

# STATE OF NEW YORK

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S. 9009

A. 10009

## SENATE - ASSEMBLY

January 21, 2026

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IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

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

AN ACT to amend the tax law, in relation to enhancing and reforming the child and dependent care credit (Part A); to amend the tax law, in relation to excluding certain tips earned from New York adjusted gross income (Part B); to amend the tax law, in relation to retaining the deductibility of certain charitable contributions (Part C); to amend the tax law, in relation to standardizing the definition of farmer for various credits; and to repeal certain provisions of such law relating thereto (Part D); to amend the tax law, in relation to extending the current corporate tax rates (Part E); to amend the tax law, in relation to exemptions from calculation of income in certain cases (Part F); to amend the administrative code of the city of New York, in relation to the treatment of certain deductions allowable under the internal revenue code in calculating New York city taxable income for corporations (Part G); to amend the tax law, in relation to the pass-through entity tax and New York city pass-through entity tax election deadline (Part H); to amend the executive law and the tax law, in relation to extending the commercial security tax credit (Part I); to amend the tax law, in relation to enhancing the New York city musical and theatrical production tax credit (Part J); to amend the tax law and the state finance law, in relation to alternative nicotine products (Part K); to amend the tax law and the public health law, in relation to the taxation of vapor products (Part L); to amend the tax law and the administrative code of the city of New York, in relation to extending the real estate transfer tax rate reduction for conveyances of real property to existing real estate investment funds (Part M); establishing a sales and use tax reregistration program and a sales and use tax penalty and interest discount program (Part N); to amend the tax law, in relation to establishing a sales tax exemption for electric vehicle charging stations (Part O); to amend the tax law, in relation to extending the sales tax exemption for certain sales

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

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made through a vending machine for three years (Part P); to amend part PP of chapter 58 of the laws of 2024 amending the tax law relating to establishing a sales tax exemption for residential energy storage, in relation to extending the residential energy storage exemption for two years (Part Q); to amend the tax law, in relation to the petroleum business tax filing deadline for commercial vessel operators (Part R); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions (Part S); to amend the real property tax law and the tax law, in relation to making technical corrections to the STAR exemption and STAR credit programs; and to repeal certain provisions of the real property tax law relating thereto (Part T); to amend chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to extending the assessment ceiling for local public utility mass real property to January 1, 2031 (Part U); to amend the real property tax law, in relation to expanding the rent increase exemption for senior citizens and persons with disabilities; to amend part U of chapter 55 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by senior citizens, in relation to the effectiveness thereof; to amend chapter 129 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by persons with disabilities, in relation to the effectiveness thereof; and providing for the repeal of certain provisions upon expiration thereof (Part V); to amend the racing, pari-mutuel wagering and breeding law, in relation to conforming pari-mutuel tax provisions (Part W); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending the utilization of funds in the Capital off-track betting corporations' capital acquisition funds (Part X); 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; and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to the effectiveness thereof (Part Y); and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain seasonal employee licensing requirements for additional race dates at Saratoga Racetrack (Part Z)

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 2026-2027  
3 state fiscal year. Each component is wholly contained within a Part  
4 identified as Parts A through Z. 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



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

4 PART A

5 Section 1. Paragraph 1 of subsection (c) of section 606 of the tax  
6 law, as amended by section 1 of part M of chapter 63 of the laws of  
7 2000, is amended to read as follows:

8 (1) [A] For taxable years beginning before January first, two thousand  
9 twenty-six, a taxpayer shall be allowed a credit as provided herein  
10 equal to the applicable percentage of the credit allowable under section  
11 twenty-one of the internal revenue code for the same taxable year (with-  
12 out regard to whether the taxpayer in fact claimed the credit under such  
13 section twenty-one for such taxable year). The applicable percentage  
14 shall be the sum of (i) twenty percent and (ii) a multiplier multiplied  
15 by a fraction. For taxable years beginning in nineteen hundred ninety-  
16 six and nineteen hundred ninety-seven, the numerator of such fraction  
17 shall be the lesser of (i) four thousand dollars or (ii) fourteen thou-  
18 sand dollars less the New York adjusted gross income for the taxable  
19 year, provided, however, the numerator shall not be less than zero. For  
20 the taxable year beginning in nineteen hundred ninety-eight, the numera-  
21 tor of such fraction shall be the lesser of (i) thirteen thousand  
22 dollars or (ii) thirty thousand dollars less the New York adjusted gross  
23 income for the taxable year, provided, however, the numerator shall not  
24 be less than zero. For taxable years beginning in nineteen hundred nine-  
25 ty-nine, the numerator of such fraction shall be the lesser of (i)  
26 fifteen thousand dollars or (ii) fifty thousand dollars less the New  
27 York adjusted gross income for the taxable year, provided, however, the  
28 numerator shall not be less than zero. For taxable years beginning after  
29 nineteen hundred ninety-nine, the numerator of such fraction shall be  
30 the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand  
31 dollars less the New York adjusted gross income for the taxable year,  
32 provided, however, the numerator shall not be less than zero. The denom-  
33 inator of such fraction shall be four thousand dollars for taxable years  
34 beginning in nineteen hundred ninety-six and nineteen hundred ninety-  
35 seven, thirteen thousand dollars for the taxable year beginning in nine-  
36 teen hundred ninety-eight, and fifteen thousand dollars for taxable  
37 years beginning after nineteen hundred ninety-eight. The multiplier  
38 shall be ten percent for taxable years beginning in nineteen hundred  
39 ninety-six, forty percent for taxable years beginning in nineteen  
40 hundred ninety-seven, and eighty percent for taxable years beginning  
41 after nineteen hundred ninety-seven. Provided, however, for taxable  
42 years beginning after nineteen hundred ninety-nine, for a person whose  
43 New York adjusted gross income is less than forty thousand dollars, such  
44 applicable percentage shall be equal to (i) one hundred percent, plus  
45 (ii) ten percent multiplied by a fraction whose numerator shall be the  
46 lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars  
47 less the New York adjusted gross income for the taxable year, provided  
48 such numerator shall not be less than zero, and whose denominator shall  
49 be fifteen thousand dollars. Provided, further, that if the reversion  
50 event, as defined in this paragraph, occurs, the applicable percentage  
51 shall, for taxable years ending on or after the date on which the rever-  
52 sion event occurred, be determined using the rules specified in this  
53 paragraph applicable to taxable years beginning in nineteen hundred  
54 ninety-nine. The reversion event shall be deemed to have occurred on the



1 date on which federal action, including but not limited to, administra-  
2 tive, statutory or regulatory changes, materially reduces or eliminates  
3 New York state's allocation of the federal temporary assistance for  
4 needy families block grant, or materially reduces the ability of the  
5 state to spend federal temporary assistance for needy families block  
6 grant funds for the credit for certain household and dependent care  
7 services necessary for gainful employment or to apply state general fund  
8 spending on the credit for certain household and dependent care services  
9 necessary for gainful employment toward the temporary assistance for  
10 needy families block grant maintenance of effort requirement, and the  
11 commissioner of the office of temporary and disability assistance shall  
12 certify the date of such event to the commissioner, the director of the  
13 division of the budget, the speaker of the assembly and the temporary  
14 president of the senate.

