 [~~twenty-two~~] twenty-five.
4 § 4. This act shall take effect immediately.

5 PART Q

6 Section 1. Section 5 of part MM of chapter 59 of the laws of 2014
7 amending the labor law and the tax law relating to the creation of the
8 workers with disabilities tax credit program, as amended by section 1 of
9 part E of chapter 59 of the laws of 2019, is amended to read as follows:

10 § 5. This act shall take effect January 1, 2015, and shall apply to
11 taxable years beginning on and after that date[~~; provided, however, that~~
12 ~~this act shall expire and be deemed repealed January 1, 2023~~].

13 § 2. Section 25-b of the labor law is amended by adding a new subdivi-
14 sion (f) to read as follows:

15 (f) The tax credits provided under this program shall be applicable to
16 taxable periods beginning before January first, two thousand twenty-six.

17 § 3. This act shall take effect immediately.

18 PART R

19 Intentionally Omitted

20 PART S

21 Intentionally Omitted

22 PART T

23 Section 1. Section 301-b of the tax law is amended by adding a new
24 subdivision (j) to read as follows:

25 (j) Exemption for tugboats and towboats. The use by a tugboat or
26 towboat of motor fuel, diesel motor fuel, or residual petroleum product.
27 Provided, that the commissioner shall require such documentary proof to
28 qualify for any exemption provided hereunder as the commissioner deems
29 appropriate.

30 § 2. The opening paragraph of section 301-c of the tax law, as amended
31 by section 5 of part W-1 of chapter 109 of the laws of 2006, is amended
32 to read as follows:

33 A subsequent purchaser shall be eligible for reimbursement of tax with
34 respect to the following gallonage, subsequently sold by such purchaser
35 in accordance with subdivision (a), (b), (e), (h), (j), (k), (n) or (o)
36 of this section or used by such purchaser in accordance with subdivision
37 (c), (d), (f), (g), (i), (l) [~~or~~] (m) or (q) of this section, which
38 gallonage has been included in the measure of the tax imposed by this
39 article on a petroleum business:

40 § 3. The opening paragraph of section 301-c of the tax law, as amended
41 by chapter 468 of the laws of 2000, is amended to read as follows:

42 A subsequent purchaser shall be eligible for reimbursement of tax with
43 respect to the following gallonage, subsequently sold by such purchaser
44 in accordance with subdivision (a), (b), (e), (h), (j) or (k) of this
45 section or used by such purchaser in accordance with subdivision (c),
46 (d), (f), (g), (i), (l) [~~or~~] (m) or (q) of this section, which gallo-

nage has been included in the measure of the tax imposed by this article on a petroleum business:

§ 4. Section 301-c of the tax law is amended by adding a new subdivision (q) to read as follows:

(q) Reimbursement for tugboats and towboats. A use by a tugboat or towboat of motor fuel, diesel motor fuel, or residual petroleum product. This reimbursement may be claimed only where (1) any tax imposed pursuant to this article has been paid with respect to such gallonage and the entire amount of such tax has been absorbed by such purchaser, and (2) such tugboat or towboat possesses documentary proof satisfactory to the commissioner evidencing the absorption by it of the entire amount of such tax. Provided, that the commissioner shall require such documentary proof to qualify for any reimbursement provided hereunder as the commissioner deems appropriate.

§ 5. This act shall take effect September 1, 2022, and shall apply to uses of motor fuel, diesel motor fuel and residual petroleum product on and after such date; provided however that the amendments to the opening paragraph of section 301-c of the tax law made by section two of this act shall be subject to the expiration and reversion of such paragraph pursuant to section 19 of part W-1 of chapter 109 of the laws of 2006, as amended, when upon such date the provisions of section three of this act shall take effect.

PART U

Intentionally Omitted

PART V

Intentionally Omitted

PART W

Section 1. Paragraph 1 of subsection (a) of section 671 of the tax law, as amended by chapter 760 of the laws of 1992, is amended to read as follows:

(1) Every employer maintaining an office or transacting business within this state and making payment of any wages taxable under this article shall deduct and withhold from such wages for each payroll period a tax computed in such manner as to result, so far as practicable, in withholding from the employee's wages during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due under this article resulting from the inclusion in the employee's New York adjusted gross income or New York source income of ~~[his]~~ the employee's wages received during such calendar year. The method of determining the amount to be withheld shall be prescribed by ~~[regulations of]~~ the commissioner, with due regard to the New York withholding exemptions of the employee and the sum of any credits allowable against ~~[his]~~ the employee's tax. The commissioner shall publish any changes to such method of determining the amount of tax to be withheld on the website of the department of taxation and finance. The commissioner shall also cause notice of such changes to be published in the section for miscellaneous notices in the state register and shall give other appropriate general notice of such changes.

§ 2. Paragraph 6 of subsection (j) of section 697 of the tax law, as amended by chapter 61 of the laws of 1989, is amended to read as follows:

(6) Publication of interest rates. The commissioner of taxation and finance shall publish the interest rates set under this subsection on the website of the department of taxation and finance. Immediately following such publication, the commissioner shall cause such interest rates to be published in the section for miscellaneous notices in the state register~~[,]~~ and give other appropriate general notice of~~[, the]~~ such interest rates ~~[to be set under this subsection no later than twenty days preceding the first day of the calendar quarter during which such interest rates apply]~~. The setting and publication of such interest rates shall not be included within paragraph (a) of subdivision two of section one hundred two of the state administrative procedure act relating to the definition of a rule.

§ 3. Paragraph 5 of subsection (e) of section 1096 of the tax law, as amended by chapter 61 of the laws of 1989, is amended to read as follows:

(5) Publication of interest rates. The commissioner of taxation and finance shall publish the interest rates set under this subsection on the website of the department of taxation and finance. Immediately following such publication, the commissioner shall cause such interest rates to be published in the section for miscellaneous notices in the state register~~[,]~~ and give other appropriate general notice of~~[, the]~~ such interest rates ~~[to be set under this subsection no later than twenty days preceding the first day of the calendar quarter during which such interest rates apply]~~. The setting and publication of such interest rates shall not be included within paragraph (a) of subdivision two of section one hundred two of the state administrative procedure act relating to the definition of a rule.

§ 4. This act shall take effect immediately.

PART X

Section 1. Paragraph (c) of subdivision 1 of section 1701 of the tax law, as added by section 1 of part CC-1 of chapter 57 of the laws of 2008, is amended to read as follows:

(c) "Financial institution" means (i) any financial institution authorized or required to participate in a financial institution data match system or program for child support enforcement purposes under federal or state law, and (ii) any virtual currency business licensed by the superintendent of financial services.

§ 2. This act shall take effect immediately.

PART Y

Section 1. Section 4 of chapter 475 of the laws of 2013, relating to assessment ceilings for local public utility mass real property, as amended by section 1 of part G of chapter 59 of the laws of 2018, is amended to read as follows:

§ 4. This act shall take effect on the first of January of the second calendar year commencing after this act shall have become a law and shall apply to assessment rolls with taxable status dates on or after such date; provided, however, that this act shall expire and be deemed repealed ~~[eight]~~ twelve years after such effective date; and provided, further, that no assessment of local public utility mass real property

1 appearing on the municipal assessment roll with a taxable status date
2 occurring in the first calendar year after this act shall have become a
3 law shall be less than ninety percent or more than one hundred ten
4 percent of the assessment of the same property on the date this act
5 shall have become a law.

6 § 2. Subdivision 4 of section 499-pppp of the real property tax law,
7 as added by chapter 475 of the laws of 2013, is amended to read as
8 follows:

9 4. (a) Any final determination of an assessment ceiling by the commis-
10 sioner pursuant to subdivision one of this section shall be subject to
11 judicial challenge by an owner of local public utility mass real proper-
12 ty or a local assessing jurisdiction in a proceeding under article seven
13 of this chapter; provided however, the time to commence such proceeding
14 shall be within sixty days of the issuance of the final assessment ceil-
15 ing certificate and all questions of fact and law shall be determined de
16 novo. Any judicial proceeding shall be commenced in the supreme court in
17 the county of Albany or the county agreed upon by the parties in which
18 the local public utility mass real property is located.

19 (b) Nothing in this section shall preclude a challenge of the assessed
20 value established by a local assessing jurisdiction with respect to
21 local public utility mass real property as otherwise provided in article
22 seven of this chapter, provided however that:

23 (i) Upon motion of the local assessing jurisdiction, such challenge
24 shall be consolidated with the challenge to the final assessment ceiling
25 commenced pursuant to this subdivision and litigated in the venue speci-
26 fied by this subdivision.

27 (ii) In any proceeding initiated by an owner of local public utility
28 mass real property challenging an assessed value established by a local
29 assessing jurisdiction for local public utility mass real property, the
30 final certified assessment ceiling established pursuant to subdivision
31 one of this section [shall not], and the evidence submitted in
32 connection therewith, may be considered by the court when determining
33 the merits of the challenge to the assessed value established by the
34 assessing unit.

35 (iii) In such a proceeding, the local assessing jurisdiction, upon
36 request to the local public utility mass real property owner, shall be
37 provided with a copy of the portion of the annual report provided to the
38 commissioner under section four hundred ninety-nine-rrrr of this title
39 that directly relates to the local public utility mass real property
40 located within the local assessing jurisdiction, provided that:

41 (A) Such report, or the applicable portion thereof, need only be so
42 provided if (1) the property at issue in the proceeding is property to
43 which an assessment ceiling applies, and (2) the assessed value estab-
44 lished by the assessing unit for the property is no greater than the
45 assessment ceiling set for the property by the commissioner.

46 (B) Notwithstanding any other requirements of law to the contrary, the
47 annual report or portion thereof so provided shall be treated by the
48 local assessing jurisdiction as confidential in all respects, and shall
49 not be published or otherwise disclosed to any person or agency, except
50 that such report may be shared with persons who are providing the local
51 assessing jurisdiction with legal or appraisal services in connection
52 with the litigation, in which case such persons shall be likewise
53 obliged to treat such report as confidential in all respects, and except
54 that such report may be offered into evidence in the litigation, subject
55 to its admissibility being determined by the court. If ruled admissi-
56 ble, the owner of public utility mass real property may move the court

1 for an order directing that the portion of the record containing such
2 report, or the applicable portion thereof, not be made available for
3 public inspection or disclosure. If such a motion is made, the local
4 assessing jurisdiction shall be deemed to consent thereto.

5 (C) If the local public utility mass real property owner is required
6 by this subparagraph to provide to the local assessing jurisdiction such
7 report, or the applicable portion thereof, but it fails to do so within
8 thirty days of such a request, the proceeding shall be dismissed.

9 § 3. This act shall take effect immediately, provided, however, that
10 the amendments to subdivision 4 of section 499-pppp of the real property
11 tax law made by section two of this act shall not affect the repeal of
12 such section and shall be deemed to be repealed therewith.

13 PART Z

14 Section 1. This Part enacts into law major components of legislation
15 relating to the administration of the STAR program authorized by section
16 425 of the real property tax law and subsection (eee) of section 606 of
17 the tax law. Each component is wholly contained within a Subpart identi-
18 fied as Subparts A, C, D and E. The effective date for each particular
19 provision contained within such Subpart is set forth in the last section
20 of such Subpart. Any provision in any section contained within a
21 Subpart, including the effective date of the Subpart, which makes refer-
22 ence to a section of "this act", when used in connection with that
23 particular component, shall be deemed to mean and refer to the corre-
24 sponding section of the Subpart in which it is found. Section two of
25 this act sets forth the general effective date of this Part.

26 SUBPART A

27 Section 1. Paragraph (a-2) of subdivision 6 of section 425 of the real
28 property tax law, as amended by section 1 of part TT of chapter 59 of
29 the laws of 2019, is amended to read as follows:

30 (a-2) Notwithstanding any provision of law to the contrary, where an
31 application for the "enhanced" STAR exemption authorized by subdivision
32 four of this section has not been filed on or before the taxable status
33 date, and the owner believes that good cause existed for the failure to
34 file the application by that date, the owner may, no later than the last
35 day for paying school taxes without incurring interest or penalty,
36 submit a written request to the commissioner asking him or her to extend
37 the filing deadline and grant the exemption. Such request shall contain
38 an explanation of why the deadline was missed, and shall be accompanied
39 by an application, reflecting the facts and circumstances as they
40 existed on the taxable status date. After consulting with the assessor,
41 the commissioner may extend the filing deadline and grant the exemption
42 if the commissioner is satisfied that (i) good cause existed for the
43 failure to file the application by the taxable status date, and that
44 (ii) the applicant is otherwise entitled to the exemption. The commis-
45 sioner shall mail notice of his or her determination to such owner and
46 the assessor. If the determination states that the commissioner has
47 granted the exemption, the assessor shall thereupon be authorized and
48 directed to correct the assessment roll accordingly, or, if another
49 person has custody or control of the assessment roll, to direct that
50 person to make the appropriate corrections. ~~If the correction is not~~
51 ~~made before school taxes are levied, the school district authorities~~
52 ~~shall be authorized and directed to take account of the fact that the~~

~~commissioner has granted the exemption by correcting the applicant's tax bill and/or issuing a refund accordingly]~~ Provided, however, that if the assessment roll cannot be corrected in time for the exemption to appear on the applicant's school tax bill, the commissioner shall be authorized to remit directly to the applicant the tax savings that the STAR exemption would have yielded if it had appeared on the applicant's tax bill. The amounts so payable shall be paid from the account established for the payment of STAR benefits to late registrants pursuant to subparagraph (iii) of paragraph (a) of subdivision fourteen of this section.

§ 2. This act shall take effect immediately.

SUBPART B

Intentionally Omitted

SUBPART C

Section 1. Subparagraph (A) of paragraph 3 of subsection (eee) of section 606 of the tax law, as amended by section 2 of part RR of chapter 59 of the laws of 2019, is amended to read as follows:

(A) Beginning with taxable years after two thousand fifteen, a basic STAR credit shall be available to a qualified taxpayer if the affiliated income of the parcel that serves as the taxpayer's primary residence is less than or equal to five hundred thousand dollars for the applicable income tax year specified by paragraph (b-1) of subdivision three of section four hundred twenty-five of the real property tax law. The income limit established for the basic STAR exemption by paragraph (b-1) of subdivision three of section four hundred twenty-five of the real property tax law shall not be taken into account when determining eligibility for the basic STAR credit.

§ 2. This act shall take effect immediately.

SUBPART D

Section 1. Subparagraph (B) of paragraph 7 of subsection (eee) of section 606 of the tax law, as amended by section 7 of part E of chapter 59 of the laws of 2018, is amended to read as follows:

(B) Notwithstanding any provision of law to the contrary, the names and addresses of individuals who have applied for or are receiving the credit authorized by this subsection may be disclosed to assessors, county directors of real property tax services, and municipal tax collecting officers within New York state. In addition, ~~[where an agreement is in place between the commissioner and the head of the tax department of another state, such information may be disclosed to such official or his or her designees]~~ such information may be exchanged with assessors and tax officials from jurisdictions outside New York state if the laws of the other jurisdiction allow it to provide similar information to this state. Such information shall be considered confidential and shall not be subject to further disclosure pursuant to the freedom of information law or otherwise.

§ 2. This act shall take effect immediately.

SUBPART E

1 Section 1. Subsection (c) of section 651 of the tax law, as amended by
2 section 3 of part QQ of chapter 59 of the laws of 2019, is amended to
3 read as follows:

4 (c) Decedents. The return for any deceased individual shall be made
5 and filed by [~~his~~] the decedent's executor, administrator, or other
6 person charged with [~~his~~] the decedent's property. If a final return of
7 a decedent is for a fractional part of a year, the due date of such
8 return shall be the fifteenth day of the fourth month following the
9 close of the twelve-month period which began with the first day of such
10 fractional part of the year. Notwithstanding any provision of law to the
11 contrary, when a return has been filed for a decedent, the commissioner
12 may disclose the decedent's name, address, and the date of death to the
13 director of real property tax services of the county and the assessor of
14 the assessing unit in which the address reported on such return is
15 located.

16 § 2. This act shall take effect immediately.

17 § 2. This act shall take effect immediately, provided, however, that
18 the applicable effective date of Subparts A, C, D and E of this act
19 shall be as specifically set forth in the last section of such Subparts.

20 PART AA

21 Section 1. Section 575-b of the real property tax law is amended by
22 adding a new subdivision 4 to read as follows:

23 4. Complaints with respect to assessments determined under this
24 section shall be governed by sections five hundred twelve and five
25 hundred twenty-four of this article and the following provisions:

26 (a) The assessor shall, upon request, provide the owner with the
27 inputs that he or she entered into the commissioner's appraisal model
28 when valuing the property pursuant to this section.

29 (b) The property owner may advise the assessor of any alleged errors
30 to the appraisal model inputs believed to have been made by the asses-
31 sor, and may provide information to the assessor in support of any
32 proposed change to those inputs.

33 (c) If the property owner provides such information to the assessor
34 prior to the filing of the tentative assessment roll, the assessor may
35 make such adjustments to the appraisal model inputs as he or she deems
36 warranted based upon the information provided by the property owner, and
37 may recalculate the property value by entering the adjusted inputs into
38 the appraisal model.

39 (d) If dissatisfied with the assessed value appearing on the tentative
40 assessment roll, the property owner may file a complaint with the board
41 of assessment review; provided, however, that the grounds for review of
42 an assessment determined under this section with respect to both article
43 five and article seven of this chapter shall be limited to the accuracy
44 of the appraisal model inputs made by the assessor.

45 (e) Actions or proceedings that challenge the validity and accuracy of
46 the appraisal model or discount rates established under this section may
47 not be commenced against assessing units. Such challenges may only be
48 brought by commencing an action against the commissioner in the third
49 department of the appellate division of the supreme court in the manner
50 provided by article seventy-eight of the civil practice law and rules.

51 § 2. This act shall take effect immediately.

52 PART BB

Section 1. The subsection heading and paragraphs 1, 2, 3, and 4 of subsection (n-1) of section 606 of the tax law, as added by section 1 of subpart B of part C of chapter 20 of the laws of 2015, the opening paragraph of subparagraph (a) of paragraph 2 as amended by section 7 of part A of chapter 60 of the laws of 2016, are amended to read as follows:

~~[Property tax relief]~~ Homeowner tax rebate credit. (1) An individual taxpayer who meets the eligibility standards in paragraph two of this subsection shall be allowed a credit against the taxes imposed by this article in the amount specified in paragraph three of this subsection for tax ~~[years two thousand sixteen, two thousand seventeen, two thousand eighteen, and two thousand nineteen]~~ year two thousand twenty-two.

(2) ~~[(a)]~~ To be eligible for the credit, the taxpayer (or taxpayers filing joint returns) ~~[on the personal income tax return filed for the taxable year two years prior, must have (i) been a resident, (ii) owned and primarily resided]~~ (a) must own and primarily reside in real property receiving either the STAR exemption authorized by section four hundred twenty-five of the real property tax law or the school tax relief credit authorized by subsection (eee) of this section, and ~~[(iii)]~~ (b) must have had qualified gross income no greater than two hundred ~~[seventy-five]~~ fifty thousand dollars in tax year two thousand twenty. ~~[Provided, however, that no credit shall be allowed if any of the following apply:]~~

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

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

~~[(iii) Such property is located in the city of New York.]~~

(3) Amount of credit. (a) ~~[For the two thousand sixteen taxable year (i) for a taxpayer residing in real property located within the metropolitan commuter transportation district (MCTD) and outside the city of New York, the amount of the credit shall be \$130; (ii) for a taxpayer residing in real property located outside the MCTD, the amount of the credit shall be \$185.~~

~~(b) For the two thousand seventeen, two thousand eighteen and two thousand nineteen taxable years (i)]~~ For a taxpayer who owned and primarily resided in real property receiving the basic STAR exemption or who received the basic STAR credit, the amount of the credit shall equal the STAR tax savings associated with such basic STAR exemption in the two thousand twenty-one--two thousand twenty-two school year, multiplied by the following percentage:

[(A) for the two thousand seventeen taxable year:]	
Qualified Gross Income	Percentage
Not over \$75,000	28%
Over \$75,000 but not over \$150,000	20.5%
Over \$150,000 but not over \$200,000	13%

~~Over \$200,000 but not over \$275,000 5.5%~~
~~Over \$275,000 No credit~~
~~(B) for the two thousand eighteen taxable year:~~
~~Qualified Gross Income Percentage~~
~~Not over \$75,000 60%~~
~~Over \$75,000 but not over \$150,000 42.5%~~
~~Over \$150,000 but not over \$200,000 25%~~
~~Over \$200,000 but not over \$275,000 7.5%~~
~~Over \$275,000 No credit~~

~~(C) for the two thousand nineteen taxable year:]~~

(i) For a taxpayer whose primary residence is located outside the city of New York:

Qualified Gross Income	Percentage
Not over \$75,000	[85%] <u>163%</u>
Over \$75,000 but not over \$150,000	[60%] <u>115%</u>
Over \$150,000 but not over \$200,000	[35%] <u>66%</u>
Over \$200,000 but not over	[10%] <u>18%</u>
[\$275,000] <u>\$250,000</u>	
Over [\$275,000] <u>\$250,000</u>	No credit

(ii) For a taxpayer whose primary residence is located within the city of New York:

Qualified Gross Income	Percentage
Not over \$75,000	<u>125%</u>
Over \$75,000 but not over \$150,000	<u>115%</u>
Over \$150,000 but not over \$200,000	<u>105%</u>
Over \$200,000 but not over \$250,000	<u>100%</u>
Over \$250,000	<u>No credit</u>

~~[(c)]~~ (b) For a taxpayer who owned and primarily resided in real property receiving the enhanced STAR exemption or who received the enhanced STAR credit, the amount of the credit shall equal the STAR tax savings associated with such enhanced STAR exemption in the two thousand twenty-one--two thousand twenty-two school year, multiplied by ~~[the following percentage:]~~

Taxable Year	Percentage
two thousand seventeen	12%
two thousand eighteen	26%
two thousand nineteen	34%

sixty-six percent if the taxpayer's primary residence is located outside the city of New York, or one hundred ten percent if the taxpayer's primary residence is located within the city of New York.

~~[(d)]~~ (c) In no case may the amount of the credit allowed under this subsection exceed the school district taxes due with respect to the residence for that school year, nor shall any credit be allowed under this subsection if the amount determined pursuant to this paragraph is less than one hundred dollars.

(4) For purposes of this subsection:

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

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

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

§ 2. This act shall take effect immediately.

PART CC

Intentionally Omitted

PART DD

Section 1. Section 509-a of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part LLL of chapter 59 of the laws of 2021, is amended to read as follows:

§ 509-a. Capital acquisition fund. 1. The corporation may create and establish a capital acquisition fund for the purpose of financing the acquisition, construction or equipping of offices, facilities or premises of the corporation. Such capital acquisition fund shall consist of (i) the amounts specified pursuant to subdivision three-a of section five hundred thirty-two of this chapter; and (ii) contributions from the corporation's pari-mutuel wagering pools, subject to the following limitations:

a. no contribution shall exceed the amount of one percent of the total pari-mutuel wagering pools for the quarter in which the contribution is made;

b. no contribution shall reduce the amount of quarterly net revenues, exclusive of surcharge revenues, to an amount less than fifty percent of such net revenues; and

c. the balance of the fund shall not exceed the lesser of one percent of total pari-mutuel wagering pools for the previous twelve months or the undepreciated value of the corporation's offices, facilities and premises.

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

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

1 the purposes of statutory obligations, payroll, and expenditures neces-
2 sary to accept authorized wagers.

3 c. Prior to a corporation being able to utilize the funds authorized
4 by paragraph b of this subdivision, the corporation must submit an
5 expenditure plan to the gaming commission for review. Such plan shall
6 include the corporation's outstanding liabilities, projected revenue for
7 the upcoming year, a detailed explanation of how the funds will be used,
8 and any other information determined necessary by the commission. Upon
9 review, the commission will make a determination as to whether access to
10 the funds is needed and warranted.

11 3. The Catskill off-track betting corporation and the Capital off-
12 track betting corporation shall make a report to the governor, speaker
13 of the assembly, temporary president of the senate and the commission
14 detailing the actual use of the funds made available in the capital
15 acquisition fund. Such report shall include, but not be limited to, any
16 impact on employment levels since utilizing the funds, the status of any
17 statutory obligations, an accounting of the use of such funds, and any
18 other information as deemed necessary by the commission. Such report
19 shall be due no later than the [~~first day of April two thousand twenty-~~
20 ~~two~~] last day of the fiscal year in which the monies were spent.

21 § 2. Section 2 of part LLL of chapter 59 of the laws of 2021 amending
22 the racing, pari-mutuel wagering and breeding law, relating to the
23 utilization of funds in the Catskill and Capital regions off-track
24 betting corporation's capital acquisition funds, is amended to read
25 as follows:

26 § 2. This act shall take effect immediately [~~and shall expire and be~~
27 ~~deemed repealed one year after such date~~].

28 § 3. This act shall take effect immediately.

29 PART EE

30 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
31 racing, pari-mutuel wagering and breeding law, as amended by section 1
32 of part DD of chapter 59 of the laws of 2021, is amended to read as
33 follows:

34 (a) Any racing association or corporation or regional off-track
35 betting corporation, authorized to conduct pari-mutuel wagering under
36 this chapter, desiring to display the simulcast of horse races on which
37 pari-mutuel betting shall be permitted in the manner and subject to the
38 conditions provided for in this article may apply to the commission for
39 a license so to do. Applications for licenses shall be in such form as
40 may be prescribed by the commission and shall contain such information
41 or other material or evidence as the commission may require. No license
42 shall be issued by the commission authorizing the simulcast transmission
43 of thoroughbred races from a track located in Suffolk county. The fee
44 for such licenses shall be five hundred dollars per simulcast facility
45 and for account wagering licensees that do not operate either a simul-
46 cast facility that is open to the public within the state of New York or
47 a licensed racetrack within the state, twenty thousand dollars per year
48 payable by the licensee to the commission for deposit into the general
49 fund. Except as provided in this section, the commission shall not
50 approve any application to conduct simulcasting into individual or group
51 residences, homes or other areas for the purposes of or in connection
52 with pari-mutuel wagering. The commission may approve simulcasting into
53 residences, homes or other areas to be conducted jointly by one or more
54 regional off-track betting corporations and one or more of the follow-

ing: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand ~~[twenty-two]~~ twenty-three; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand ~~[twenty-two]~~ twenty-three; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

§ 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part DD of chapter 59 of the laws of 2021, is amended to read as follows:

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

§ 3. The opening paragraph of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part DD of chapter 59 of the laws of 2021, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meet-

ing in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand ~~[twenty-two]~~ twenty-three and on any day regardless of whether or not a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand ~~[twenty-two]~~ twenty-three. On any day on which a franchised corporation has not scheduled a racing program but a thoroughbred racing corporation located within the state is conducting racing, each off-track betting corporation branch office and each simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

§ 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by section 4 of part DD of chapter 59 of the laws of 2021, is amended to read as follows:

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

§ 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part DD of chapter 59 of the laws of 2021, is amended to read as follows:

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

§ 6. The opening paragraph of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by section 6 of part DD of chapter 59 of the laws of 2021, is amended to read as follows:

Notwithstanding any other provision of this chapter, for the period July ~~twenty-fifth~~, two thousand one through September eighth, two thousand ~~[twenty-one]~~ twenty-two, when a franchised corporation is conducting a race meeting within the state at Saratoga Race Course, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization as approved by the commission), one thousand eight or one thousand nine of this article shall be authorized to accept wagers and

1 display the live simulcast signal from thoroughbred tracks located in
2 another state, provided that such facility shall accept wagers on races
3 run at all in-state thoroughbred tracks which are conducting racing
4 programs subject to the following provisions; provided, however, no such
5 written agreement shall be required of a franchised corporation licensed
6 in accordance with section one thousand seven of this article.

7 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
8 racing, pari-mutuel wagering and breeding law and other laws relating to
9 simulcasting, as amended by section 7 of part DD of chapter 59 of the
10 laws of 2021, is amended to read as follows:

11 § 32. This act shall take effect immediately and the pari-mutuel tax
12 reductions in section six of this act shall expire and be deemed
13 repealed on July 1, [~~2022~~] 2023; provided, however, that nothing
14 contained herein shall be deemed to affect the application, qualifica-
15 tion, expiration, or repeal of any provision of law amended by any
16 section of this act, and such provisions shall be applied or qualified
17 or shall expire or be deemed repealed in the same manner, to the same
18 extent and on the same date as the case may be as otherwise provided by
19 law; provided further, however, that sections twenty-three and twenty-
20 five of this act shall remain in full force and effect only until May 1,
21 1997 and at such time shall be deemed to be repealed.

22 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
23 racing, pari-mutuel wagering and breeding law and other laws relating to
24 simulcasting and the imposition of certain taxes, as amended by section
25 8 of part DD of chapter 59 of the laws of 2021, is amended to read as
26 follows:

27 § 54. This act shall take effect immediately; provided, however,
28 sections three through twelve of this act shall take effect on January
29 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
30 ing law, as added by section thirty-eight of this act, shall expire and
31 be deemed repealed on July 1, [~~2022~~] 2023; and section eighteen of this
32 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
33 two of this act shall take effect as of the same date as chapter 772 of
34 the laws of 1989 took effect.

35 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
36 pari-mutuel wagering and breeding law, as amended by section 9 of part
37 DD of chapter 59 of the laws of 2021, is amended to read as follows:

38 (a) The franchised corporation authorized under this chapter to
39 conduct pari-mutuel betting at a race meeting or races run thereat shall
40 distribute all sums deposited in any pari-mutuel pool to the holders of
41 winning tickets therein, provided such tickets are presented for payment
42 before April first of the year following the year of their purchase,
43 less an amount that shall be established and retained by such franchised
44 corporation of between twelve to seventeen percent of the total deposits
45 in pools resulting from on-track regular bets, and fourteen to twenty-
46 one percent of the total deposits in pools resulting from on-track
47 multiple bets and fifteen to twenty-five percent of the total deposits
48 in pools resulting from on-track exotic bets and fifteen to thirty-six
49 percent of the total deposits in pools resulting from on-track super
50 exotic bets, plus the breaks. The retention rate to be established is
51 subject to the prior approval of the commission.

52 Such rate may not be changed more than once per calendar quarter to be
53 effective on the first day of the calendar quarter. "Exotic bets" and
54 "multiple bets" shall have the meanings set forth in section five
55 hundred nineteen of this chapter. "Super exotic bets" shall have the
56 meaning set forth in section three hundred one of this chapter. For

purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five percent of regular bets and four percent of multiple bets plus twenty percent of the breaks; for exotic wagers seven and one-half percent plus twenty percent of the breaks, and for super exotic bets seven and one-half percent plus fifty percent of the breaks.

For the period April first, two thousand one through December thirty-first, two thousand [~~twenty-two~~] twenty-three, such tax on all wagers shall be one and six-tenths percent, plus, in each such period, twenty percent of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one percent of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets and for the period April first, two thousand one through December thirty-first, two thousand [~~twenty-two~~] twenty-three, such payment shall be seven-tenths of one percent of regular, multiple and exotic pools.

§ 10. This act shall take effect immediately.

PART FF

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

(g-4) Geothermal energy systems credit. (1) General. An individual taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty-five percent of qualified geothermal energy system expenditures, except as provided in subparagraph (D) of paragraph two of this subsection, not to exceed five thousand dollars.

(2) Qualified geothermal energy systems expenditures. (A) The term "qualified geothermal energy system expenditures" means expenditures for:

(i) the purchase of geothermal energy system equipment which is installed in connection with residential property which is (I) located in this state and (II) which is the taxpayer's residence at the time the geothermal energy system is placed in service; or

(ii) the lease of geothermal energy system equipment under a written agreement that spans at least ten years where such equipment owned by a person other than the taxpayer is installed in connection with residential property which is (I) located in this state and (II) which is the taxpayer's residence at the time the geothermal energy system equipment is placed in service.

(B) Such qualified expenditures shall include expenditures for materials, labor costs properly allocable to on-site preparation, assembly and original installation, architectural and engineering services, and designs and plans directly related to the construction or installation of the geothermal energy system equipment.