15 § 2. Section 606 of the tax law is amended by adding a new subsection  
16 (c-2) to read as follows:

17 (c-2) New York state child and dependent care credit. (1) For taxable  
18 years beginning on or after January first, two thousand twenty-six, an  
19 eligible taxpayer shall be allowed a credit as provided herein to enable  
20 the eligible taxpayer to be gainfully employed or a full-time student at  
21 an educational institution for any period of the taxable year. If the  
22 amount of the credit allowed under this subsection for any taxable year  
23 shall exceed the eligible taxpayer's tax for such year, the excess shall  
24 be treated as an overpayment of tax to be credited or refunded in  
25 accordance with the provisions of six hundred eighty-six of this arti-  
26 cle, provided, however, that no interest shall be paid thereon.

27 (2) For the purposes of this subsection:

28 (A) "Eligible taxpayer" shall mean a resident individual as defined in  
29 paragraph one of subsection (b) of section six hundred five of this  
30 article who, during the taxable year: (i) is not a dependent of another  
31 taxpayer pursuant to section one hundred fifty-two of the internal  
32 revenue code; and (ii) is not a resident married individual filing a  
33 separate return unless such individual meets the conditions in paragraph  
34 four of subdivision (e) of section twenty-one of the internal revenue  
35 code. Provided, however, where married individuals file a joint federal  
36 return, but are required to determine their New York taxes separately  
37 pursuant to subsection (b) of section six hundred fifty-one of this  
38 article, the credit allowed pursuant to this subsection may only be  
39 applied against the tax imposed on the spouse with the lower New York  
40 adjusted gross income.

41 (B) "Qualifying individual" shall mean an individual who: (i) is under  
42 the age of thirteen at the close of the taxable year or is physically or  
43 mentally incapable of caring for themselves during the taxable year;  
44 (ii) resides with the eligible taxpayer for more than one-half of the  
45 taxable year; and (iii) is claimed as a dependent pursuant to section  
46 one hundred fifty-two of the internal revenue code, or could otherwise  
47 be claimed as a dependent. Provided, a qualifying individual shall also  
48 include an individual where a noncustodial parent claims such individual  
49 under subsection (e) of section one hundred fifty-two of the internal  
50 revenue code or the individual is the eligible taxpayer's spouse who is  
51 physically or mentally incapable of caring for themselves during the  
52 taxable year and resides with the eligible taxpayer for more than one-  
53 half of the taxable year.

54 (C) "Earned income" shall mean the wages, salaries, tips and other  
55 employee compensation, and those items of gross income which are inclu-  
56 dible in the computation of net earnings from self-employment.

1 (D) (i) "Qualifying expenses" shall mean the sum of the amount  
2 incurred and paid in the taxable year directly by an eligible taxpayer  
3 for: a. services provided in and about the eligible taxpayer's resi-  
4 dence to provide care for any qualifying individual, including such  
5 expenses for the room and board of any such caregiver; and b. non-over-  
6 night services provided outside of the eligible taxpayer's residence to  
7 provide care for any qualifying individual; provided, however, that  
8 amounts incurred or paid for which the primary purpose is educational  
9 shall not be included.

10 (ii) Provided, however, "qualifying expenses" shall not include: a.  
11 any amounts paid whereby the taxpayer receives reimbursement or are paid  
12 from funds provided by a government entity, dependent care account, or  
13 other third party; b. any amounts paid to a dependent of the taxpayer  
14 for which the taxpayer or the taxpayer's spouse is entitled to a  
15 deduction for the taxable year under subsection (c) of section one  
16 hundred fifty-one of the internal revenue code; or c. any amounts paid  
17 to a child of the taxpayer as defined in paragraph one of subsection (f)  
18 of section one hundred fifty-two of the internal revenue code who has  
19 not attained the age of nineteen at the close of the taxable year.

20 (iii) For the purposes of the credit provided pursuant to this  
21 subsection, an eligible taxpayer's qualifying expenses shall not exceed:

22 a. three thousand dollars, in the case of an eligible taxpayer with  
23 one qualifying individual;

24 b. six thousand dollars, in the case of an eligible taxpayer with two  
25 qualifying individuals;

26 c. seven thousand five hundred dollars, in the case of an eligible  
27 taxpayer with three qualifying individuals;

28 d. eight thousand five hundred dollars, in the case of an eligible  
29 taxpayer with four qualifying individuals; and

30 e. nine thousand dollars, in the case of an eligible taxpayer with  
31 five or more qualifying individuals.

32 Provided, further, that an eligible taxpayer's qualifying expenses  
33 shall not exceed such eligible taxpayer's earned income as defined in  
34 subparagraph (C) of this paragraph, or in the case of a married eligible  
35 taxpayer filing a joint return, the lesser of the earned income of each  
36 spouse determined separately.

37 (E) "Applicable percentage" shall mean: (i) fifty-five percent in the  
38 case of an eligible taxpayer with a New York adjusted gross income  
39 determined pursuant to section six hundred twelve of this article of  
40 fifteen thousand dollars or less; or (ii) fifty-five percent reduced by  
41 twenty-five hundred thousandths of a percentage point for each dollar of  
42 an eligible taxpayer's New York adjusted gross income determined pursu-  
43 ant to section six hundred twelve of this article in excess of fifteen  
44 thousand dollars. Provided, however, that the applicable percentage for  
45 an eligible taxpayer shall not be reduced below four percent.

46 (3) The amount of the credit allowed to an eligible taxpayer under  
47 this subsection shall be the product of the eligible taxpayer's qualify-  
48 ing expenses determined pursuant to subparagraph (D) of paragraph two of  
49 this subsection and the applicable percentage determined pursuant to  
50 subparagraph (E) of paragraph two of this subsection.

51 (4) To be eligible for the credit provided by this subsection, an  
52 eligible taxpayer shall provide the following information to the satis-  
53 faction of the commissioner: (i) the amount of qualifying expenses; (ii)  
54 identifying information related to the care provider; (iii) identifying  
55 information related to the qualifying individual for whom the expenses  
56 were incurred; and (iv) any other information as required.



1 (5) Any references to the internal revenue code in this subsection  
2 shall be to the internal revenue code as it existed prior to January  
3 first, two thousand twenty-five.