1 (C) Such qualified expenditures for the purchase of geothermal energy
2 system equipment shall not include interest or other finance charges or
3 costs that have been used to qualify for any other credit.

4 (D) Such qualified expenditures for the lease of geothermal energy
5 system equipment under an agreement described in clause (ii) of subpara-
6 graph (A) of this paragraph shall include an amount equal to all
7 payments made during the taxable year under such agreement. Provided,
8 however, such credits shall only be allowed for fourteen years after the
9 first taxable year in which such credit is allowed. Provided further,
10 however, the twenty-five percent limitation in paragraph one of this
11 subsection shall only apply to the total aggregate amount of all
12 payments to be made pursuant to an agreement referenced in clause (ii)
13 of subparagraph (A) of this paragraph, and shall not apply to individual
14 payments made during a taxable year under such agreement except to the
15 extent such limitation on an aggregate basis has been reached.

16 (3) Geothermal energy system equipment. The term "geothermal energy
17 system equipment" shall mean a system whose original use begins with the
18 taxpayer; which meets the eligibility criteria, if any, prescribed by
19 the department; and which is a ground coupled solar thermal system that
20 utilizes the solar thermal energy stored in the ground or in bodies of
21 water to produce heat, and which is commonly known as or referred to as
22 a ground source heat pump system.

23 (4) Multiple taxpayers. Where geothermal energy system equipment is
24 purchased and installed in a residence shared by two or more taxpayers,
25 the amount of the credit allowable under this subsection for each such
26 taxpayer shall be prorated according to the percentage of the total
27 expenditure for such geothermal energy system equipment contributed by
28 each taxpayer.

29 (5) Proportionate share. Where geothermal energy system equipment is
30 purchased and installed by a condominium management association or a
31 cooperative housing corporation, a taxpayer who is a member of the
32 condominium management association or who is a tenant-stockholder in the
33 cooperative housing corporation may for the purpose of this subsection
34 claim a proportionate share of the total expense as the expenditure for
35 the purposes of the credit attributable to the taxpayer's residence.

36 (6) Grants. For purposes of determining the amount of the expenditure
37 incurred in purchasing and installing geothermal energy system equip-
38 ment, the amount of any federal, state or local grant received by the
39 taxpayer, which was used for the purchase and/or installation of such
40 equipment and which was not included in the federal gross income of the
41 taxpayer, shall not be included in the amount of such expenditures.

42 (7) Limitation. The credit shall only be allowed for geothermal energy
43 system equipment installed in connection with residential property used
44 exclusively for personal purposes by the taxpayer. No credit shall be
45 allowed for geothermal energy system equipment installed in connection
46 with residential property that is rented at any time during the taxable
47 year for which the credit is being claimed.

48 (8) When credit allowed. The credit provided for herein shall be
49 allowed with respect to the taxable year in which the geothermal energy
50 system equipment is placed in service and shall be allowed only for
51 geothermal energy system equipment placed into service after January
52 first, two thousand twenty-two. However, the taxpayer shall be allowed a
53 credit for only one such system in any taxable year.

54 (9) Carryover of credit. If the amount of the credit, and carryovers
55 of such credit, allowable under this subsection for any taxable year
56 shall exceed the taxpayer's tax for such year, such excess amount may be

carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years.

§ 2. This act shall take effect immediately and shall apply to taxable years commencing on and after January 1, 2022.

PART GG

Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of section 1115 of the tax law, as amended by section 1 of part SS of chapter 59 of the laws of 2021, is amended to read as follows:

(B) Until May thirty first, two thousand [~~twenty-two~~] twenty-three, the food and drink excluded from the exemption provided by clauses (i), (ii) and (iii) of subparagraph (A) of this paragraph, and bottled water, shall be exempt under this subparagraph when sold for one dollar and fifty cents or less through any vending machine that accepts coin or currency only or when sold for two dollars or less through any vending machine that accepts any form of payment other than coin or currency, whether or not it also accepts coin or currency.

§ 2. This act shall take effect immediately.

PART HH

Section 1. Article 4 of the real property tax law is amended by adding a new title 6 to read as follows:

TITLE 6

CHILDCARE CENTER TAX ABATEMENT FOR CERTAIN PROPERTIES IN A CITY HAVING A POPULATION OF ONE MILLION OR MORE

Section 499-aaaaa. Definitions.

499-bbbbbb. Real property tax abatement.

499-cccccc. Application for tax abatement.

499-dddddd. Continuing requirements.

499-eeeeee. Revocation of tax abatement.

499-ffffff. Enforcement and administration.

§ 499-aaaaa. Definitions. When used in this title, the following terms shall have the following meanings:

1. "Abatement period" means the tax year or tax years in which the abatement is applied by the department of finance to the real property tax liability of an eligible building, provided that such abatement may not be applied to the real property tax liability of such building during more than five tax years.

2. "Applicant" means an owner who files an application for tax abatement.

3. "Application for tax abatement" means an application for a childcare center tax abatement pursuant to section four hundred ninety-nine-cccccc of this title.

4. "Childcare center" means a childcare program for which a permit to operate such program has been issued by the department of health and mental hygiene pursuant to the health code of the city.

5. "Childcare desert" means a census tract in a city having a population of one million or more where, at the time of an application for tax abatement, there are three or more children under five years of age for each available childcare slot, or where there are no available childcare slots, as of the most recently published determinations by the office of children and family services.

6. "City" means a city with a population of one million or more.

1 7. "Cost-reasonable" means having a cost that, in its nature and
2 amount, does not exceed that which would be incurred by a prudent person
3 under the circumstances prevailing at the time the decision was made to
4 incur the cost.

5 8. "Department of finance" means the department of finance of a city
6 having a population of one million or more.

7 9. "Department of health and mental hygiene" means the department of
8 health and mental hygiene of a city having a population of one million
9 or more.

10 10. "Designated agency" means an agency of a city having a population
11 of one million or more that is designated by the mayor of such city to
12 exercise the functions, powers and duties of a designated agency pursu-
13 ant to this title.

14 11. "Eligible building" means a class one, class two or class four
15 property, as such classes of property are defined in subdivision one of
16 section eighteen hundred two of this chapter, located within a city
17 having a population of one million or more, provided that, for any such
18 property held in the condominium form of ownership, "eligible building"
19 shall mean a tax lot in such property.

20 12. "Owner" means the owner of an eligible building, or with respect
21 to an eligible building held in the cooperative form of ownership, the
22 board of directors of a cooperative apartment corporation, or, with
23 respect to an eligible building held in the condominium form of owner-
24 ship, an owner of a tax lot in such building or the board of managers of
25 such building.

26 13. "Premises" means the location of a childcare center as specified
27 on the permit for the operation of such center issued by the department
28 of health and mental hygiene pursuant to the health code of the city.

29 § 499-bbbbbb. Real property tax abatement. 1. The department of finance
30 shall provide an abatement of real property taxes pursuant to this
31 section to an eligible building in which construction, conversion,
32 alteration or improvement that is completed on or after April first, two
33 thousand twenty-two has resulted in the creation of a premises of a
34 childcare center or in an increase in the maximum number of children
35 allowed on the premises of an existing childcare center when such center
36 is in operation, as such number is specified in the permit issued by the
37 department of health and mental hygiene to operate such center. The
38 department of finance may only grant one such abatement to any eligible
39 building.

40 2. (a) Beginning in the tax year commencing on or after July first,
41 two thousand twenty-three, the amount of such tax abatement provided to
42 an eligible building described in subdivision one of this section shall
43 be equal to the costs incurred in the construction, conversion, alter-
44 ation or improvement that has resulted in the creation of a premises of
45 a childcare center or in an increase in the maximum number of children
46 allowed on the premises of an existing childcare center, provided that
47 such costs are certified in accordance with paragraph (d) of subdivision
48 two of section four hundred ninety-nine-cccc of this title, and
49 provided further that, during the abatement period, the amount of such
50 abatement shall not exceed thirty-five dollars for each square foot of
51 the premises, nor exceed one hundred thousand dollars.

52 (i) For any tax year, such abatement shall not exceed seven dollars
53 for each square foot of the premises, provided that such amount may be
54 reduced as a result of an allocation of available funds for such abate-
55 ment pursuant to paragraph (d) of this subdivision; and provided,
56 further, that the amount of such tax abatement in any tax year shall not

1 exceed the lesser of (A) twenty thousand dollars or (B) the real proper-
2 ty tax liability for the eligible building in the tax year in which such
3 tax abatement is taken.

4 (ii) To the extent the amount of such tax abatement exceeds the lesser
5 of (A) twenty thousand dollars or (B) the real property tax liability of
6 the eligible building in any tax year, any amount of such tax abatement
7 that remains may be applied to the real property tax liability of such
8 building in succeeding tax years, provided that such abatement must be
9 applied to the real property tax liability of such building in one or
10 more of the four tax years succeeding the tax year in which such tax
11 abatement was initially taken.

12 (b) Notwithstanding paragraph (a) of this subdivision, an enhanced tax
13 abatement shall be provided to an eligible building described in subdi-
14 vision one of this section that is located within a childcare desert as
15 described in this title and in any rules promulgated hereunder. Begin-
16 ning in the tax year commencing on or after July first, two thousand
17 twenty-three, the amount of such enhanced tax abatement shall be equal
18 to the costs incurred in the construction, conversion, alteration or
19 improvement that has resulted in the creation of a premises of a child-
20 care center or in an increase in the maximum number of children allowed
21 on the premises of an existing childcare center, provided that such
22 costs are certified in accordance with paragraph (d) of subdivision two
23 of section four hundred ninety-nine-cccc of this title, and provided
24 further that, during the abatement period, the amount of such abatement
25 shall not exceed seventy-five dollars for each square foot of the prem-
26 ises nor exceed two hundred twenty-five thousand dollars.

27 (i) For any tax year, such abatement shall not exceed fifteen dollars
28 for each square foot of the premises, provided that such amount may be
29 reduced as a result of an allocation of available funds for such abate-
30 ment pursuant to paragraph (d) of this subdivision; and provided further
31 that the amount of such enhanced tax abatement in any tax year shall not
32 exceed the lesser of (A) forty-five thousand dollars or (B) the real
33 property tax liability for the eligible building in the tax year in
34 which such tax abatement is taken.

35 (ii) To the extent the amount of such enhanced tax abatement exceeds
36 the lesser of (A) forty-five thousand dollars or (B) the real property
37 tax liability of the eligible building in any tax year, any amount of
38 such tax abatement that remains may be applied to the real property tax
39 liability of such building in succeeding tax years, provided that such
40 abatement must be applied to the real property tax liability of such
41 building in one or more of the four tax years succeeding the tax year in
42 which the tax abatement was initially taken.

43 (c) Notwithstanding paragraph (a) or (b) of this subdivision, the
44 aggregate amount of tax abatements authorized pursuant to this section
45 for any tax year shall be a maximum of twenty-five million dollars. No
46 tax abatements shall be authorized pursuant to this section for any tax
47 year commencing on or after July first, two thousand thirty.

48 (d) Such aggregate amount of tax abatements, including the tax abate-
49 ment described in paragraph (a) of this subdivision and the enhanced tax
50 abatement described in paragraph (b) of this subdivision, shall be allo-
51 cated by the department of finance on a pro rata basis among applicants
52 whose applications have been approved by the designated agency. If such
53 allocation is not made prior to the date that the real property tax
54 bill, statement of account or other similar bill or statement is
55 prepared, the department of finance shall, as necessary, after such
56 allocation is made, submit an amended real property tax bill, statement

1 of account or other similar bill or statement to any applicant whose
2 abatement requires adjustment to reflect such allocation. Nothing in
3 this paragraph shall be deemed to affect the obligation of any taxpayer
4 under applicable law with respect to the payment of any installment of
5 real property tax for the fiscal year as to which such allocation is
6 made, which was due and payable prior to the date such amended real
7 property tax bills are sent, and the department of finance shall be
8 authorized to determine the date on which any such amended bills be sent
9 and the installments of real property tax be reflected therein.

10 (e) Notwithstanding any law to the contrary, any abatement granted to
11 an eligible building pursuant to this section shall be in addition to
12 any other abatement or exemption granted to such building, provided that
13 any abatement granted under this section shall be applied after any
14 other abatement or exemption granted to such building, and provided
15 further that the application of this abatement after any other such
16 exemption or abatement shall not exceed the real property tax liability
17 due on such eligible property.

18 3. Such abatement shall commence on the first of July following the
19 approval of an application for abatement by the designated agency.

20 4. If, as a result of application to the tax commission or a court
21 order or action by the department of finance, the billable assessed
22 value of the eligible building for the fiscal year in which the tax
23 abatement is taken is reduced after the assessment roll becomes final,
24 the department of finance shall recalculate such abatement so that the
25 abatement granted shall not exceed the annual tax liability of such
26 building as so reduced. The amount equal to the difference between the
27 initial abatement granted by the department and the abatement as so
28 recalculated shall be deducted from any refund otherwise payable or
29 remission otherwise due as a result of such reduction in billable
30 assessed value.

31 § 499-cccc. Application for tax abatement. 1. To obtain a tax abate-
32 ment authorized by this title, an application for tax abatement shall be
33 filed with a designated agency no later than the fifteenth of March
34 before the tax year, commencing on the first of July, for which the tax
35 abatement authorized by this title is sought, provided, however, that
36 such application for tax abatement may not be filed later than March
37 fifteenth, two thousand twenty-five.

38 2. Such application shall contain the following:

39 (a) The name, address and electronic mail address of the applicant and
40 the location of the eligible building.

41 (b) Proof that all required permits and other approvals, as further
42 designated by rule, to construct, convert, alter or improve the premises
43 of the childcare center in the eligible building described in subdivi-
44 sion one of section four hundred ninety-nine-bbbbb of this title were
45 obtained.

46 (c) Proof that the applicant has entered into a lease or other agree-
47 ment with a person to operate a childcare center in the eligible build-
48 ing described in subdivision one of section four hundred ninety-nine-
49 bbbbbb of this title, or a copy of the new or amended permit issued to
50 such childcare center by the department of health and mental hygiene for
51 such operation.

52 (d) Determinations that have been certified, in a form prescribed by
53 the designated agency, by an engineer, architect, or certified public
54 accountant, licensed and registered pursuant to the education law, or by
55 another certified or licensed professional in the field of business or
56 design, as further designated by rule, as follows:

1 (i) The area, in square feet, of the premises of the childcare center
2 in the eligible building described in subdivision one of section four
3 hundred ninety-nine-bbbbbb of this title;

4 (ii) The costs incurred in the construction, conversion, alteration or
5 improvement that has resulted in the creation of a premises of a child-
6 care center in such building; or, for construction, conversion, alter-
7 ation or improvement resulting in an increase in the maximum number of
8 children allowed on the premises of an existing childcare center in such
9 building, such costs that were necessary to increase the maximum number
10 of children allowed on such premises; and

11 (iii) The reasonableness of the costs to construct, convert, alter or
12 improve the premises of the childcare center in the eligible building
13 described in subdivision one of section four hundred ninety-nine-bbbbbb,
14 which requires finding that such costs were cost-reasonable and compara-
15 ble to the cost of constructing, converting, altering or improving a
16 premises of a childcare center pursuant to the health code of the city
17 in a similar eligible building.

18 (e) Any other information or certifications required by a designated
19 agency pursuant to this title and the rules promulgated hereunder.

20 3. An application for tax abatement shall be in any format prescribed
21 by a designated agency, including electronic form.

22 4. An application for tax abatement shall be approved by a designated
23 agency upon determining that the applicant has submitted proof accepta-
24 ble to such agency that the requirements for obtaining such tax abate-
25 ment have been satisfied. The burden of proof shall be on the applicant
26 to show by clear and convincing evidence that the requirements for
27 granting such tax abatement have been satisfied.

28 5. Upon receipt of notification from a designated agency that an
29 application for tax abatement has been approved, the department of
30 finance shall apply such tax abatement to the real property tax liabil-
31 ity of the eligible building for the tax year for which the abatement
32 was sought, provided that there are no outstanding real property taxes,
33 water and sewer charges, payments in lieu of taxes or other municipal
34 charges with respect to the eligible building.

35 § 499-ddddd. Continuing requirements. Granting of the tax abatement
36 authorized by this title requires that an owner whose application for
37 tax abatement has been approved:

38 1. complies with all applicable provisions of law, including but not
39 limited to, the local health, building and fire codes; and

40 2. does not have real property taxes, water and sewer charges,
41 payments in lieu of taxes or other municipal charges with respect to an
42 eligible building due and owing during the abatement period for a period
43 of six months or more.

44 § 499-eeeeee. Revocation of tax abatement. 1. Notwithstanding any
45 provision of law to the contrary, the department of finance shall
46 revoke, in whole or in part, any tax abatement granted pursuant to this
47 title whenever a designated agency has determined and notified such
48 department that:

49 (a) The childcare center in the eligible building of the owner whose
50 application for tax abatement has been approved has ceased operation as
51 a childcare center for a period exceeding one hundred eighty days of the
52 abatement period, except when such childcare center ceases operation due
53 to an act or event beyond the control and without any fault or negli-
54 gence of the childcare center or of the owner of the eligible building
55 in which such childcare center operates, which may include, but is not
56 limited to, fire, flood, earthquake, storm or other natural disaster,

1 civil commotion, war, terrorism, riot, and labor disputes not brought
2 about by any act or omission of such childcare center or such owner; or
3 (b) An application, certification, report or other document submitted
4 by the owner whose application for tax abatement has been approved
5 contains a false or misleading statement as to a material fact or omits
6 to state any material fact necessary in order to make the statement
7 therein not false or misleading.

8 2. The department of finance may revoke, in whole or in part, any tax
9 abatement granted pursuant to this title whenever it has determined that
10 an owner whose application for tax abatement has been approved has
11 outstanding real property taxes, water and sewer charges, payments in
12 lieu of taxes or other municipal charges that have been due and owing
13 during the abatement period for a period of six months or more.

14 3. Upon a determination by a designated agency, after notice and an
15 opportunity to be heard, that the childcare center in the eligible
16 building of the owner whose application for tax abatement has been
17 approved has ceased operation as a childcare center for a period exceed-
18 ing one hundred eighty days of the abatement period, such agency shall
19 notify the department of finance of such determination no later than the
20 ninetieth day after such determination was reached.

21 4. An owner whose application for tax abatement has been approved, and
22 for whom such tax abatement has been revoked due to a false or mislead-
23 ing statement, or an omission, pursuant to paragraph (b) of subdivision
24 one of this section, shall pay, with interest, such part of any tax
25 abatement received pursuant to this title that represents the period of
26 non-compliance as determined by the designated agency or the department
27 of finance, as the case may be.

28 § 499-fffff. Enforcement and administration. 1. The department of
29 finance shall have, in addition to any other functions, powers and
30 duties that have been or may be conferred on it by law, the following
31 functions, powers and duties to be exercised in accordance with this
32 title:

33 (a) to apply the tax abatement authorized by this title to the real
34 property tax liability of an eligible building;

35 (b) to revoke all or part of any such tax abatement;

36 (c) to promulgate rules to carry out the purposes of this title,
37 including, but not limited to, requiring, notwithstanding any inconsis-
38 ent provision of law, that any submission be made in electronic form;
39 and

40 (d) any other function, power or duty necessarily implied by this
41 title.

42 2. A designated agency shall have, in addition to any other functions,
43 powers and duties that have been or may be conferred on it by law, the
44 following functions, powers and duties to be exercised in accordance
45 with this title:

46 (a) to accept, review, approve and deny applications for tax abate-
47 ment;

48 (b) to promulgate rules to carry out the purposes of this title,
49 including, but not limited to, requiring, notwithstanding any inconsis-
50 ent provision of law, that any submission be made in electronic form;

51 (c) to make the determinations provided for in this title; and

52 (d) any other function, power or duty necessarily implied by this
53 title.

54 3. If a designated agency determines that an architect, engineer,
55 certified public accountant, or other certified or licensed professional
56 in the field of business or design whom such agency designates by rule,

1 in making any certification under this title or any rule promulgated
2 hereunder, engaged in professional misconduct, such agency shall so
3 inform the education department or other appropriate certifying or
4 licensing authority.

5 § 2. This act shall take effect immediately and shall apply to tax
6 years beginning on and after July 1, 2023.

7 PART II

8 Section 1. The administrative code of the city of New York is amended
9 by adding a new section 11-144 to read as follows:

10 § 11-144 Child care credit against certain business income taxes. a.
11 Definitions. For purposes of this section:

12 1. Child care program. The term "child care program" means a child
13 care program for which a permit to operate such program has been issued
14 by the department of health and mental hygiene pursuant to article
15 forty-seven of the health code.

16 2. Child care rate. The term "child care rate" means the weekly child
17 care subsidy market rates, based on the sixty-ninth percentile of the
18 2017-18 New York state child care market rate survey, for infant and
19 toddler care provided by a permitted day care center in county cluster
20 five, as reflected in the 2019 child care market rate survey report
21 published by the New York state office of children and family services
22 in compliance with section 98.45 of title forty-five of the code of
23 federal regulations, provided that the department of finance may, by
24 rule, revise such rates based on subsequent editions of the child care
25 market rate survey report, as published by such office, or any other
26 similar report published by such office in compliance with such section.

27 3. Child care seats. The term "child care seats" means the maximum
28 number of children to be allowed on the premises of a child care program
29 at any time that such program is in operation as specified on the permit
30 issued for such program by the department of health and mental hygiene.

31 4. Child care seats that are occupied. The term "child care seats that
32 are occupied" means, for each service year in which a child care program
33 is in operation, the average daily number of children in attendance on
34 the premises of such child care program.

35 5. Creates child care. The term "creates child care" means the making
36 available of child care seats in a child care program by a taxpayer,
37 directly or through a third party, for employees of such taxpayer, where
38 such child care program was not available prior to April first, two
39 thousand twenty-two, provided that the costs imposed on such employees
40 for such child care program do not exceed forty percent of the child
41 care rate.

42 6. Expands child care. The term "expands child care" means the
43 increase in the number of child care seats in a child care program made
44 available by a taxpayer, directly or through a third party, for employ-
45 ees of such taxpayer, provided that such increase requires a new or
46 amended permit issued by the department of health and mental hygiene
47 pursuant to article forty-seven of the health code on or after April
48 first, two thousand twenty-two, and, provided, further, that the costs
49 imposed on such employees for such child care program do not exceed
50 forty percent of the child care rate.

51 7. Service year. The term "service year" means the twelve-month period
52 commencing on October first and ending on September thirtieth in the
53 subsequent calendar year.

b. Credit allowed. A taxpayer that creates child care or expands child care shall be allowed a credit against the tax imposed by chapter five, or by subchapter two or three-a of chapter six, of this title to be credited or refunded, without interest, in accordance with the provisions of subdivision (q) of section 11-503, subdivision twenty-three of section 11-604 and subdivision twenty-three of section 11-654 of this title. The amount of such credit shall be, for the portion of the service year in which the child care program was in operation, the sum of: (i) the product of the number of infant child care seats that have been created or expanded and twenty percent of the child care rate for such infant child care seats; and (ii) the product of the number of toddler child care seats that have been created or expanded and twenty percent of the child care rate for such toddler child care seats; provided that such infant and toddler child care seats are child care seats that are occupied. Notwithstanding the preceding sentence, a credit shall not be allowed for more than twenty-five child care seats that are occupied, and the amount of such credit may be reduced as a result of an allocation of available funds, as described in subdivision e of this section, for such credit.

c. Application process. A taxpayer must submit an application for such credit by November first of the calendar year in which the service year has ended.

1. Such application shall include but not be limited to:

(a) a permit issued by the department of health and mental hygiene to operate a child care center indicating the number of child care seats or, in the case of a child care center that has experienced an expansion of child care seats, a permit issued by such department demonstrating such expansion; and

(b) a certification from an independent certified public accountant that provides:

(1) the total number of child care seats that are child care seats that are occupied during such service year;

(2) of such total number of child care seats that are occupied, the number of infant child care seats that are occupied and the number of toddler child care seats that are occupied; and

(3) to the extent the taxpayer has expanded child care, the number of child care seats in existence before such expansion and the number of such child care seats that were occupied before such expansion.

2. No later than January thirty-first of the calendar year following the calendar year in which the application was submitted, the department of finance shall approve or deny such application and provide a calculation of the amount of such credit as determined by subdivision e of this section for any application that has been approved.

d. Application of credit to tax year. The credit, as approved and calculated by the department of finance pursuant to paragraph two of subdivision c of this section, shall be applied to the tax year in which the service year concludes, except that: (i) for a taxpayer whose tax year concludes on or after September thirtieth and before December thirty-first, the credit shall be applied to the tax year immediately following the tax year in which the service year concludes; and (ii) to provide the credit in a tax year consistent with this subdivision, the department of finance may establish procedures governing the application of such credit where the tax year of a taxpayer who has applied for such credit is less than twelve months, or where such tax year varies in accordance with subsection f of section four hundred forty-one of the internal revenue code.

e. Maximum amount of credit available. For each of the three tax years in which the credit authorized by this section is available, the aggregate amount of such credit shall be a maximum of twenty-five million dollars. To the extent that the department of finance has determined that the aggregate amount of such credit, as calculated pursuant to subdivision b of this section, would exceed twenty-five million dollars, such department shall reduce the amount of credit to be granted to each taxpayer who has applied for such credit in accordance with a process to be developed in rules promulgated by such department. In developing such process, the department may consider factors including, but not limited to, the date of application, the number of child care seats in a child care program that are occupied, and the extent to which the taxpayer bears the cost of the child care that is provided to the employees of such taxpayer.

§ 2. Section 11-503 of the administrative code of the city of New York is amended by adding a new subdivision (q) to read as follows:

(q) Credit for the provision of child care. In addition to any other credit allowed under this section, a taxpayer whose application for a credit authorized by section 11-144 of this title has been approved by the department of finance shall be allowed a credit against the tax imposed by this chapter. The amount of the credit shall be determined as provided in such section. To the extent the amount of the credit allowed by this subdivision exceeds the amount of tax due pursuant to this chapter, as calculated without such credit, such excess amount shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section 11-526 of this chapter, provided, however, that notwithstanding the requirements of section 11-528 of this chapter to the contrary, no interest shall be paid thereon.

§ 3. Section 11-604 of the administrative code of the city of New York is amended by adding a new subdivision 23 to read as follows:

(23) Credit for the provision of child care. In addition to any other credit allowed under this section, a taxpayer whose application for a credit authorized by section 11-144 of this title has been approved by the department of finance shall be allowed a credit against the tax imposed by this chapter. The amount of the credit shall be determined as provided in such section. To the extent the amount of the credit allowed by this subdivision exceeds the amount of tax due pursuant to this subchapter, as calculated without such credit, such excess amount shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section 11-677 of this chapter, provided, however, that notwithstanding the requirements of section 11-679 of this chapter to the contrary, no interest shall be paid thereon.

§ 4. Section 11-654 of the administrative code of the city of New York is amended by adding a new subdivision 23 to read as follows:

(23) Credit for the provision of child care. In addition to any other credit allowed under this section, a taxpayer whose application for a credit authorized by section 11-144 of this title has been approved by the department of finance shall be allowed a credit against the tax imposed by this chapter. The amount of the credit shall be determined as provided in such section. To the extent the amount of the credit allowed by this subdivision exceeds the amount of tax due pursuant to this subchapter, as calculated without such credit, such excess amount shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section 11-677 of this chapter, provided, however, that notwithstanding the requirements of section

11-679 of this chapter to the contrary, no interest shall be paid thereon.

§ 5. This act shall take effect immediately, provided that the credit authorized by section 11-144 of the administrative code of the city of New York, as added by section one of this act, shall be available to be applied to the tax year beginning between January 1, 2023 and December 31, 2023, inclusive of those dates, and to the two tax years immediately following such initial tax year.

PART JJ

Section 1. Paragraph 1 of subsection (f) of section 1310 of the tax law, as added by section 2 of part V of chapter 60 of the laws of 2004, is amended to read as follows:

(1) Notwithstanding any other provision of law to the contrary, any city having a population of one million or more, acting through its local legislative body, is hereby authorized and empowered to adopt and amend local laws granting in any such city, for taxable years beginning after two thousand three, a credit against the city personal income tax equal to five percent of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, and, for taxable years beginning after two thousand twenty-one, a credit against the city personal income tax equal to a percentage, determined pursuant to subparagraphs (A) through (I) of this paragraph, of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year. For purposes of this paragraph, "adjusted gross income" means New York adjusted gross income as determined pursuant to article twenty-two of this chapter. The percentage shall be:

(A) thirty percent, where the taxpayer's adjusted gross income for such taxable year is less than \$5,000;

(B) thirty percent reduced by the product of two-tenths of a percentage point (0.002) and the amount of the taxpayer's adjusted gross income for such taxable year in excess of \$4,999, where such taxpayer's adjusted gross income for such taxable year is equal to or greater than \$5,000 and less than \$7,500;

(C) twenty-five percent, where the taxpayer's adjusted gross income for such taxable year is equal to or greater than \$7,500 and less than \$15,000;

(D) twenty-five percent reduced by the product of two-tenths of a percentage point (0.002) and the amount of the taxpayer's adjusted gross income for such taxable year in excess of \$14,999, where such taxpayer's adjusted gross income for such taxable year is equal to or greater than \$15,000 and less than \$17,500;

(E) twenty percent, where the taxpayer's adjusted gross income for such taxable year is equal to or greater than \$17,500 and less than \$20,000;

(F) twenty percent reduced by the product of two-tenths of a percentage point (0.002) and the amount of the taxpayer's adjusted gross income for such taxable year in excess of \$19,999, where such taxpayer's adjusted gross income for such taxable year is equal to or greater than \$20,000 and less than \$22,500;

(G) fifteen percent, where the taxpayer's adjusted gross income for such taxable year is equal to or greater than \$22,500 and less than \$40,000;

1 (H) fifteen percent reduced by the product of two-tenths of a percent-
2 age point (0.002) and the amount of the taxpayer's adjusted gross income
3 for such taxable year in excess of \$39,999, where such taxpayer's
4 adjusted gross income for such taxable year is equal to or greater than
5 \$40,000 and less than \$42,500; and

6 (I) ten percent where the taxpayer's adjusted gross income for such
7 taxable year is equal to or greater than \$42,500.

8 § 2. Paragraph 1 of subdivision (d) of section 11-1706 of the adminis-
9 trative code of the city of New York, as added by local law number 39
10 for the year 2004, is amended to read as follows:

11 (1) For taxable years beginning after two thousand three, a credit
12 against the city personal income tax shall be allowed, equal to five
13 percent of the earned income credit allowed under section thirty-two of
14 the internal revenue code for the same taxable year, and, for taxable
15 years beginning after two thousand twenty-one, a credit against the city
16 personal income tax shall be allowed, equal to a percentage determined
17 pursuant to subparagraphs (A) through (I) of this paragraph, of the
18 earned income credit allowed under section thirty-two of the internal
19 revenue code for the same taxable year. For purposes of this paragraph,
20 "adjusted gross income" means New York adjusted gross income as deter-
21 mined pursuant to article twenty-two of the tax law. The percentage
22 shall be:

23 (A) thirty percent, where the taxpayer's adjusted gross income for
24 such taxable year is less than \$5,000;

25 (B) thirty percent reduced by the product of two-tenths of a percent-
26 age point (0.002) and the amount of the taxpayer's adjusted gross income
27 for such taxable year in excess of \$4,999, where such taxpayer's
28 adjusted gross income for such taxable year is equal to or greater than
29 \$5,000 and less than \$7,500;

30 (C) twenty-five percent, where the taxpayer's adjusted gross income
31 for such taxable year is equal to or greater than \$7,500 and less than
32 \$15,000;

33 (D) twenty-five percent reduced by the product of two-tenths of a
34 percentage point (0.002) and the amount of the taxpayer's adjusted gross
35 income for such taxable year in excess of \$14,999, where such taxpayer's
36 adjusted gross income for such taxable year is equal to or greater than
37 \$15,000 and less than \$17,500;

38 (E) twenty percent, where the taxpayer's adjusted gross income for
39 such taxable year is equal to or greater than \$17,500 and less than
40 \$20,000;

41 (F) twenty percent reduced by the product of two-tenths of a percent-
42 age point (0.002) and the amount of such taxpayer's adjusted gross
43 income for such taxable year in excess of \$19,999, where the taxpayer's
44 adjusted gross income for such taxable year is equal to or greater than
45 \$20,000 and less than \$22,500;

46 (G) fifteen percent, where the taxpayer's adjusted gross income for
47 such taxable year is equal to or greater than \$22,500 and less than
48 \$40,000;

49 (H) fifteen percent reduced by the product of two-tenths of a percent-
50 age point (0.002) and the amount of the taxpayer's adjusted gross income
51 for such taxable year in excess of \$39,999, where such taxpayer's
52 adjusted gross income for such taxable year is equal to or greater than
53 \$40,000 and less than \$42,500; and

54 (I) ten percent where the taxpayer's adjusted gross income for such
55 taxable year is equal to or greater than \$42,500.