4 § 3. Paragraph 3 of subsection (e) of section 697 of the tax law, as  
5 amended by chapter 284 of the laws of 2016, is amended to read as  
6 follows:

7 (3) Nothing herein shall be construed to prohibit the department, its  
8 officers or employees from furnishing information to the office of  
9 temporary and disability assistance relating to the payment of the cred-  
10 it for certain household and dependent care services necessary for gain-  
11 ful employment under subsection (c) of section six hundred six of this  
12 article, the New York state child and dependent care credit under  
13 subsection (c-2) of section six hundred six of this article, and the  
14 earned income credit under subsection (d) of section six hundred six of  
15 this article and the enhanced earned income credit under subsection  
16 (d-1) of section six hundred six of this article, or pursuant to a local  
17 law enacted by a city having a population of one million or more pursu-  
18 ant to subsection (f) of section thirteen hundred ten of this chapter,  
19 only to the extent necessary to calculate qualified state expenditures  
20 under paragraph seven of subdivision (a) of section four hundred nine of  
21 the federal social security act or to document the proper expenditure of  
22 federal temporary assistance for needy families funds under section four  
23 hundred three of such act. The office of temporary and disability  
24 assistance may redisclose such information to the United States depart-  
25 ment of health and human services only to the extent necessary to calcu-  
26 late such qualified state expenditures or to document the proper expend-  
27 iture of such federal temporary assistance for needy families funds.  
28 Nothing herein shall be construed to prohibit the delivery by the  
29 commissioner to a commissioner of jurors, appointed pursuant to section  
30 five hundred four of the judiciary law, or, in counties within cities  
31 having a population of one million or more, to the county clerk of such  
32 county, or to the clerk of the court or jury administrator of a United  
33 States district court appointed pursuant to title twenty-eight of the  
34 United States Code, section 1836(b)(2), of a mailing list of individuals  
35 to whom income tax forms are mailed by the commissioner for the sole  
36 purpose of compiling a list of prospective jurors as provided in article  
37 sixteen of the judiciary law or title twenty-eight of the United States  
38 Code. Provided, however, such delivery shall only be made pursuant to an  
39 order of the chief administrator of the courts, appointed pursuant to  
40 section two hundred ten of the judiciary law or an order of a chief  
41 judge of any United States district court in New York State. No such  
42 order may be issued unless such chief administrator or chief judge of  
43 such United States district court is satisfied that such mailing list is  
44 needed to compile a proper list of prospective jurors for the county or  
45 such United States district court for which such order is sought and  
46 that, in view of the responsibilities imposed by the various laws of the  
47 state on the department, it is reasonable to require the commissioner to  
48 furnish such list. Such order shall provide that such list shall be used  
49 for the sole purpose of compiling a list of prospective jurors and that  
50 such commissioner of jurors, or such county clerk, or clerk of the court  
51 or jury administrator of such United States district court shall take  
52 all necessary steps to insure that the list is kept confidential and  
53 that there is no unauthorized use or disclosure of such list. Further-  
54 more, nothing herein shall be construed to prohibit the delivery to a  
55 taxpayer or [his or her] their duly authorized representative of a  
56 certified copy of any return or report filed in connection with [his or



1 her] their tax or to prohibit the publication of statistics so classi-  
2 fied as to prevent the identification of particular reports or returns  
3 and the items thereof, or the inspection by the attorney general or  
4 other legal representatives of the state of the report or return of any  
5 taxpayer or of any employer filed under section one hundred  
6 seventy-one-h of this chapter, where such taxpayer or employer shall  
7 bring action to set aside or review the tax based thereon, or against  
8 whom an action or proceeding under this chapter or under this chapter  
9 and article eighteen of the labor law has been recommended by the  
10 commissioner, the commissioner of labor with respect to unemployment  
11 insurance matters, or the attorney general or has been instituted, or  
12 the inspection of the reports or returns required under this article by  
13 the comptroller or duly designated officer or employee of the state  
14 department of audit and control, for purposes of the audit of a refund  
15 of any tax paid by a taxpayer under this article, or the furnishing to  
16 the state department of labor of unemployment insurance information  
17 obtained or derived from quarterly combined withholding, wage reporting  
18 and unemployment insurance returns required to be filed by employers  
19 pursuant to paragraph four of subsection (a) of section six hundred  
20 seventy-four of this article, for purposes of administration of such  
21 department's unemployment insurance program, employment services  
22 program, federal and state employment and training programs, employment  
23 statistics and labor market information programs, worker protection  
24 programs, federal programs for which the department has administrative  
25 responsibility or for other purposes deemed appropriate by the commis-  
26 sioner of labor consistent with the provisions of the labor law, and  
27 redisclosure of such information in accordance with the provisions of  
28 sections five hundred thirty-six and five hundred thirty-seven of the  
29 labor law or any other applicable law, or the furnishing to the state  
30 office of temporary and disability assistance of information obtained or  
31 derived from New York state personal income tax returns as described in  
32 paragraph (b) of subdivision two of section one hundred seventy-one-g of  
33 this chapter for the purpose of reviewing support orders enforced pursu-  
34 ant to title six-A of article three of the social services law to aid in  
35 the determination of whether such orders should be adjusted, or the  
36 furnishing of information obtained from the reports required to be  
37 submitted by employers regarding newly hired or re-hired employees  
38 pursuant to section one hundred seventy-one-h of this chapter to the  
39 state office of temporary and disability assistance, the state depart-  
40 ment of health, the state department of labor and the workers' compen-  
41 sation board for purposes of administration of the child support  
42 enforcement program, verification of individuals' eligibility for one or  
43 more of the programs specified in subsection (b) of section eleven  
44 hundred thirty-seven of the federal social security act and for other  
45 public assistance programs authorized by state law, and administration  
46 of the state's employment security and workers' compensation programs,  
47 and to the national directory of new hires established pursuant to  
48 section four hundred fifty-three-A of the federal social security act  
49 for the purposes specified in such section, or the furnishing to the  
50 state office of temporary and disability assistance of the amount of an  
51 overpayment of income tax and interest thereon certified to the comp-  
52 troller to be credited against past-due support pursuant to section one  
53 hundred seventy-one-c of this chapter and of the name and social securi-  
54 ty number of the taxpayer who made such overpayment, or the disclosing  
55 to the commissioner of finance of the city of New York, pursuant to  
56 section one hundred seventy-one-l of this chapter, of the amount of an