§ 3. This act shall take effect immediately, and shall apply to taxable years beginning on and after January 1, 2022.

PART KK

Section 1. Section 472 of the economic development law is amended by adding a new subdivision 4-a to read as follows:

4-a. "Certificate of additional tax credit" means the document issued to a business entity by the department after the department has verified that the business entity has met all applicable eligibility criteria in this article. The certificate shall specify the exact amount of the tax credit under this article that a business entity may claim pursuant to section four hundred seventy-five-a of this article.

§ 2. Subdivisions 1 and 3 of section 474 of the economic development law, as added by section 1 of subpart A of part PP of chapter 59 of the laws of 2021, are amended and a new subdivision 4 is added to read as follows:

1. A business entity must submit a complete application as prescribed by the commissioner for the restaurant return-to-work credit and the additional restaurant return-to-work credit.

3. The application for the tax credit allowed under section four hundred seventy-five of this article must be submitted by May first, two thousand twenty-two. After reviewing a business entity's completed final application for the restaurant return-to-work credit and determining that the business entity meets the eligibility criteria as set forth in this article, the department may issue to that business entity a certificate of tax credit. A business entity may claim the tax credit in the taxable year that includes December thirty-first, two thousand twenty-one.

4. The application for the tax credit allowed under section four hundred seventy-five-a of this article must be submitted by July first, two thousand twenty-two. After reviewing a business entity's completed final application for the additional restaurant return-to-work credit and determining that the business entity meets the eligibility criteria as set forth in this article, the department may issue to that business entity a certificate of additional tax credit. A business entity may claim the tax credit in the taxable year that includes December thirty-first, two thousand twenty-two.

§ 3. The economic development law is amended by adding a new section 475-a to read as follows:

§ 475-a. Additional restaurant return-to-work tax credit. 1. A business entity in the restaurant return-to-work tax credit program that applies for the additional restaurant return-to-work credit pursuant to section four hundred seventy-four of this article may be eligible to claim a credit equal to five thousand dollars per each full-time equivalent net employee increase above ten, not to exceed twenty, as defined in subdivision eight of section four hundred seventy-two of this article. The amount of the business entity's additional restaurant return-to-work tax credit shall be calculated by using the date the business entity chose to calculate its average ending full-time employment as described in subdivision three of section four hundred seventy-two of this article. Provided, however, that in calculating the full-time equivalent net employee increase above ten, the jobs must continue to exist as of March thirty-first, two thousand twenty-two. A business entity in the restaurant return-to-work program that ceased operations

1 on or before March thirty-first, two thousand twenty-two, is not eligi-
2 ble for the credit provided by this section.

3 2. A business entity, including a partnership, limited liability
4 company and subchapter S corporation, may not receive in excess of fifty
5 thousand dollars in tax credits under this program.

6 3. The credit shall be allowed as provided in section forty-six-a,
7 subdivision fifty-six-a of section two hundred ten-B and subsection
8 (nnn) of section six hundred six of the tax law.

9 § 4. The tax law is amended by adding a new section 46-a to read as
10 follows:

11 § 46-a. Additional restaurant return-to-work tax credit. (a) Allowance
12 of credit. A taxpayer subject to tax under article nine-A or twenty-two
13 of this chapter shall be allowed a credit against such tax, pursuant to
14 the provisions referenced in subdivision (f) of this section. The amount
15 of the credit is equal to the amount determined pursuant to section four
16 hundred seventy-five-a of the economic development law. No cost or
17 expense paid or incurred by the taxpayer which is included as part of
18 the calculation of this credit shall be the basis of any other tax cred-
19 it allowed under this chapter.

20 (b) Eligibility. To be eligible for the additional restaurant return-
21 to-work tax credit, the taxpayer shall have been issued a certificate of
22 additional tax credit by the department of economic development pursuant
23 to subdivision four of section four hundred seventy-four of the economic
24 development law, which certificate shall set forth the amount of the
25 credit that may be claimed for the taxable year. The taxpayer shall be
26 allowed to claim only the amount listed on the certificate of additional
27 tax credit for that taxable year. A taxpayer that is a partner in a
28 partnership, member of a limited liability company or shareholder in a
29 subchapter S corporation that has received a certificate of additional
30 tax credit shall be allowed its pro rata share of the credit earned by
31 the partnership, limited liability company or subchapter S corporation.
32 However, the taxpayer must be a partner, member or shareholder of such
33 partnership, limited liability company or subchapter S corporation as of
34 April first, two thousand twenty-two.

35 (c) Tax return requirement and advance payment option. (1) The taxpay-
36 er shall be required to attach to its tax return in the form prescribed
37 by the commissioner, proof of receipt of its certificate of additional
38 tax credit issued by the commissioner of the department of economic
39 development.

40 (2) Taxpayers shall have the option to request an advance payment of
41 the amount of tax credit they are allowed under this section. A taxpayer
42 must submit such request to the department in the manner prescribed by
43 the commissioner after it has been issued a certificate of additional
44 tax credit by the department of economic development pursuant to subdivi-
45 vision four of section four hundred seventy-four of the economic devel-
46 opment law (or such certificate has been issued to a partnership, limit-
47 ed liability company or subchapter S corporation in which it is a
48 partner, member or shareholder, respectively), but such request must be
49 submitted no later than September thirtieth, two thousand twenty-two.
50 For those taxpayers who have requested an advance payment and for whom
51 the commissioner has determined eligible for this credit, the commis-
52 sioner shall advance a payment of the tax credit allowed to the taxpay-
53 er. However, in the case of a taxpayer subject to article nine-A of this
54 chapter, such payment shall be equal to the amount of credit allowed to
55 the taxpayer less twenty-five dollars. Such twenty-five dollars shall
56 represent a partial payment of tax owed by the taxpayer under article

nine-A, including any fixed dollar minimum owed under paragraph (d) of subdivision one of section two hundred ten of this chapter. When a taxpayer files its return for the taxable year, such taxpayer shall properly reconcile the advance payment and any partial payment of fixed dollar minimum tax, if applicable, on the taxpayer's return.

(d) Information sharing. Notwithstanding any provision of this chapter, employees of the department of economic development and the department shall be allowed and are directed to share and exchange:

(1) information derived from tax returns or reports that are relevant to a taxpayer's eligibility to participate in the restaurant return-to-work tax credit program;

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

(3) information contained in or derived from credit claim forms submitted to the department and applications for admission into the restaurant return-to-work tax credit program. Except as provided in paragraph two of this subdivision, all information exchanged between the department of economic development and the department shall not be subject to disclosure or inspection under the state's freedom of information law.

(e) Credit recapture. If a certificate of additional tax credit issued by the department of economic development under article twenty-five of the economic development law is revoked by such department, the amount of credit described in this section and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

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

(1) article 9-A: section 210-B, subdivision 56-a;

(2) article 22: section 606, subsection (nnn).

§ 5. Section 210-B of the tax law is amended by adding a new subdivision 56-a to read as follows:

56-a. Additional restaurant return-to-work tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-six-a of this chapter, against the taxes imposed by this article.

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

§ 6. Section 606 of the tax law is amended by adding a new subsection (nnn) to read as follows:

(nnn) Additional restaurant return-to-work tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-six-a of this chapter, against the tax imposed by this article.

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

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

<u>(xlix) Additional restaurant</u>	<u>Amount of credit under</u>
<u>return-to-work credit</u>	<u>subdivision fifty-six-a of</u>
	<u>section two hundred ten-B</u>

§ 8. This act shall take effect immediately.

PART LL

Section 1. (a) Notwithstanding any provision of law to the contrary, for the duration of the state disaster emergency pursuant to executive order 11 of 2021, a taxpayer that has required some or all of its employees to work remotely as a result of the outbreak of novel coronavirus, COVID-19, may designate such remote work as having been performed at the location such work was performed prior to the declaration of such state disaster emergency for tax benefits that are based on maintaining a presence within the state or within specific areas of the state, including but not limited to those provided pursuant to article seventeen of the economic development law and sections 31 and 39 of the tax law.

(b) Eligible businesses shall be required to certify, that for the entire period the benefit is claimed, the business continued to operate within the state.

(c) Under no circumstances shall a business be eligible for tax benefits based on maintaining a presence within the state or within specific areas of the state for any time period in which the business moved its operations outside of the state.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on or after November 26, 2021 and shall expire on the date of expiration of the state disaster emergency pursuant to executive order 11 of 2021 or December 31, 2022, whichever is sooner; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission upon the occurrence of the expiration of the state disaster emergency pursuant to executive order 11 of 2021, as amended, in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law.

PART MM

Section 1. This act enacts into law components of legislation relating to pass-through entity tax. Each component is wholly contained within a Subpart identified as Subparts A and B. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes a reference to a section "of this act", when used in connection

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

4 SUBPART A

5 Section 1. Subsection (d) of section 860 of the tax law, as added by
6 section 1 of part C of chapter 59 of the laws of 2021, is amended and
7 two new subsections (j) and (k) are added to read as follows:

8 (d) Electing S corporation. Electing S corporation means any eligible
9 S corporation that made a valid, timely election pursuant to section
10 eight hundred sixty-one of this article that is either an electing resi-
11 dent S corporation or electing standard S corporation.

12 (j) Electing resident S corporation. An electing resident S corpo-
13 ration is an electing S corporation that certifies at the time of its
14 election that all of its shareholders are residents of New York for
15 purposes of article twenty-two of this chapter.

16 (k) Electing standard S corporation. An electing standard S corpo-
17 ration is an electing S corporation that is not an electing resident S
18 corporation.

19 § 2. Paragraph 2 of subsection (h) of section 860 of the tax law, as
20 added by section 1 of part C of chapter 59 of the laws of 2021, is
21 amended and a new paragraph 3 is added to read as follows:

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

28 (3) In the case of an electing resident S corporation, the sum of all
29 items of income, gain, loss, or deduction to the extent they are
30 included in the taxable income of a shareholder subject to tax under
31 article twenty-two of this chapter.

32 § 3. Subsection (c) of section 861 of the tax law, as added by section
33 1 of part C of chapter 59 of the laws of 2021, is amended and a new
34 subsection (d) is added to read as follows:

35 (c) The annual election must be made by the due date of the first
36 estimated payment under section eight hundred sixty-four of this ~~[chap-~~
37 ~~ter]~~ article and will take effect for the current taxable year. Only one
38 election may be made during each calendar year. An election made under
39 this section is irrevocable as of the due date.

40 (d) Special rules for electing S corporations. (1) An electing S
41 corporation must certify at the time of its election that all sharehold-
42 ers are residents of New York for purposes of article twenty-two of this
43 chapter to be considered an electing resident S corporation.

44 (2) If an electing S corporation does not make a certification under
45 paragraph one of this subsection at the time of its election, the elect-
46 ing S corporation is automatically treated as an electing standard S
47 corporation.

48 (3) If an electing S corporation makes a certification under paragraph
49 one of this subsection to be an electing resident S corporation, this
50 certification is irrevocable as of the due date of the election.

51 § 4. Subsection (h) of section 865 of the tax law, as added by section
52 1 of part C of chapter 59 of the laws of 2021, is amended to read as
53 follows:

(h) Information provided to shareholders. Each electing S corporation subject to tax under this article shall report to each shareholder its:

(1) direct share of the pass-through entity tax imposed on the electing S corporation; ~~[and]~~

(2) the electing S corporation's status as an electing resident S corporation or electing standard S corporation; and

(3) any other information as required by the commissioner.

§ 5. Paragraph 3 of subsection (b) of section 612 of the tax law, as amended by chapter 166 of the laws of 1991, subparagraph (B) as amended by section 70 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(3) Income taxes. (A) General. Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax.

(B) Shareholders of S corporations. In the case of a shareholder of an S corporation, with respect to taxes imposed upon or payable by the corporation, the term "income taxes" in subparagraph (A) of this paragraph shall also include the taxes imposed under article nine-A of this chapter, regardless of the measure of such tax~~[, but shall not otherwise include taxes imposed by this or any other state of the United States, or any political subdivision of this or any other state, or the District of Columbia].~~

(C) Pass-through entity tax deduction. (i) In the case of a partner, member or shareholder of an electing partnership or electing S corporation, the term "income taxes" in subparagraph (A) of this paragraph shall not include the taxes imposed under article twenty-four-A of this chapter to the extent such taxes are added to federal adjusted gross income under subparagraph (A) of paragraph forty-three of this subsection or the taxes imposed under article twenty-four-B of this chapter to the extent such taxes are added to the federal adjusted gross income under paragraph forty-three-a of this subsection.

(ii) In the case of a partner, member or shareholder of a partnership or S corporation, the term "income taxes" in subparagraph (A) of this paragraph shall not include pass-through entity taxes substantially similar to the tax imposed pursuant to article twenty-four-A of this chapter imposed by another state of the United States, a political subdivision of such state, or the District of Columbia upon income both derived therefrom and subject to tax under this article to the extent such taxes are added to federal adjusted gross income under subparagraph (B) of paragraph forty-three of this subsection.

§ 6. (a) Notwithstanding section 861 of the tax law as added by section 1 of part C of chapter 59 of the laws of 2021 and amended by section three of this act, the certification to be taxed as an electing resident S corporation for the taxable year 2022, must be made by March 15, 2023 in a manner prescribed by the commissioner.

(b) Further for the taxable year 2022, notwithstanding section 864 of the tax law, as added by section 1 of part C of chapter 59 of the laws of 2021, an electing resident S corporation shall be required to make estimated tax payments on March fifteenth and June fifteenth representing twenty-five percent of the required annual payment as if such electing resident S corporation was an electing standard S corporation. However, all electing resident S corporations shall be required as of September 15, 2022 to have paid seventy-five percent of the required annual payment.

§ 7. This act shall take effect immediately and shall apply to all taxable years beginning on or after January 1, 2022; provided, however, that section five of this act shall apply to taxable years beginning on or after January 1, 2021.

SUBPART B

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

ARTICLE 24-B

CITY PASS-THROUGH ENTITY TAX

Section 867. Definitions.

868. City pass-through entity tax election.

869. Imposition and rate of tax.

870. City pass-through entity tax credit.

871. Payment of estimated tax.

872. Filing of return and payment of tax.

873. Procedural and administrative provisions.

§ 867. Definitions. For purposes of this article:

(a) City pass-through entity tax. City pass-through entity tax means the total tax imposed by this article on an electing city partnership or an electing city resident S corporation.

(b) City pass-through entity taxable income. City pass-through entity taxable income means:

(1) In the case of an electing city partnership, the sum of all items of income, gain, loss, or deduction to the extent they are included in the city taxable income of a partner or member of the electing city partnership who is a city taxpayer.

(2) In the case of an electing city resident S corporation, the sum of all items of income, gain, loss, or deduction to the extent they would be included in the city taxable income of a shareholder of the electing city resident S corporation who is a city taxpayer.

(c) City resident individual. City resident individual has the same meaning as that term is defined in subsection (a) of section thirteen hundred five of this chapter.

(d) City taxable income. City taxable income has the same meaning as that term is defined in section thirteen hundred three of this chapter.

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

(f) Direct share of city pass-through entity tax. Direct share of city pass-through entity tax means the portion of city pass-through entity tax calculated on city pass-through entity taxable income of a city taxpayer who is a partner or member of the electing city partnership or a city taxpayer who is a shareholder of the electing city resident S corporation.