1 overpayment and interest thereon certified to the comptroller to be  
2 credited against a city of New York tax warrant judgment debt and of the  
3 name and social security number of the taxpayer who made such overpay-  
4 ment, or the furnishing to the New York state higher education services  
5 corporation of the amount of an overpayment of income tax and interest  
6 thereon certified to the comptroller to be credited against the amount  
7 of a default in repayment of any education loan debt, including judg-  
8 ments, owed to the federal or New York state government that is being  
9 collected by the New York state higher education services corporation,  
10 and of the name and social security number of the taxpayer who made such  
11 overpayment, or the furnishing to the state department of health of the  
12 information required by paragraph (f) of subdivision two and subdivision  
13 two-a of section two thousand five hundred eleven of the public health  
14 law and by subdivision eight of section three hundred sixty-six-a of the  
15 social services law, or the furnishing to the state university of New  
16 York or the city university of New York respectively or the attorney  
17 general on behalf of such state or city university the amount of an  
18 overpayment of income tax and interest thereon certified to the comp-  
19 troller to be credited against the amount of a default in repayment of a  
20 state university loan pursuant to section one hundred seventy-one-e of  
21 this chapter and of the name and social security number of the taxpayer  
22 who made such overpayment, or the disclosing to a state agency, pursuant  
23 to section one hundred seventy-one-f of this chapter, of the amount of  
24 an overpayment and interest thereon certified to the comptroller to be  
25 credited against a past-due legally enforceable debt owed to such agency  
26 and of the name and social security number of the taxpayer who made such  
27 overpayment, or the furnishing of employee and employer information  
28 obtained through the wage reporting system, pursuant to section one  
29 hundred seventy-one-a of this chapter, as added by chapter five hundred  
30 forty-five of the laws of nineteen hundred seventy-eight, to the state  
31 office of temporary and disability assistance, the department of health  
32 or to the state office of the medicaid inspector general for the purpose  
33 of verifying eligibility for and entitlement to amounts of benefits  
34 under the social services law or similar law of another jurisdiction,  
35 locating absent parents or other persons legally responsible for the  
36 support of applicants for or recipients of public assistance and care  
37 under the social services law and persons legally responsible for the  
38 support of a recipient of services under section one hundred eleven-g of  
39 the social services law and, in appropriate cases, establishing support  
40 obligations pursuant to the social services law and the family court act  
41 or similar provision of law of another jurisdiction for the purpose of  
42 evaluating the effect on earnings of participation in employment, train-  
43 ing or other programs designed to promote self-sufficiency authorized  
44 pursuant to the social services law by current recipients of public  
45 assistance and care and by former applicants and recipients of public  
46 assistance and care, (except that with regard to former recipients,  
47 information which relates to a particular former recipient shall be  
48 provided with client identifying data deleted), to the state office of  
49 temporary and disability assistance for the purpose of determining the  
50 eligibility of any child in the custody, care and custody or custody and  
51 guardianship of a local social services district or of the office of  
52 children and family services for federal payments for foster care and  
53 adoption assistance pursuant to the provisions of title IV-E of the  
54 federal social security act by providing information with respect to the  
55 parents, the stepparents, the child and the siblings of the child who  
56 were living in the same household as such child during the month that





1 the court proceedings leading to the child's removal from the household  
2 were initiated, or the written instrument transferring care and custody  
3 of the child pursuant to the provisions of section three hundred fifty-  
4 eight-a or three hundred eighty-four-a of the social services law was  
5 signed, provided however that the office of temporary and disability  
6 assistance shall only use the information obtained pursuant to this  
7 subdivision for the purpose of determining the eligibility of such child  
8 for federal payments for foster care and adoption assistance pursuant to  
9 the provisions of title IV-E of the federal social security act, and to  
10 the state department of labor, or other individuals designated by the  
11 commissioner of labor, for the purpose of the administration of such  
12 department's unemployment insurance program, employment services  
13 program, federal and state employment and training programs, employment  
14 statistics and labor market information programs, worker protection  
15 programs, federal programs for which the department has administrative  
16 responsibility or for other purposes deemed appropriate by the commis-  
17 sioner of labor consistent with the provisions of the labor law, and  
18 redisclosure of such information in accordance with the provisions of  
19 sections five hundred thirty-six and five hundred thirty-seven of the  
20 labor law, or the furnishing of information, which is obtained from the  
21 wage reporting system operated pursuant to section one hundred seventy-  
22 one-a of this chapter, as added by chapter five hundred forty-five of  
23 the laws of nineteen hundred seventy-eight, to the state office of  
24 temporary and disability assistance so that it may furnish such informa-  
25 tion to public agencies of other jurisdictions with which the state  
26 office of temporary and disability assistance has an agreement pursuant  
27 to paragraph (h) or (i) of subdivision three of section twenty of the  
28 social services law, and to the state office of temporary and disability  
29 assistance for the purpose of fulfilling obligations and responsibil-  
30 ities otherwise incumbent upon the state department of labor, under  
31 section one hundred twenty-four of the federal family support act of  
32 nineteen hundred eighty-eight, by giving the federal parent locator  
33 service, maintained by the federal department of health and human  
34 services, prompt access to such information as required by such act, or  
35 to the state department of health to verify eligibility under the child  
36 health insurance plan pursuant to subdivisions two and two-a of section  
37 two thousand five hundred eleven of the public health law, to verify  
38 eligibility under the medical assistance and family health plus programs  
39 pursuant to subdivision eight of section three hundred sixty-six-a of  
40 the social services law, and to verify eligibility for the program for  
41 elderly pharmaceutical insurance coverage under title three of article  
42 two of the elder law, or to the office of vocational and educational  
43 services for individuals with disabilities of the education department,  
44 the commission for the blind and any other state vocational rehabili-  
45 tation agency, for purposes of obtaining reimbursement from the federal  
46 social security administration for expenditures made by such office,  
47 commission or agency on behalf of disabled individuals who have achieved  
48 economic self-sufficiency or to the higher education services corpo-  
49 ration for the purpose of assisting the corporation in default  
50 prevention and default collection of education loan debt, including  
51 judgments, owed to the federal or New York state government; provided,  
52 however, that such information shall be limited to the names, social  
53 security numbers, home and/or business addresses, and employer names of  
54 defaulted or delinquent student loan borrowers, or to the office of the  
55 state comptroller for purposes of verifying the income of a retired



1 member of a retirement system or pension plan administered by the state  
2 or any of its political subdivisions who returns to public employment.  
3 Provided, however, that with respect to employee information the  
4 office of temporary and disability assistance shall only be furnished  
5 with the names, social security account numbers and gross wages of those  
6 employees who are (A) applicants for or recipients of benefits under the  
7 social services law, or similar provision of law of another jurisdiction  
8 (pursuant to an agreement under subdivision three of section twenty of  
9 the social services law) or, (B) absent parents or other persons legally  
10 responsible for the support of applicants for or recipients of public  
11 assistance and care under the social services law or similar provision  
12 of law of another jurisdiction (pursuant to an agreement under subdivi-  
13 sion three of section twenty of the social services law), or (C) persons  
14 legally responsible for the support of a recipient of services under  
15 section one hundred eleven-g of the social services law or similar  
16 provision of law of another jurisdiction (pursuant to an agreement under  
17 subdivision three of section twenty of the social services law), or (D)  
18 employees about whom wage reporting system information is being  
19 furnished to public agencies of other jurisdictions, with which the  
20 state office of temporary and disability assistance has an agreement  
21 pursuant to paragraph (h) or (i) of subdivision three of section twenty  
22 of the social services law, or (E) employees about whom wage reporting  
23 system information is being furnished to the federal parent locator  
24 service, maintained by the federal department of health and human  
25 services, for the purpose of enabling the state office of temporary and  
26 disability assistance to fulfill obligations and responsibilities other-  
27 wise incumbent upon the state department of labor, under section one  
28 hundred twenty-four of the federal family support act of nineteen  
29 hundred eighty-eight, and, only if, the office of temporary and disabil-  
30 ity assistance certifies to the commissioner that such persons are such  
31 applicants, recipients, absent parents or persons legally responsible  
32 for support or persons about whom information has been requested by a  
33 public agency of another jurisdiction or by the federal parent locator  
34 service and further certifies that in the case of information requested  
35 under agreements with other jurisdictions entered into pursuant to  
36 subdivision three of section twenty of the social services law, that  
37 such request is in compliance with any applicable federal law. Provided,  
38 further, that where the office of temporary and disability assistance  
39 requests employee information for the purpose of evaluating the effects  
40 on earnings of participation in employment, training or other programs  
41 designed to promote self-sufficiency authorized pursuant to the social  
42 services law, the office of temporary and disability assistance shall  
43 only be furnished with the quarterly gross wages (excluding any refer-  
44 ence to the name, social security number or any other information which  
45 could be used to identify any employee or the name or identification  
46 number of any employer) paid to employees who are former applicants for  
47 or recipients of public assistance and care and who are so certified to  
48 the commissioner by the commissioner of the office of temporary and  
49 disability assistance. Provided, further, that with respect to employee  
50 information, the department of health shall only be furnished with the  
51 information required pursuant to the provisions of paragraph (f) of  
52 subdivision two and subdivision two-a of section two thousand five  
53 hundred eleven of the public health law and subdivision eight of section  
54 three hundred sixty-six-a of the social services law, with respect to  
55 those individuals whose eligibility under the child health insurance  
56 plan, medical assistance program, and family health plus program is to