(g) Electing city partnership. Electing city partnership means any eligible partnership that made a valid, timely election pursuant to section eight hundred sixty-eight of this article.

(h) Electing city resident S corporation. Electing city resident S corporation means any eligible resident S corporation that made a valid, timely election pursuant to section eight hundred sixty-eight of this article.

(i) Eligible city partnership. Eligible city partnership means any partnership as provided for in section 7701(a)(2) of the Internal Revenue Code that has a filing requirement under paragraph one of subsection

1 (c) of section six hundred fifty-eight of this chapter other than a
2 publicly traded partnership as defined in section 7704 of the Internal
3 Revenue Code, where at least one partner or member is a city resident
4 individual. An eligible city partnership includes any entity, including
5 a limited liability company, treated as a partnership for federal income
6 tax purposes that otherwise meets the requirements of this subsection.

7 (j) Eligible city resident S corporation. Eligible city resident S
8 corporation means any New York S corporation as defined pursuant to
9 subdivision one-A of section two hundred eight of this chapter that is
10 subject to tax under section two hundred nine of this chapter that has
11 only city resident individual shareholders. An eligible city resident S
12 corporation includes any entity, including a limited liability company,
13 treated as an S corporation for federal income tax purposes that other-
14 wise meets the requirements of this subsection.

15 (k) Taxable year. An electing city partnership's or electing city
16 resident S corporation's taxable year pursuant to this article shall be
17 the same as the electing city partnership's or electing city resident S
18 corporation's taxable year for federal income tax purposes.

19 § 868. City pass-through entity tax election. (a) Any eligible city
20 partnership that makes the annual election to be taxed pursuant to arti-
21 cle twenty-four-A of this chapter in accordance with section eight
22 hundred sixty-one of this chapter or any eligible city resident S corpo-
23 ration that makes the annual election to be taxed pursuant to article
24 twenty-four-A of this chapter as an electing resident S corporation in
25 accordance with section eight hundred sixty-one of this chapter may make
26 an annual election to be taxed pursuant to this article for the same
27 taxable year for which such eligible city partnership or eligible city
28 resident S corporation has made an election to be taxed pursuant to
29 article twenty-four-A of this chapter. The election to be taxed pursuant
30 to this article must be made by the due date as specified in subsection
31 (c) of section eight hundred sixty-one of this chapter and in the same
32 manner as the election to be taxed pursuant to article twenty-four-A of
33 this chapter.

34 (b) In order to be effective, the annual election to be taxed pursuant
35 to this article must be made by a city taxpayer and (1) if the entity is
36 an S corporation, by any officer, manager or shareholder of the S corpo-
37 ration who is authorized under the law of the state where the corpo-
38 ration is incorporated or under the S corporation's organizational docu-
39 ments to make the election and who represents to having such
40 authorization under penalty of perjury; or (2) if the entity is not an S
41 corporation, by any member, partner, owner, or other individual with
42 authority to bind the entity or sign returns pursuant to section six
43 hundred fifty-three of this chapter.

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

53 § 869. Imposition and rate of tax. A tax is hereby imposed for each
54 taxable year on the city pass-through entity taxable income of every
55 electing city partnership and every electing city resident S corpo-
56 ration. This tax shall be in addition to any other taxes imposed on

1 such partnership or such S corporation. For each taxable year beginning
2 on or after January first, two thousand twenty-two, the rate of tax
3 shall be 3.876 percent of city pass-through entity taxable income.

4 § 870. City pass-through entity tax credit. (a) Personal income tax
5 credit. (1) A city taxpayer who is a direct partner or member in an
6 electing city partnership or a direct shareholder of an electing city
7 resident S corporation subject to tax under this article shall be
8 allowed a credit against the tax imposed pursuant to the authority of
9 article thirty of this chapter, computed pursuant to the provisions of
10 subsection (g) of section thirteen hundred ten of this chapter. An enti-
11 ty that is disregarded for tax purposes will be disregarded for purposes
12 of determining if a city taxpayer is a direct partner or member of an
13 electing city partnership or a direct shareholder of an electing city
14 resident S corporation.

15 (2) Limitation on credit. No credit shall be allowed to a city taxpay-
16 er under paragraph one of this subsection unless the electing city part-
17 nership or electing city resident S corporation paid the tax imposed
18 under this article and provided sufficient information on the city pass-
19 through entity tax return as prescribed by the commissioner to identify
20 such city taxpayer. Such information shall include, but not be limited
21 to, the social security number or taxpayer identification number of the
22 city taxpayer who will claim the credit (even in the case of a disre-
23 garded entity owned by such city taxpayer).

24 (b) Limitation on credit. The aggregate amount of credits claimed by
25 all partners, members or shareholders of an electing city partnership or
26 an electing city resident S corporation pursuant to subsection (a) of
27 this section shall not exceed the tax due under section eight hundred
28 sixty-nine of this article from such electing city partnership or elect-
29 ing city resident S corporation for the taxable year.

30 § 871. Payment of estimated tax. (a) Definition of estimated tax.
31 Estimated tax means the amount that an electing city partnership or
32 electing city resident S corporation estimates to be the tax imposed by
33 section eight hundred sixty-nine of this article for the current taxable
34 year.

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

38 (1) The estimated tax shall be paid in four equal installments on
39 March fifteenth, June fifteenth, September fifteenth and December
40 fifteenth in the calendar year prior to the year in which the due date
41 of the return required by this article falls.

42 (2) The amount of any required installment shall be twenty-five
43 percent of the required annual payment.

44 (3) The required annual payment is the lesser of: (A) ninety percent
45 of the tax shown on the return for the taxable year; or (B) one hundred
46 percent of the tax shown on the return of the electing city partnership
47 or electing city resident S corporation for the preceding taxable year.

48 (c) Application to short taxable year. This section shall apply to a
49 taxable year of less than twelve months in accordance with procedures
50 established by the commissioner.

51 (d) Installments paid in advance. An electing city partnership or
52 electing city resident S corporation may elect to pay any installment of
53 its estimated tax prior to the date prescribed for the payment thereof.

54 § 872. Filing of return and payment of tax. (a) General. On or before
55 March fifteenth following the close of the taxable year, each electing
56 city partnership and each electing city resident S corporation must file

1 a return for the taxable year reporting the information required pursu-
2 ant to this article. For each electing city partnership and each elect-
3 ing city resident S corporation that has a fiscal taxable year, the
4 return is due on or before March fifteenth following the close of the
5 calendar year that contains the final day of the electing city partner-
6 ship's or electing city resident S corporation's taxable year.

7 (b) Certification of eligibility. Every return filed pursuant to
8 subsection (a) of this section shall include, in a format as prescribed
9 by the commissioner, a certification by an individual authorized to act
10 on behalf of the electing city partnership or electing city resident S
11 corporation that such electing city partnership or electing city resi-
12 dent S corporation:

13 (1) Made a timely, valid election to be subject to tax pursuant to
14 this article; and

15 (2) That all statements contained therein are true.

16 (c) Information on the electing city partnership return. Each electing
17 city partnership shall report on such return:

18 (1) Any tax due pursuant to this article. The balance of any tax shown
19 on such return, not previously paid as installments of estimated tax,
20 shall be paid with such return;

21 (2) Identifying information of all partners and/or members who are
22 city taxpayers and eligible to receive a credit pursuant to section
23 eight hundred seventy of this article;

24 (3) Each partner's and/or member's direct share of the city pass-
25 through entity tax imposed on the electing city partnership;

26 (4) Each partner's and/or member's distributive share of the city
27 pass-through entity taxable income calculated pursuant to paragraph one
28 of subsection (b) of section eight hundred sixty-seven of this article;

29 (5) The classification, as applicable, of each partner and/or member
30 as a city resident individual for purposes of calculating the electing
31 city partnership's city pass-through entity taxable income; and

32 (6) Any other information as required by the commissioner.

33 (d) Information on electing city resident S corporation return. Each
34 electing city resident S corporation shall report on such return:

35 (1) Any tax due pursuant to this article. The balance of any tax shown
36 on such return, not previously paid as installments of estimated tax,
37 shall be paid with such return;

38 (2) Identifying information of all shareholders who are city taxpayers
39 and eligible to receive a credit pursuant to section eight hundred
40 seventy of this article;

41 (3) Each shareholder's direct share of the pass-through entity tax
42 imposed on the electing city resident S corporation;

43 (4) Each shareholder's distributive share of the city pass-through
44 entity taxable income calculated pursuant to paragraph two of subsection
45 (b) of section eight hundred sixty-seven of this article; and

46 (5) Any other information as required by the commissioner.

47 (e) Special rules for partners, members and shareholders that are
48 disregarded entities. To meet the requirements of paragraph two of
49 subsection (c) of this section for an electing city partnership or para-
50 graph two of subsection (d) of this section for an electing city resi-
51 dent S corporation, the electing city partnership or electing city resi-
52 dent S corporation must provide information sufficient to identify both
53 the disregarded entity that is a partner, member and/or shareholder and
54 the city taxpayer eligible for a credit under subsection (a) of section
55 eight hundred seventy of this article.

1 (f) Extensions and amendments. (1) The commissioner may grant a
2 reasonable extension of time for payment of tax or estimated tax (or any
3 installment), or for filing any return, statement, or other document
4 required pursuant to this article, on such terms and conditions as it
5 may require. No such extension for filing any return, statement or other
6 document, shall exceed six months.

7 (2) No amended returns. Once a return has been filed by an electing
8 city partnership or electing city resident S corporation, it may not be
9 amended without the consent of or otherwise authorized by the commis-
10 sioner.

11 (g) Information provided to partners. Each electing city partnership
12 subject to tax under this article shall report to each partner or member
13 the following:

14 (1) Classification, as applicable, as a city resident individual for
15 purposes of calculating the electing city partnership's city pass-
16 through entity taxable income;

17 (2) Direct share of the city pass-through entity tax imposed on the
18 electing city partnership; and

19 (3) Any other information as required by the commissioner.

20 (h) Information provided to shareholders. Each electing city resident
21 S corporation subject to tax under this article shall report to each
22 shareholder the following:

23 (1) The shareholder's direct share of the pass-through entity tax
24 imposed on the electing city resident S corporation; and

25 (2) Any other information as required by the commissioner.

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

38 (b) Notwithstanding any other law to the contrary, the commissioner
39 may require that any form or return required pursuant to this article
40 must be filed electronically and any payment of tax must be paid elec-
41 tronically.

42 (c) Liability for tax. (1) An electing city partnership or electing
43 city resident S corporation shall be liable for the tax due pursuant to
44 this article.

45 (2) Except as provided in paragraph three of this subsection, any city
46 taxpayer eligible to claim a credit authorized pursuant to subsection
47 (g) of section thirteen hundred ten of this chapter because such taxpay-
48 er is a partner or member in an electing city partnership or a share-
49 holder in an electing city resident S corporation, either directly or
50 through a disregarded entity, shall be severally liable for such taxpay-
51 er's direct share of city pass-through entity tax to the extent the tax
52 due pursuant to this article is not paid by the electing city partner-
53 ship or electing city resident S corporation.

54 (3) Any city taxpayer eligible to claim a credit authorized pursuant
55 to subsection (g) of section thirteen hundred ten of this chapter
56 because such taxpayer is a partner or member in an electing city part-

nership or a shareholder in an electing city resident S corporation, either directly or through a disregarded entity, that is a general, managing or controlling partner of the electing city partnership or managing or controlling shareholder of the electing city resident S corporation, or owns greater than fifty percent of the interests or profits of the electing city partnership or electing city resident S corporation, or is under a duty to act for the electing city partnership or electing city resident S corporation in complying with the provisions of this article, or was the individual that made the election on behalf of the electing city partnership or electing city resident S corporation authorized by section eight hundred sixty-eight of this article, shall be jointly and severally liable for the tax imposed pursuant to this article on such electing city partnership or electing city resident S corporation.

(d) Deposit and disposition of revenue. All taxes, interest, penalties, and fees collected or received by the commissioner pursuant to this article shall be deposited and disposed of in the manner set forth by article thirty of this chapter for taxes imposed pursuant to such article, including but not limited to provisions of such article relating to payments to the New York city transitional finance authority.

(e) Secrecy provision. All the provisions of paragraphs one and two of subsection (e) of section six hundred ninety-seven of this chapter will apply to the provisions of this article. Notwithstanding any provisions of this chapter to the contrary, the commissioner may disclose information and returns regarding the calculation and payment of the tax imposed by this article and any credit calculated on taxes paid pursuant to this article by an electing city partnership or an electing city resident S corporation to a partner, member or shareholder of such entity that is eligible for or claims to be eligible for a credit under subsection (a) of section eight hundred seventy of this article.

(f) The comptroller shall retain in the comptroller's hands such amount as the commissioner may determine necessary for refunds in respect to the taxes imposed pursuant to the authority of this article, out of which the comptroller shall pay any refunds of such taxes to which taxpayers shall be entitled under any law enacted pursuant to the authority of this article.

§ 2. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 43-a to read as follows:

(43-a) City pass-through entity tax deduction addback. In the case of a taxpayer who claims a credit allowed under subsection (g) of section thirteen hundred ten of this chapter, an amount equal to the amount of such credit.

§ 3. Section 1310 of the tax law is amended by adding a new subsection (g) to read as follows:

(g) Credit for city pass-through entity tax. (1) A taxpayer who is a partner or member of an electing city partnership and a taxpayer shareholder of an electing city resident S corporation subject to tax under article twenty-four-B of this chapter shall be entitled to a credit against the tax imposed pursuant to the authority of this article as provided in this subsection. For purposes of this subsection, the terms "electing city partnership," "electing city resident S corporation," "city pass-through entity tax," and "direct share of city pass-through entity tax" shall have the same meanings provided in article twenty-four-B of this chapter.

(2) The amount of the credit shall be equal to the partner's, member's or shareholder's direct share of the city pass-through entity tax.

(3) If a taxpayer is a partner, member or shareholder in more than one electing city partnership and/or electing city resident S corporation that is subject to tax pursuant to article twenty-four-B of this chapter, the amount of the credit of such taxpayer shall be equal to the sum of the amounts of such credits calculated pursuant to paragraph two of this subsection with regard to each entity in which such taxpayer has a direct ownership interest.

(4) If the amount of the credit allowable pursuant to this subsection for any taxable year exceeds the tax due for such year pursuant to this article, the excess amount shall be treated as an overpayment, to be credited or refunded, without interest.

(5) Limitation on credit. No credit shall be allowed to a taxpayer under this subsection unless the electing city partnership or electing city resident S corporation provided sufficient information to identify such taxpayer on its city pass-through entity tax return as required under paragraph two of subsection (c) of section eight hundred seventy-two of this chapter for an electing city partnership or paragraph two of subsection (d) of section eight hundred seventy-two of this chapter for an electing city resident S corporation. The credit allowed to a taxpayer under this subsection shall not exceed the direct share of city pass-through entity tax reported by such electing city partnership or electing city resident S corporation attributable to such taxpayer on such electing city partnership or electing city resident S corporation's return filed pursuant to section eight hundred seventy-two of this chapter.

§ 4. Subsection (b) of section 1313 of the tax law, as amended by section 8 of part C of chapter 58 of the laws of 2005, is amended to read as follows:

(b) The comptroller shall retain in the comptroller's hands such amount as the commissioner may determine to be necessary for refunds in respect to the taxes imposed pursuant to the authority of this article or former article two-E of the general city law and for reasonable costs of the commissioner in administering, collecting and distributing such taxes and the tax imposed pursuant to article twenty-four-B of this chapter, out of which the comptroller shall pay any refunds of such taxes to which taxpayers shall be entitled under any law enacted pursuant to the authority of this article or former article two-E of the general city law.

§ 5. Subdivision 15 of section 2799-bb of the public authorities law, as added by chapter 16 of the laws of 1997, is amended to read as follows:

15. "Tax revenues" means the taxes paid or payable to the authority pursuant to subsection (d) of section eight hundred seventy-three, or section thirteen hundred thirteen, of the tax law and such other revenues as the authority may derive directly from the state from taxes imposed by the city or the state and collected by the state.

§ 6. Subdivision 5 of section 2799-hh of the public authorities law, as added by chapter 16 of the laws of 1997, is amended to read as follows:

5. Tax revenues received by the authority pursuant to subsection (d) of section eight hundred seventy-three, or section thirteen hundred thirteen, of the tax law, together with any alternative revenues received by the authority, shall be applied in the following order of priority: first pursuant to the authority's contracts with bondholders, then to pay the authority's operating expenses not otherwise provided for, and then pursuant to the authority's agreements with the city,

1 which agreements shall require the authority to transfer the balance of
2 such taxes not required to meet contractual or other obligations of the
3 authority to the city as frequently as practicable.

4 § 7. Section 2799-ii of the public authorities law, as amended by
5 section 8 of part A of chapter 88 of the laws of 2000, is amended to
6 read as follows:

7 § 2799-ii. Agreement with the state. The state does hereby pledge and
8 agree with the holders of any issue of bonds and/or bond anticipation
9 notes secured by such a pledge that the state will not limit or alter
10 the rights hereby vested in the authority to fulfill the terms of any
11 agreements made with such holders pursuant to this title, or in any way
12 impair the rights and remedies of such holders or the security for such
13 bonds and/or bond anticipation notes until such bonds and/or bond antic-
14 ipation notes, together with the interest thereon and all costs and
15 expenses in connection with any action or proceeding by or on behalf of
16 such holders, are fully paid and discharged. Nothing contained in this
17 section shall be deemed to restrict the right of the state to amend,
18 modify, repeal or otherwise alter statutes imposing or relating to the
19 taxes payable to the authority pursuant to subsection (d) of section
20 eight hundred seventy-three and section thirteen hundred thirteen of the
21 tax law, but such taxes shall in all events continue to be so payable so
22 long as any such taxes are imposed. Not less than thirty days prior to
23 the beginning of each city fiscal year, the chairperson of the authority
24 shall certify to the state comptroller, the governor, and the members of
25 the board of directors of the authority a schedule of maximum annual
26 debt service payments due on the bonds and notes of the corporation then
27 outstanding. To the extent that the tax revenues payable to the authori-
28 ty under subsection (d) of section eight hundred seventy-three and
29 section thirteen hundred thirteen of the tax law during such fiscal year
30 are projected by the mayor to be insufficient to meet at least one
31 hundred fifty percent of maximum annual debt service on authority bonds
32 then outstanding, the mayor shall so notify the state comptroller and
33 the state comptroller shall pay to the authority from alternative reven-
34 ues such amount as is necessary to provide at least one hundred fifty
35 percent of the maximum annual debt service; provided, however, that for
36 so long as any indebtedness of the municipal assistance corporation for
37 the city of New York remains outstanding no alternative revenues that
38 are, as of the effective date of this title, or may in the future be,
39 required to be deposited in the municipal assistance tax fund estab-
40 lished under section ninety-two-d of the state finance law shall be paid
41 to the authority except out of funds that are otherwise required to be
42 paid to the city under such section of the state finance law. Nothing in
43 this section shall be deemed to obligate the state to make any addi-
44 tional payments or impose any taxes to satisfy the debt service obli-
45 gations of the authority.

46 § 8. Section 2799-jj of the public authorities law, as added by chap-
47 ter 16 of the laws of 1997, is amended to read as follows:

48 § 2799-jj. Agreement with the city. The city is authorized to pledge
49 and agree with the holders of any issue of bonds and/or bond antic-
50 ipation notes secured by such a pledge that the city will not limit or
51 alter the rights hereby vested in the authority to fulfill the terms of
52 any agreements made with such holders pursuant to this title, or in any
53 way impair the rights and remedies of such holders or the security for
54 such bonds and/or bond anticipation notes until such bonds and/or bond
55 anticipation notes, together with the interest thereon and all costs and
56 expenses in connection with any action or proceeding by or on behalf of

1 such holders, are fully paid and discharged. Nothing contained in this
2 section shall be deemed to restrict any right the city may have to
3 amend, modify or otherwise alter local laws imposing or relating to the
4 taxes payable to the authority pursuant to subsection (d) of section
5 eight hundred seventy-three or section thirteen hundred thirteen of the
6 tax law so long as, after giving effect to such amendment, modification
7 or other alteration, the amount of tax revenues projected by the mayor
8 to be available to the authority during each of its fiscal years follow-
9 ing the effective date of such amendment, modification or other alter-
10 ation shall be not less than one hundred fifty percent of maximum annual
11 debt service on authority bonds then outstanding.

12 § 9. Subparagraph 3 of paragraph (b) of subdivision 8 of section
13 11-602 of the administrative code of the city of New York, as amended by
14 chapter 525 of the laws of 1988, is amended to read as follows:

15 (3) taxes on or measured by profits or income paid or accrued to the
16 United States, any of its possessions or to any foreign country, includ-
17 ing taxes in lieu of any of the foregoing taxes otherwise generally
18 imposed by any foreign country or by any possession of the United
19 States, or taxes on or measured by profits or income paid or accrued to
20 the state or any subdivision thereof, including taxes paid or accrued
21 under article nine, nine-A, thirteen-A, twenty-four-A, twenty-four-B of
22 the tax law or under article thirty-two of the tax law as such article
23 was in effect on December thirty-first, two thousand fourteen,

24 § 10. Paragraph 2 of subdivision (b) of section 11-641 of the adminis-
25 trative code of the city of New York, as amended by section 6 of part D
26 of chapter 60 of the laws of 2015, is amended to read as follows:

27 (2) taxes on or measured by income or profits paid or accrued within
28 the taxable year to the United States, or any of its possessions or to
29 any foreign country ~~[and]~~, taxes on or measured by income or profits
30 paid or accrued to the state or any subdivision thereof, including taxes
31 imposed under article nine, nine-A, thirteen-A, twenty-four-A, twenty-
32 four-B of the tax law, or under article thirty-two of the tax law as
33 such article was in effect on December thirty-first, two thousand four-
34 teen and any tax imposed under this part or subchapter two or three-A of
35 this chapter;

36 § 11. Section 11-1706 of the administrative code of the city of New
37 York is amended by adding a new subdivision (g) to read as follows:

38 (g) Credit for city pass-through entity tax. (1) A taxpayer who is a
39 partner or member of an electing city partnership and a taxpayer share-
40 holder of an electing city resident S corporation subject to tax under
41 article twenty-four-B of the tax law shall be entitled to a credit
42 against the tax imposed by such article. For purposes of this subdivi-
43 sion, the terms "electing city partnership," "electing city resident S
44 corporation," "city pass-through entity tax," and "direct share of city
45 pass-through entity tax" shall have the same meanings as used in article
46 twenty-four-B of the tax law.

47 (2) The amount of the credit shall be equal to the partner's, member's
48 or shareholder's direct share of the city pass-through entity tax.

49 (3) If a taxpayer is a partner, member or shareholder in more than one
50 electing city partnership and/or electing city resident S corporation
51 that is subject to tax pursuant to article twenty-four-B of the tax law,
52 the amount of the credit of such taxpayer shall be equal to the sum of
53 the amounts of such credits calculated pursuant to paragraph two of this
54 subdivision with regard to each entity in which such taxpayer has a
55 direct ownership interest.

(4) If the amount of the credit allowable pursuant to this subdivision for any taxable year exceeds the tax due for such year pursuant to article twenty-four-B of the tax law, the excess amount shall be treated as an overpayment, to be credited or refunded, without interest.

(5) Limitation on credit. No credit shall be allowed to a taxpayer under this subdivision unless the electing city partnership or electing city resident S corporation provided sufficient information to identify such taxpayer on its city pass-through entity tax return as required under paragraph two of subsection (c) of section eight hundred seventy-two of the tax law for an electing city partnership or paragraph two of subsection (d) of section eight hundred seventy-two of the tax law for an electing city resident S corporation. The credit allowed to a taxpayer under this subdivision shall not exceed the direct share of city pass-through entity tax reported by such electing city partnership or electing city resident S corporation attributable to such taxpayer on such electing city partnership's or such electing city resident S corporation's return filed pursuant to section eight hundred seventy-two of the tax law.

§ 12. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2023; provided, however, that subparagraph 3 of paragraph (b) of subdivision 8 of section 11-602 of the administrative code of the city of New York as amended by section nine of this act and paragraph 2 of subdivision (b) of section 11-641 of the administrative code of the city of New York as amended by section ten of this act other than the amendments in those sections relating to article 24-B of the tax law, shall be deemed to have been in full force and effect on and after January 1, 2021.

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

PART NN

Section 1. Subsection (c-1) of section 606 of the tax law is amended by adding a new paragraph 4 to read as follows:

(4) (A) For tax year two thousand twenty-one, the commissioner shall issue a payment of a supplemental empire state child credit in the amount of (i) one hundred percent of the empire state child credit calculated and allowed pursuant to this subsection to taxpayers whose federal adjusted gross income was less than ten thousand dollars; (ii) seventy-five percent of the empire state child credit calculated and allowed pursuant to this subsection to taxpayers whose federal adjusted gross income was greater than or equal to ten thousand dollars but less than twenty-five thousand dollars; (iii) fifty percent of the empire state child credit calculated and allowed pursuant to this subsection to taxpayers whose federal adjusted gross income was greater than or equal to twenty-five thousand dollars but less than fifty thousand dollars; and (iv) twenty-five percent of the empire state child credit calculated and allowed pursuant to this subsection to taxpayers whose federal adjusted gross income was greater than or equal to fifty thousand dollars. Provided, however, that no payment shall be issued if it is less than twenty-five dollars.

(B) The supplemental payment pursuant to this paragraph will be allowed to taxpayers who timely filed returns pursuant to section six hundred fifty-one of this article, determined with regard to extensions pursuant to section six hundred fifty-seven of this article.

§ 2. Subsection (d) of section 606 of the tax law is amended by adding a new paragraph 8 to read as follows:

(8) For tax year two thousand twenty-one, the commissioner shall issue a payment of a supplemental earned income tax credit to resident taxpayers in the amount of twenty-five percent of the earned income tax credit calculated and allowed pursuant to this subsection. Such payment will be allowed to resident taxpayers who timely filed returns pursuant to section six hundred fifty-one of this article, determined with regard to extensions pursuant to section six hundred fifty-seven of this article. Provided, however, that no payment shall be issued if it is less than twenty-five dollars.

§ 3. Subsection (d-1) of section 606 of the tax law is amended by adding a new paragraph 9 to read as follows:

(9) For tax year two thousand twenty-one, the commissioner shall issue a payment of a supplemental enhanced earned income tax credit in the amount of twenty-five percent of the enhanced earned income tax credit calculated and allowed pursuant to this subsection. Such payment will be allowed to taxpayers who timely filed returns pursuant to section six hundred fifty-one of this article, determined with regard to extensions pursuant to section six hundred fifty-seven of this article. Provided, however, that no payment shall be issued if it is less than twenty-five dollars.

§ 4. This act shall take effect immediately.

PART 00

Section 1. The tax law is amended by adding a new section 45 to read as follows:

§ 45. Empire state digital gaming media production credit. (a) Allowance of credit. (1) A taxpayer which is a digital gaming media production entity engaged in qualified digital gaming media production, or who is a sole proprietor of or a member of a partnership, which is a digital gaming media production entity engaged in qualified digital gaming media production, and is subject to tax under article nine-A or twenty-two of this chapter, shall be allowed a credit against such tax to be computed as provided herein for taxable years beginning on or after January first, two thousand twenty-three and before January first, two thousand twenty-eight.

(2) The amount of the credit shall be the product (or pro rata share of the product, in the case of a taxpayer who is a partner in a partnership, member of a limited liability company or shareholder in a subchapter S corporation) of twenty-five percent and the qualified digital gaming media production costs of one or more qualified digital gaming media productions.

(3) Qualified digital gaming media production costs for a qualified digital gaming media production incurred and paid in this state but outside such metropolitan commuter transportation district as defined in section twelve hundred sixty-two of the public authorities law shall be eligible for a credit of ten percent of such eligible production costs in addition to the credit specified in paragraph two of this subdivision.

(4) All applicants to this program are required, as a condition of receiving the credit, to include in the credits of each digital game development media production language and a logo to be provided by the governor's office of motion picture and television development acknowledging the state's role in the creation of the production.

(5) A qualified digital gaming media production that has applied for credit under the provisions of this section shall, as a condition for the granting of the credit, file a diversity plan with the department of economic development outlining specific goals for hiring a diverse workforce. The commissioner of economic development shall promulgate regulations implementing the requirements of this paragraph, which, notwithstanding any provisions to the contrary in the state administrative procedure act, may be adopted on an emergency basis, to ensure compliance with the provisions of this paragraph. The department of economic development shall review each submitted plan as to whether it meets the requirements established by the commissioner of economic development, and shall verify that the applicant has met or made good-faith efforts in achieving these goals.

(b) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision fifty-five of section two hundred ten-B and subsection (nnn) of section six hundred six of this chapter in any taxable year shall be five million dollars. Such credit shall be allocated by the department of economic development in order of priority based upon the date of filing an application for allocation of digital gaming media production credit with such office. If the total amount of allocated credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for such year under this section, such excess shall be treated as having been applied for on the first day of the subsequent taxable year.

(c) Definitions. As used in this section:

(1) "Qualified digital gaming media production" means: (i) a website, the digital media production costs of which are paid or incurred predominately in connection with (A) video simulation, animation, text, audio, graphics or similar gaming related property embodied in digital format, and (B) interactive features of digital gaming (e.g., links, message boards, communities or content manipulation); (ii) video or interactive games produced primarily for distribution over the internet, wireless network or successors thereto; and (iii) animation, simulation or embedded graphics digital gaming related software intended for commercial distribution regardless of medium; provided, however, that the qualified digital game development media productions described in subparagraphs (i) through (iii) of this paragraph must have digital media production costs equal to or in excess of one hundred thousand dollars per production. A qualified digital gaming media production does not include a website, video, interactive game or software that is used predominately for: electronic commerce (retail or wholesale purposes other than the sale of video interactive games), gambling (including activities regulated by a New York gaming agency), or political advocacy purposes.

(2) "Digital gaming media production costs" means any costs for wages or salaries paid to individuals, other than actors or writers, directly employed for services performed by those individuals directly and predominantly in the creation of a digital gaming media production or productions. Up to one hundred thousand dollars in wages and salaries paid to such employees, other than actors and writers, directly employed shall be used in the calculation of this credit. Digital gaming media production costs include but shall not be limited to payments for services performed directly and predominantly in the development (including concept creation), design, production (including concept creation), design, production (including testing), editing (including encoding) and compositing (including the integration of digital files

1 for interaction by end users) of digital gaming media. Digital gaming
2 media production costs shall not include expenses incurred for the
3 distribution, marketing, promotion, or advertising content generated by
4 end users, other costs not directly and predominantly related to the
5 creation, production or modification of digital gaming media or costs
6 used by the taxpayer as a basis of the calculation of any other tax
7 credit allowed under this chapter. In addition, salaries or other
8 income distribution related to the creation of digital gaming media for
9 any person who serves in the role of chief executive officer, chief
10 financial officer, president, treasurer or similar position shall not be
11 included as digital gaming media production costs if the digital gaming
12 media production entity has more than ten employees. Salaries or other
13 income to a person serving in such a role for the digital gaming media
14 production entity shall also not be included if the person was employed
15 by a related person of the digital gaming media production entity with-
16 in sixty months of the date the digital gaming media production entity
17 applied for the tax credit certificate described in subdivision (d) of
18 this section. For purposes of the preceding sentence, a related person
19 shall have the same meaning as the term "related person" in section four
20 hundred sixty-five of the internal revenue code. Furthermore, any
21 income or other distribution to any individual including, but not limit-
22 ed to, licensing or royalty fees, who holds an ownership interest in a
23 digital gaming media production entity, whether or not such individual
24 is serving in the role of chief executive officer, chief financial offi-
25 cer, president, treasurer or similar position for such an entity, shall
26 not be included as digital gaming media production costs. Up to four
27 million dollars in qualified digital gaming media production costs per
28 production shall be used in the calculation of this credit. Digital
29 gaming media production costs shall not include those costs used by
30 the taxpayer or another taxpayer as the basis calculation of any other
31 tax credit allowed under this chapter.