1 be determined pursuant to such provisions and with respect to those  
2 members of any such individual's household whose income affects such  
3 individual's eligibility and who are so certified to the commissioner or  
4 by the department of health. Provided, further, that wage reporting  
5 information shall be furnished to the office of vocational and educa-  
6 tional services for individuals with disabilities of the education  
7 department, the commission for the blind and any other state vocational  
8 rehabilitation agency only if such office, commission or agency, as  
9 applicable, certifies to the commissioner that such information is  
10 necessary to obtain reimbursement from the federal social security  
11 administration for expenditures made on behalf of disabled individuals  
12 who have achieved self-sufficiency. Reports and returns shall be  
13 preserved for three years and thereafter until the commissioner orders  
14 them to be destroyed.

15 § 4. This act shall take effect immediately.

16 PART B

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

19 (48) For taxable years beginning on or after January first, two thou-  
20 sand twenty-six, an amount of up to twenty-five thousand dollars to the  
21 extent allowed as a federal deduction pursuant to section two hundred  
22 twenty-four of the internal revenue code.

23 § 2. This act shall take effect immediately.

24 PART C

25 Section 1. Subsection (g) of section 615 of the tax law, as amended by  
26 section 1 of part Q of chapter 59 of the laws of 2019, paragraph 2 as  
27 amended by section 1 of part A of chapter 59 of the laws of 2024, is  
28 amended to read as follows:

29 (g) Notwithstanding subsection (a) of this section, the New York item-  
30 ized deduction for charitable contributions shall be the amount allowed  
31 under section one hundred seventy of the internal revenue code or the  
32 amount allowable pursuant to paragraph three of this subsection, as  
33 modified by paragraph nine of subsection (c) of this section and as  
34 limited by this subsection. (1) With respect to an individual whose New  
35 York adjusted gross income is over one million dollars and no more than  
36 ten million dollars, the New York itemized deduction shall be an amount  
37 equal to fifty percent of any charitable contribution deduction allowed  
38 under section one hundred seventy of the internal revenue code or allow-  
39 able pursuant to paragraph three of this subsection for taxable years  
40 beginning after two thousand nine and before two thousand twenty-five.  
41 With respect to an individual whose New York adjusted gross income is  
42 over one million dollars, the New York itemized deduction shall be an  
43 amount equal to fifty percent of any charitable contribution deduction  
44 allowed under section one hundred seventy of the internal revenue code  
45 or allowable pursuant to paragraph three of this subsection for taxable  
46 years beginning in two thousand nine or after two thousand twenty-four.

47 (2) With respect to an individual whose New York adjusted gross income  
48 is over ten million dollars, the New York itemized deduction shall be an  
49 amount equal to twenty-five percent of any charitable contribution  
50 deduction allowed under section one hundred seventy of the internal  
51 revenue code or allowable pursuant to paragraph three of this subsection



1 for taxable years beginning after two thousand nine and ending before  
2 two thousand thirty.

3 (3) Contributions to an organization that meets the definition of an  
4 exempt organization under paragraph four of subdivision (a) of section  
5 eleven hundred sixteen of this chapter or to organizations that have  
6 applied for, and were approved for tax-exempt status under subsection  
7 (c) of section five hundred one of the internal revenue code by the  
8 internal revenue service before January first, two thousand twenty-five,  
9 will continue to qualify as charitable contributions allowable as a New  
10 York itemized deduction under this subsection, to the extent otherwise  
11 allowable under section one hundred seventy of the internal revenue  
12 code, even if the internal revenue service revokes such organization's  
13 tax-exempt status, so long as the organization establishes that the  
14 revocation was unrelated to the organization's charitable mission and  
15 that it continues to meet the statutory requirements of paragraph three  
16 of subsection (c) of section five hundred one of the internal revenue  
17 code and the regulations and authorities promulgated thereunder.

18 § 2. This act shall take effect immediately and shall apply to taxable  
19 years beginning on or after January 1, 2026.

20 PART D

21 Section 1. Paragraph (c) of section 42 of the tax law, as amended by  
22 section 1 of part N of chapter 59 of the laws of 2019, is amended to  
23 read as follows:

24 (c) For purposes of this section, the term "eligible farmer" [means a  
25 taxpayer whose federal gross income from farming as defined] shall have  
26 the same meaning as set forth in subsection (n) of section six hundred  
27 six of this chapter [for the taxable year is at least two-thirds of  
28 excess federal gross income. Excess federal gross income means the  
29 amount of federal gross income from all sources for the taxable year in  
30 excess of thirty thousand dollars. For purposes of this section,  
31 payments from the state's farmland protection program, administered by  
32 the department of agriculture and markets, shall be included as federal  
33 gross income from farming for otherwise eligible farmers].

34 § 2. Paragraph (b) of section 42-a of the tax law, as amended by  
35 section 2 of part KK of chapter 59 of the laws of 2025, is amended to  
36 read as follows:

37 (b) For purposes of this section, the term "eligible farm employer"  
38 means a taxpayer who received an overtime expense certificate pursuant  
39 to section three hundred thirty-five of the agriculture and markets law  
40 and [whose federal gross income from farming] who is an eligible farmer,  
41 as defined in subsection (n) of section six hundred six of this chapter  
42 for the taxable year [is at least two-thirds of excess federal gross  
43 income. Excess federal gross income means the amount of federal gross  
44 income from all sources for the taxable year in excess of thirty thou-  
45 sand dollars. For purposes of this section, payments from the state's  
46 farmland protection program, administered by the department of agricul-  
47 ture and markets, shall be included as federal gross income from farming  
48 for otherwise eligible farmers].

49 § 3. Subdivision 11 of section 210-B of the tax law is amended by  
50 adding a new paragraph (a-1) to read as follows:

51 (a-1) New York gross income from farming. For purposes of this subdi-  
52 vision, the term "New York gross income from farming" means a taxpayer's  
53 federal gross income from farming, plus payments from the state's farm-  
54 land protection program, administered by the department of agriculture



1 and markets, income from a commercial horse boarding operation as  
2 defined by subdivision thirteen of section three hundred one of the  
3 agriculture and markets law, and income from the production or sale of  
4 maple syrup, Christmas trees, and cider or wine from a licensed New York  
5 state farm cidery or winery, as provided for in section fifty-eight-c  
6 and article six of the alcoholic beverage control law.