32 (3) "Qualified digital gaming media production costs" means digital
33 gaming media production costs only to the extent such costs are attrib-
34 utable to the use of property or the performance of services by any
35 persons within the state directly and predominantly in the creation,
36 production or modification of digital gaming related media. Such total
37 production costs incurred and paid in this state shall be equal to or
38 exceed seventy-five percent of total cost of an eligible production
39 incurred and paid within and without this state.

40 (4) "Digital gaming media production entity" means a corporation,
41 partnership, limited partnership or other entity or individual engaged
42 in qualified digital game development media production.

43 (d) To be eligible for the empire state digital gaming media
44 production credit, the taxpayer shall have been issued a certificate of
45 tax credit by the department of economic development, which certificate
46 shall set forth the amount of the credit that may be claimed and the
47 taxable year in which it shall be claimed. The taxpayer shall be allowed
48 to claim only the amount listed on the certificate of tax credit for
49 that taxable year. In order to properly administer this credit, the
50 department shall be allowed to exchange information with the department
51 of economic development about the taxpayers claiming this credit,
52 including information about the tax credits claimed. A taxpayer that is
53 a partner in a partnership, member of a limited liability company or
54 shareholder in a subchapter S corporation that has received a certif-
55 icate of tax credit shall be allowed its pro rata share of the credit
56 earned by the partnership, limited liability company or subchapter S

corporation. The taxpayer shall claim the tax credit in the taxable year that begins in the year for which it is allocated credit under this section.

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

(1) Article nine-A: section two hundred ten-B, subdivision fifty-five.

(2) Article twenty-two: section six hundred six, subsection (i), paragraph one, subparagraph (B), clause (xlvi).

(3) Article twenty-two: section six hundred six, subsection (nnn).

§ 2. Section 210-B of the tax law is amended by adding a new subdivision 55 to read as follows:

55. Empire state digital gaming media production credit. (a) Allowance of credit. A taxpayer who is eligible pursuant to section forty-five of this chapter shall be allowed a credit to be computed as provided in such section forty-five against the tax imposed by this article. Under no circumstances may a single taxpayer receive more than one million five hundred thousand dollars in tax credits per year.

(b) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. Provided, however, that if the amount of the credit allowable under this subdivision for any taxable year reduces the tax to such amount, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter, provided, however, no interest shall be paid thereon.

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

<u>(xlvi) Empire state digital</u>	<u>Amount of credit</u>
<u>gaming media production</u>	<u>under subdivision</u>
<u>credit under subsection (nnn)</u>	<u>fifty-five of section</u>
	<u>two hundred ten-B</u>

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

(nnn) Empire state digital gaming media production credit. (1) Allowance of credit. A taxpayer who is eligible pursuant to section forty-five of this chapter shall be allowed a credit to be computed as provided in such section forty-five against the tax imposed by this article. Under no circumstances may a single taxpayer receive more than one million five hundred thousand dollars in tax credits per year.

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

§ 5. The state commissioner of economic development, after consulting with the state commissioner of taxation and finance, shall promulgate regulations by July 31, 2022 to establish procedures for the allocation of tax credits as required by subdivision (a) of section 45 of the tax law. Such rules and regulations shall include provisions describing the application process, the due dates for such applications, the standards which shall be used to evaluate the applications, the documentation that will be provided to taxpayers by the department of economic development, to substantiate to the New York state department of taxation and finance

1 the amount of tax credits allocated to such taxpayers, under what condi-
2 tions all or a portion of this tax credit may be revoked, and such other
3 provisions as deemed necessary and appropriate. Notwithstanding any
4 other provisions to the contrary in the state administrative procedure
5 act, such rules and regulations may be adopted on an emergency basis if
6 necessary to meet such July 31, 2022 deadline.

7 § 6. The economic development law is amended by adding a new section
8 242 to read as follows:

9 § 242. Reports on the digital gaming industries in New York. 1. The
10 department of economic development shall file a report on a biannual
11 basis with the director of the division of the budget and the chair-
12 persons of the assembly ways and means committee and senate finance
13 committee. The report shall be filed no later than thirty days before
14 the mid-point and the end of the state fiscal year. The first report
15 shall cover the calendar half year that begins on January first, two
16 thousand twenty-four. Each report must contain the following informa-
17 tion for the covered calendar half year:

18 (a) the total dollar amount of credits allocated pursuant to section
19 forty-five of the tax law during the half year, broken down by month;

20 (b) the number of digital gaming projects, which have been allocated
21 tax credits of less than one million dollars per project, and the total
22 dollar amount of credits allocated to those projects;

23 (c) the number of digital gaming projects, which have been allocated
24 tax credits of more than one million dollars, and the total dollar
25 amount of credits allocated to those projects;

26 (d) a list of each eligible digital gaming project and for each of
27 those projects, (i) the estimated number of employees associated with
28 the project, (ii) the estimated qualifying costs for the project, (iii)
29 the estimated total costs of the project, (iv) the credit eligible
30 employee hours for each project, and (v) total wages for such credit
31 eligible employee hours for each project; and

32 (e) (i) the name of each taxpayer allocated a tax credit for each
33 project and the county of residence or incorporation of such taxpayer
34 or, if the taxpayer does not reside or is not incorporated in New York,
35 the state of residence or incorporation; however, if the taxpayer claims
36 a tax credit because the taxpayer is a member of a limited liability
37 company, a partner in a partnership or a shareholder in a subchapter S
38 corporation, the name of each limited liability company, partnership or
39 subchapter S corporation earning any of those tax credits must be
40 included in the report instead of information about the taxpayer claim-
41 ing the tax credit, (ii) the amount of tax credit allocated to each
42 taxpayer; provided however, if the taxpayer claims a tax credit because
43 the taxpayer is a member of a limited liability company, a partner in a
44 partnership or a shareholder in a subchapter S corporation, the amount
45 of tax credit earned by each entity must be included in the report
46 instead of information about the taxpayer claiming the tax credit, and
47 (iii) information identifying the project associated with each taxpayer
48 for which a tax credit was claimed under section forty-five of the tax
49 law.

50 2. The department of economic development shall file a report on a
51 triennial basis with the director of the division of the budget and the
52 chairpersons of the assembly ways and means committee and senate finance
53 committee. The first report shall be filed no later than March first,
54 two thousand twenty-five. The report must be prepared by an independent
55 third party auditor and include: (a) information regarding the empire
56 state digital gaming production credit program including the efficiency

1 of operations, reliability of financial reporting, compliance with laws
2 and regulations and distribution of assets and funds; (b) an economic
3 impact study prepared by an independent third party of the program; and
4 (c) any other information or statistical information that the commis-
5 sioner of economic development deems to be useful in analyzing the
6 effects of the programs.

7 3. In the event that this tax credit program is no longer legally in
8 effect, the department shall not be required to produce the reports
9 referenced in subdivisions one and two of this section.

10 § 7. This act shall take effect immediately and shall apply to taxable
11 years beginning on and after January 1, 2023 and before January 1, 2028.

12 PART PP

13 Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax
14 law is amended by adding a new subparagraph 23 to read as follows:

15 (23) The amount of any federal deduction disallowed pursuant to
16 section 280E of the internal revenue code related to the production and
17 distribution of adult-use cannabis products, as defined by article twen-
18 ty-C of this chapter, not used as the basis for any other tax deduction,
19 exemption, or credit and not otherwise required to be added back by
20 paragraph (b) of this subdivision in computing entire net income.

21 § 2. Subsection (c) of section 612 of the tax law is amended by adding
22 a new paragraph 46 to read as follows:

23 (46) The amount of any federal deduction disallowed pursuant to
24 section 280E of the internal revenue code related to the production and
25 distribution of adult-use cannabis products, as defined by article twen-
26 ty-C of this chapter, not used as the basis for any other tax deduction,
27 exemption, or credit and not otherwise required to be added back by
28 subsection (b) of this section in computing New York adjusted gross
29 income.

30 § 3. This act shall take effect immediately and apply to taxable years
31 beginning on and after January 1, 2022.

32 PART QQ

33 Section 1. The opening paragraph of subdivision 7 of section 221 of
34 the racing, pari-mutuel wagering and breeding law, as separately amended
35 by chapter 243 and section 1 of part CC of chapter 59 of the laws of
36 2020, is amended to read as follows:

37 In order to pay the costs of the insurance required by this section
38 and by the workers' compensation law and to carry out its other powers
39 and duties and to pay for any of its liabilities under section four-
40 teen-a of the workers' compensation law, the New York Jockey Injury
41 Compensation Fund, Inc. shall ascertain the total funding necessary and
42 establish the sums that are to be paid by all owners and trainers
43 licensed or required to be licensed under section two hundred twenty of
44 this article, to obtain the total funding amount required annually. In
45 order to provide that any sum required to be paid by an owner or trainer
46 is equitable, the fund shall establish payment schedules that reflect
47 such factors as are appropriate, including where applicable, the
48 geographic location of the racing corporation at which the owner or
49 trainer participates, the duration of such participation, the amount of
50 any purse earnings, the number of horses involved, or such other factors
51 as the fund shall determine to be fair, equitable and in the best inter-
52 ests of racing. In no event shall the amount deducted from an owner's

1 share of purses exceed two percent; provided, however, [~~for two thousand~~
2 ~~twenty and two thousand twenty one~~] through calendar year two thousand
3 twenty-five, the New York Jockey Injury Compensation Fund, Inc. may use
4 up to two million dollars from the account established pursuant to
5 subdivision nine of section two hundred eight of this article to pay the
6 annual costs required by this section and the funds from such account
7 shall not count against the two percent of purses deducted from an
8 owner's share of purses. The amount deducted from an owner's share of
9 purses shall not exceed one percent after April first, two thousand
10 twenty-four. In the cases of multiple ownerships and limited racing
11 appearances, the fund shall equitably adjust the sum required.

12 § 2. Paragraph (a) of subdivision 9 of section 208 of the racing,
13 pari-mutuel wagering and breeding law, as amended by section 2 of part
14 CC of chapter 59 of the laws of 2020, is amended to read as follows:

15 (a) The franchised corporation shall maintain a separate account for
16 all funds held on deposit in trust by the corporation for individual
17 horsemen's accounts. Purse funds shall be paid by the corporation as
18 required to meet its purse payment obligations. Funds held in horsemen's
19 accounts shall only be released or applied as requested and directed by
20 the individual horseman. [~~For two thousand twenty and two thousand twen-~~
21 ~~ty one~~] Through calendar year two thousand twenty-five the New York
22 Jockey Injury Compensation Fund, Inc. may use up to two million dollars
23 from the account established pursuant to this subdivision to pay the
24 annual costs required by section two hundred twenty-one of this article.

25 § 3. This act shall take effect immediately.

26 PART RR

27 Section 1. The tax law is amended by adding a new section 47 to read
28 as follows:

29 § 47. Suspension of certain taxes on motor fuel and Diesel motor fuel.

30 (a) Definitions. For purposes of this section:

31 (1) "Distributor" shall have the same meaning as that term is defined
32 in subdivision one of section two hundred eighty-two of this chapter;

33 (2) "Motor fuel" shall have the same meaning as that term is defined
34 in subdivision two of section two hundred eighty-two of this chapter;

35 (3) "Diesel motor fuel" shall mean "highway diesel motor fuel" as
36 defined in subdivision sixteen-a of section two hundred eighty-two of
37 this chapter;

38 (4) The terms "retail sale", "sale" and "use" shall have the same
39 meanings as those terms are defined in section eleven hundred one of
40 this chapter.

41 (b) Notwithstanding any other law to the contrary, the following taxes
42 shall be suspended beginning on June first, two thousand twenty-two and
43 ending on December thirty-first, two thousand twenty-two: (1) the taxes
44 imposed on Diesel motor fuel by subdivision one of section two hundred
45 eighty-two-a, and sections two hundred eighty-two-b and two hundred
46 eighty-two-c of this chapter; (2) the taxes imposed on motor fuel by
47 sections two hundred eighty-four, two hundred eighty-four-a and two
48 hundred eighty-four-c of this chapter; and (3) the prepaid sales taxes
49 imposed on motor fuel and Diesel motor fuel by subdivision (a) of
50 section eleven hundred two of this chapter.

51 (c) Notwithstanding any other law to the contrary, beginning on June
52 first, two thousand twenty-two and ending on December thirty-first, two
53 thousand twenty-two, the state sales and use taxes imposed by sections
54 eleven hundred five, eleven hundred nine and eleven hundred ten of this

chapter shall not apply to sales or uses of motor fuel or Diesel motor fuel, and the provisions of subdivision (e), and paragraphs one and two of subdivision (m) of section eleven hundred eleven of this chapter shall be suspended. Nothing in this subdivision shall affect the application of the taxes imposed pursuant to the authority of article twenty-nine of this chapter to motor fuel or Diesel motor fuel.

(d) The taxes described in subdivisions (b) and (c) of this section shall not be included in the price of motor fuel or Diesel motor fuel sold for the period beginning on June first, two thousand twenty-two and ending on December thirty-first, two thousand twenty-two. Any retailer that purchases motor fuel or Diesel motor fuel during such period upon which such taxes were previously paid and included in the price paid by such retailer shall be entitled to a refund or credit of such taxes.

(e) Notwithstanding any other law to the contrary, beginning on June first, two thousand twenty-two and ending on December thirty-first, two thousand twenty-two, the composite rates of tax applicable for purposes of subdivision two of section five hundred three-a and subdivision (b) of section five hundred twenty-three of this chapter shall be determined without reference to the suspension of the taxes described by subdivisions (b) and (c) of this section, but shall be computed using the respective rates in effect on May thirty-first, two thousand twenty-two.

(f) Notwithstanding any other provision of law to the contrary, on or before the fifth day each month for the period beginning July, two thousand twenty-two and ending January, two thousand twenty-three, the comptroller shall, in consultation with the director of the division of the budget, transfer from the general fund to the mass transportation operating assistance fund created by section eighty-eight-a of the state finance law, the dedicated highway and bridge trust fund established by section eighty-nine-b of such law, and the dedicated mass transportation trust fund established by section eighty-nine-c of such law, amounts equal to the revenue distributed to such funds from the taxes described in subdivisions (b) and (c) of this section in state fiscal year two thousand twenty-one--two thousand twenty-two, adjusted by the change in such amounts projected for state fiscal year two thousand twenty-two--two thousand twenty-three as if the suspension of such taxes had not occurred, as reflected in the state fiscal year two thousand twenty-two--two thousand twenty-three enacted budget.

(g) Every person engaged in the retail sale of motor fuel or Diesel motor fuel or a distributor of such fuels, shall comply with the provisions of this section by reducing the prices charged for motor fuel and Diesel motor fuel in an amount equal to any reduction in taxes prepaid by the distributor or imposed on retail customers resulting from the suspension of taxes on motor fuel and Diesel motor fuel under this section.

§ 2. Paragraph 4 of subdivision (m) of section 1111 of the tax law, as amended by section 1 of part M-1 of chapter 109 of the laws of 2006, is amended to read as follows:

(4) Paragraph one of this subdivision shall not apply to the sales and compensating use taxes imposed by a local law, ordinance or resolution of a municipality pursuant to the authority of subpart B of part one of article twenty-nine of this chapter, in regard to retail sales of motor fuel and diesel motor fuel. The legislative body of such a municipality, by local law, ordinance or resolution in exactly the form prepared by the commissioner, may elect that its sales and compensating use taxes, in regard to the retail sale of motor fuel and diesel motor fuel, shall be computed, as determined by the commissioner, at a rate of cents per

1 gallon, rounded to the nearest cent, equal to two ~~[or]~~, three or four
2 dollars, as determined by the municipality, multiplied by the percentage
3 rate of such taxes within the municipality.
4 § 3. This act shall take effect immediately.
5 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
6 sion, section or part of this act shall be adjudged by any court of
7 competent jurisdiction to be invalid, such judgment shall not affect,
8 impair, or invalidate the remainder thereof, but shall be confined in
9 its operation to the clause, sentence, paragraph, subdivision, section
10 or part thereof directly involved in the controversy in which such judg-
11 ment shall have been rendered. It is hereby declared to be the intent of
12 the legislature that this act would have been enacted even if such
13 invalid provisions had not been included herein.
14 § 3. This act shall take effect immediately provided, however, that
15 the applicable effective date of Parts A through RR of this act shall be
16 as specifically set forth in the last section of such Parts.