7 § 4. Paragraph (b) of subdivision 11 of section 210-B of the tax law,  
8 as added by section 17 of part A of chapter 59 of the laws of 2014, is  
9 amended to read as follows:

10 (b) Eligible farmer. For purposes of this subdivision, the term  
11 "eligible farmer" means a taxpayer whose [federal] New York gross income  
12 from farming for the taxable year, or whose average New York gross  
13 income from farming for the current year and two prior taxable years, is  
14 at least two-thirds of [excess] such taxpayer's federal gross income  
15 from all sources less thirty thousand dollars. The term "eligible farm-  
16 er" also includes a corporation other than the taxpayer of record for  
17 qualified agricultural land which has paid the school district property  
18 taxes on such land pursuant to a contract for the future purchase of  
19 such land; provided that such corporation [has a federal gross income  
20 from farming for the taxable year which is at least two-thirds of excess  
21 federal gross income; and provided further that, in determining such  
22 income eligibility, a taxpayer may, for any taxable year, use the aver-  
23 age of such federal gross income from farming for that taxable year and  
24 such income for the two consecutive taxable years immediately preceding  
25 such taxable year. Excess federal gross income means the amount of  
26 federal gross income from all sources for the taxable year in excess of  
27 thirty thousand dollars. For the purposes of this paragraph, payments  
28 from the state's farmland protection program, administered by the  
29 department of agriculture and markets, shall be included as federal  
30 gross income from farming for otherwise eligible farmers] meets the  
31 definition of eligible farmer pursuant to this paragraph.

32 § 5. Paragraph (i) of subdivision 11 of section 210-B of the tax law  
33 is REPEALED.

34 § 6. Paragraph (b) of subdivision 52 of section 210-B of the tax law,  
35 as added by section 4 of part DDD of chapter 59 of the laws of 2017, is  
36 amended to read as follows:

37 (b) Eligible farmer. For purposes of this subdivision, the term  
38 "eligible farmer" [means a taxpayer whose federal gross income from  
39 farming for the taxable year is at least two-thirds of excess federal  
40 gross income. Excess federal gross income means the amount of federal  
41 gross income from all sources for the taxable year in excess of thirty  
42 thousand dollars. For purposes of this paragraph, payments from the  
43 state's farmland protection program, administered by the department of  
44 agriculture and markets, shall be included as federal gross income from  
45 farming for otherwise eligible farmers] shall have the same meaning as  
46 set forth subdivision eleven of this section.

47 § 7. Subsection (n) of section 606 of the tax law is amended by adding  
48 a new paragraph 1-a to read as follows:

49 (1-a) New York gross income from farming. For purposes of this  
50 subsection, the term "New York gross income from farming" means a  
51 taxpayer's federal gross income from farming, plus payments from the  
52 state's farmland protection program, administered by the department of  
53 agriculture and markets, income from a commercial horse boarding opera-  
54 tion as defined by subdivision thirteen of section three hundred one of  
55 the agriculture and markets law, and income from the production or sale  
56 of maple syrup, Christmas trees, and cider or wine from a licensed New



1 York state farm cidery or winery, as provided for in section fifty-  
2 eight-c and article six of the alcoholic beverage control law.

3 § 8. Paragraph 2 of subsection (n) of section 606 of the tax law, as  
4 amended by chapter 297 of the laws of 2010, is amended to read as  
5 follows:

6 (2) Eligible farmer. For purposes of this subsection, the term "eligi-  
7 ble farmer" means a taxpayer whose [federal] New York gross income from  
8 farming for the taxable year, or whose average New York gross income  
9 from farming for the current year and two prior taxable years, is at  
10 least two-thirds of [excess] such taxpayer's federal gross income from  
11 all sources less thirty thousand dollars. The term "eligible farmer"  
12 also includes an individual other than the taxpayer of record for quali-  
13 fied agricultural land who has paid the school district property taxes  
14 on such land pursuant to a contract for the future purchase of such  
15 land; provided that such individual [has a federal gross income from  
16 farming for the taxable year which is at least two-thirds of excess  
17 federal gross income; and provided further that, in determining such  
18 income eligibility, a taxpayer may, for any taxable year, use the aver-  
19 age of such federal gross income from farming for that taxable year and  
20 such income for the two consecutive taxable years immediately preceding  
21 such taxable year. Excess federal gross income means the amount of  
22 federal gross income from all sources for the taxable year reduced by  
23 the sum (not to exceed thirty thousand dollars) of those items included  
24 in federal gross income which consist of (i) earned income, (ii) pension  
25 payments, including social security payments, (iii) interest, and (iv)  
26 dividends. For purposes of this paragraph, the term "earned income"  
27 shall mean wages, salaries, tips and other employee compensation, and  
28 those items of gross income which are includible in the computation of  
29 net earnings from self-employment. For the purposes of this paragraph,  
30 payments from the state's farmland protection program, administered by  
31 the department of agriculture and markets, shall be included as federal  
32 gross income from farming for otherwise eligible farmers] meets the  
33 definition of "eligible farmer" pursuant to this paragraph.

34 § 9. Paragraph 8 of subsection (n) of section 606 of the tax law is  
35 REPEALED.

36 § 10. Paragraph 2 of subsection (n-2) of section 606 of the tax law,  
37 as added by section 1 of part DDD of chapter 59 of the laws of 2017, is  
38 amended to read as follows:

39 (2) Eligible farmer. For purposes of this subsection, the term "eligi-  
40 ble farmer" [means a taxpayer whose federal gross income from farming  
41 for the taxable year is at least two-thirds of excess federal gross  
42 income. Excess federal gross income means the amount of federal gross  
43 income from all sources for the taxable year reduced by the sum (not to  
44 exceed thirty thousand dollars) of those items included in federal gross  
45 income that consist of: (i) earned income, (ii) pension payments,  
46 including social security payments, (iii) interest, and (iv) dividends.  
47 For purposes of this paragraph, the term "earned income" shall mean  
48 wages, salaries, tips and other employee compensation, and those items  
49 of gross income that are includible in the computation of net earnings  
50 from self-employment. For the purposes of this paragraph, payments from  
51 the state's farmland protection program, administered by the department  
52 of agriculture and markets, shall be included as federal gross income  
53 from farming for otherwise eligible farmers] shall have the same meaning  
54 as set forth in subsection (n) of this section.

55 § 11. This act shall take effect immediately and shall apply to taxa-  
56 ble years beginning on or after January 1, 2026.

1

## PART E

2 Section 1. The opening paragraph of paragraph (a) of subdivision 1 of  
3 section 210 of the tax law, as amended by section 1 of subpart A of part  
4 I of chapter 59 of the laws of 2023, is amended to read as follows:

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

27 § 2. Subparagraph 1 of paragraph (b) of subdivision 1 of section 210  
28 of the tax law, as amended by section 2 of subpart A of part I of chap-  
29 ter 59 of the laws of 2023, is amended to read as follows:

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



1 tax for a qualified New York manufacturer shall be .132 percent for  
2 taxable years beginning on or after January first, two thousand fifteen  
3 and before January first, two thousand sixteen, .106 percent for taxable  
4 years beginning on or after January first, two thousand sixteen and  
5 before January first, two thousand seventeen, .085 percent for taxable  
6 years beginning on or after January first, two thousand seventeen and  
7 before January first, two thousand eighteen; .056 percent for taxable  
8 years beginning on or after January first, two thousand eighteen and  
9 before January first, two thousand nineteen; .038 percent for taxable  
10 years beginning on or after January first, two thousand nineteen and  
11 before January first, two thousand twenty; .019 percent for taxable  
12 years beginning on or after January first, two thousand twenty and  
13 before January first, two thousand twenty-one; and zero percent for  
14 years beginning on or after January first, two thousand twenty-one. (ii)  
15 In no event shall the amount prescribed by this paragraph exceed three  
16 hundred fifty thousand dollars for qualified New York manufacturers and  
17 for all other taxpayers five million dollars.  
18 § 3. This act shall take effect immediately.

19

## PART F

20 Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax  
21 law is amended by adding three new subparagraphs 24, 25 and 26 to read  
22 as follows:

23 (24) For taxable years beginning on or after January first, two thou-  
24 sand twenty-five, in the case of qualified production property described  
25 in paragraph two of subsection (n) of section one hundred sixty-eight of  
26 the internal revenue code, the amount of any deduction allowed pursuant  
27 to subsection (a) of section one hundred sixty-seven of the internal  
28 revenue code as if the taxpayer has not made an election pursuant to  
29 subsection (n) of section one hundred sixty-eight of the internal reven-  
30 ue code.

31 (25) For taxable years beginning on or after January first, two thou-  
32 sand twenty-five, the amount of any foreign and domestic research or  
33 experimental expenditures, as defined in sections one hundred seventy-  
34 four and 174A of the internal revenue code, paid or incurred in each  
35 taxable year on and after January first, two thousand twenty-five, amor-  
36 tized over a sixty-month period as if the election in subsection (c) of  
37 section 174A of the internal revenue code applied to such foreign and  
38 domestic research or experimental expenditures.

39 (26) For taxable years beginning on or after January first, two thou-  
40 sand twenty-five, the remaining amount of any foreign and domestic  
41 research or experimental expenditures, as defined in sections one  
42 hundred seventy-four and 174A of the internal revenue code, paid or  
43 incurred prior to January first, two thousand twenty-five, determined as  
44 if section one hundred seventy-four of the internal revenue code in  
45 effect as of January first, two thousand twenty-two, applied to such  
46 expenditures.

47 § 2. Paragraph (b) of subdivision 9 of section 208 of the tax law is  
48 amended by adding two new subparagraphs 28 and 29 to read as follows:

49 (28) For taxable years beginning on or after January first, two thou-  
50 sand twenty-five, in the case of qualified production property described  
51 in paragraph two of subsection (n) of section one hundred sixty-eight of  
52 the internal revenue code, any amount which the taxpayer claimed as a  
53 deduction under subsection (a) of section one hundred sixty-seven of the  
54 internal revenue code that included an allowance solely as a result of





1 an election made pursuant to subsection (n) of section one hundred  
2 sixty-eight of the internal revenue code.

3 (29) For taxable years beginning on or after January first, two thou-  
4 sand twenty-five, any amount claimed as a deduction under sections one  
5 hundred seventy-four and 174A of the internal revenue code in effect as  
6 of January first, two thousand twenty-five, and any amount claimed as a  
7 deduction pursuant to federal Public Law 119-21, title VII, section  
8 70302(f)(2)(a), for foreign and domestic research or experimental  
9 expenditures, as defined in sections one hundred seventy-four and 174A  
10 of the internal revenue code.

11 § 3. Subsection (b) of section 612 of the tax law is amended by adding  
12 two new paragraphs 44 and 45 to read as follows:

13 (44) For taxable years beginning on or after January first, two thou-  
14 sand twenty-five, in the case of qualified production property described  
15 in paragraph two of subsection (n) of section one hundred sixty-eight of  
16 the internal revenue code, any amount which the taxpayer claimed as a  
17 deduction under subsection (a) of section one hundred sixty-seven of the  
18 internal revenue code that included an allowance solely as a result of  
19 an election made pursuant to subsection (n) of section one hundred  
20 sixty-eight of the internal revenue code.

21 (45) For taxable years beginning on or after January first, two thou-  
22 sand twenty-five, any amount claimed as a deduction under sections one  
23 hundred seventy-four and 174A of the internal revenue code in effect as  
24 of January first, two thousand twenty-five, and any amount claimed as a  
25 deduction pursuant to federal Public Law 119-21, title VII, section  
26 70302(f)(2)(a), for foreign and domestic research or experimental  
27 expenditures, as defined in sections one hundred seventy-four and 174A  
28 of the internal revenue code.

29 § 4. Subsection (c) of section 612 of the tax law is amended by adding  
30 three new paragraphs 48, 49 and 50 to read as follows:

31 (48) For taxable years beginning on or after January first, two thou-  
32 sand twenty-five, in the case of qualified production property described  
33 in paragraph two of subsection (n) of section one hundred sixty-eight of  
34 the internal revenue code, the amount of any deduction allowed pursuant  
35 to subsection (a) of section one hundred sixty-seven of the internal  
36 revenue code as if the taxpayer has not made an election pursuant to  
37 subsection (n) of section one hundred sixty-eight of the internal reven-  
38 ue code.

39 (49) For taxable years beginning on or after January first, two thou-  
40 sand twenty-five, the amount of any foreign and domestic research or  
41 experimental expenditures, as defined in sections one hundred seventy-  
42 four and 174A of the internal revenue code, paid or incurred in each  
43 taxable year on and after January first, two thousand twenty-five, amor-  
44 tized over a sixty-month period as if the election in subsection (c) of  
45 section 174A of the internal revenue code applied to such foreign and  
46 domestic research or experimental expenditures.

47 (50) For taxable years beginning on or after January first, two thou-  
48 sand twenty-five, the remaining amount of any foreign and domestic  
49 research or experimental expenditures, as defined in sections one  
50 hundred seventy-four and 174A of the internal revenue code, paid or  
51 incurred prior to January first, two thousand twenty-five, determined as  
52 if section one hundred seventy-four of the internal revenue code in  
53 effect as of January first, two thousand twenty-two, applied to such  
54 expenditures.



§ 5. Paragraph 1 of subdivision (b) of section 1503 of the tax law is amended by adding three new subparagraphs (X), (Y) and (Z) to read as follows:

(X) For taxable years beginning on or after January first, two thousand twenty-five, in the case of qualified production property described in paragraph two of subsection (n) of section one hundred sixty-eight of the internal revenue code, the amount of any deduction allowed pursuant to subsection (a) of section one hundred sixty-seven of the internal revenue code as if the taxpayer has not made an election pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(Y) For taxable years beginning on or after January first, two thousand twenty-five, the amount of any foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code, paid or incurred in each taxable year on and after January first, two thousand twenty-five, amortized over a sixty-month period as if the election in subsection (c) of section 174A of the internal revenue code applied to such foreign and domestic research or experimental expenditures.

(Z) For taxable years beginning on or after January first, two thousand twenty-five, the remaining amount of any foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code, paid or incurred prior to January first, two thousand twenty-five, determined as if section one hundred seventy-four of the internal revenue code in effect as of January first, two thousand twenty-two, applied to such expenditures.

§ 6. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding two new subparagraphs (AA) and (BB) to read as follows:

(AA) For taxable years beginning on or after January first, two thousand twenty-five, in the case of qualified production property described in paragraph two of subsection (n) of section one hundred sixty-eight of the internal revenue code, any amount which the taxpayer claimed as a deduction under subsection (a) of section one hundred sixty-seven of the internal revenue code that included an allowance solely as a result of an election made pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(BB) For taxable years beginning on or after January first, two thousand twenty-five, any amount claimed as a deduction under sections one hundred seventy-four and 174A of the internal revenue code in effect as of January first, two thousand twenty-five, and any amount claimed as a deduction pursuant to federal Public Law 119-21, title VII, section 70302(f)(2)(a), for foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code.

§ 7. This act shall take effect immediately, and shall apply to tax years beginning on or after January 1, 2025.

#### PART G

Section 1. Subdivision (b) of section 11-506 of the administrative code of the city of New York is amended by adding four new paragraphs 19, 20, 21 and 22 to read as follows:

(19) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in



1 determining federal gross income of any depreciation of qualified  
2 production property described in subsection (n) of section one hundred  
3 sixty-eight of the internal revenue code. For the purposes of this chap-  
4 ter, such property shall not be treated as a 1245 property as described  
5 in section twelve hundred forty-five of the internal revenue code.

6 (20) For taxable years beginning after December thirty-first, two  
7 thousand twenty-four, the amount allowed as an exclusion or deduction in  
8 determining federal gross income pursuant to subsection (a) of section  
9 one hundred seventy-nine of the internal revenue code.

10 (21) For taxable years beginning after December thirty-first, two  
11 thousand twenty-four, the amount allowed as an exclusion or deduction in  
12 determining federal gross income for domestic research or experimental  
13 expenditures pursuant to section one hundred seventy-four-A of the  
14 internal revenue code.

15 (22) For taxable years beginning on or after January first, two thou-  
16 sand twenty-five, the increase in the amount allowed as a federal inter-  
17 est deduction pursuant to section one hundred sixty-three of the inter-  
18 nal revenue code attributable to additional adjusted taxable income that  
19 is attributable to depreciation, amortization, or depletion. For the  
20 purposes of this subdivision, "additional adjusted taxable income that  
21 is attributable to depreciation, amortization, or depletion" means the  
22 difference between the amount of adjusted taxable income computed pursu-  
23 ant to paragraph eight of subsection (j) of section one hundred sixty-  
24 three of the internal revenue code and such amount calculated without  
25 regard to clause (v) of subparagraph (A) of such paragraph.

26 § 2. Paragraph (c) of section 11-506 of the administrative code of the  
27 city of New York is amended by adding three new paragraphs 14, 15 and 16  
28 to read as follows:

29 (14) For taxable years beginning after December thirty-first, two  
30 thousand twenty-four, for taxpayers that have made an election pursuant  
31 to paragraph six of subsection (n) of section one hundred sixty-eight of  
32 the internal revenue code with respect to any qualified production prop-  
33 erty as defined in such subsection, the amount allowed as an exclusion  
34 or deduction in determining federal gross income of any depreciation of  
35 such qualified production property, pursuant to subsection (a) of  
36 section one hundred sixty-seven of such code so that the depreciation  
37 deduction and adjusted basis reduction or any other deduction or exclu-  
38 sion allowed by subsection (n) of section one hundred sixty-eight of  
39 such code shall not apply.

40 (15) For taxable years beginning after December thirty-first, two  
41 thousand twenty-four, the amount allowed as an exclusion or deduction in  
42 determining federal gross income pursuant to subsection (a) of section  
43 one hundred seventy-nine of the internal revenue code subject to the  
44 dollar limitations in paragraphs one and two of subsection (b) of such  
45 section that were in effect for the last tax year beginning before Janu-  
46 ary first, two thousand twenty-five, adjusted in accordance with para-  
47 graph six of such subsection using the amounts in paragraphs one and two  
48 that were in effect for such tax year and, for the purposes of applying  
49 clause (ii) of paragraph three of subsection (f) of section one of the  
50 internal revenue code, substituting "calendar year 2017" for "calendar  
51 year 2016".

52 (16) For taxable years beginning after December thirty-first, two  
53 thousand twenty-four, the amount allowed as an exclusion or deduction in  
54 determining federal gross income for domestic research or experimental  
55 expenditures pursuant to section one hundred seventy-four-A of the  
56 internal revenue code, provided that such exclusion or deduction is



1 calculated in the same manner as an exclusion or deduction for a foreign  
2 research or experimental expenditure described in section one hundred  
3 seventy-four of such code, except that the amortization deduction of  
4 such expenditures shall be rated over the five-year period beginning  
5 with the midpoint of the taxable year in which such expenditures are  
6 paid or incurred.

7 § 3. Paragraph (a) of subdivision 8 of section 11-602 of the adminis-  
8 trative code of the city of New York is amended by adding three new  
9 subparagraphs 18, 19 and 20 to read as follows:

10 (18) for taxable years beginning after December thirty-first, two  
11 thousand twenty-four, for taxpayers that have made an election pursuant  
12 to paragraph six of subsection (n) of section one hundred sixty-eight of  
13 the internal revenue code with respect to any qualified production prop-  
14 erty defined in such subsection, the amount allowed as an exclusion or  
15 deduction in determining federal taxable income of any depreciation of  
16 such qualified production property, pursuant to subsection (a) of  
17 section one hundred sixty-seven of such code so that the depreciation  
18 deduction and adjusted basis reduction or any other deduction or exclu-  
19 sion allowed by subsection (n) of section one hundred sixty-eight of  
20 such code shall not apply.

21 (19) for taxable years beginning after December thirty-first, two  
22 thousand twenty-four, the amount allowed as an exclusion or deduction in  
23 determining federal taxable income pursuant to subsection (a) of section  
24 one hundred seventy-nine of the internal revenue code subject to the  
25 dollar limitations in paragraphs one and two of subsection (b) of such  
26 section that were in effect for the last tax year beginning before Janu-  
27 ary first, two thousand twenty-five, adjusted in accordance with para-  
28 graph six of such subsection using the amounts in paragraphs one and two  
29 that were in effect for such tax year and, for the purposes of applying  
30 clause (ii) of paragraph three of subsection (f) of section one of the  
31 internal revenue code, substituting "calendar year 2017" for "calendar  
32 year 2016".

33 (20) for taxable years beginning after December thirty-first, two  
34 thousand twenty-four, the amount allowed as an exclusion or deduction in  
35 determining federal taxable income for domestic research or experimental  
36 expenditures pursuant to section one hundred seventy-four-A of the  
37 internal revenue code, provided that such exclusion or deduction is  
38 calculated in the same manner as an exclusion or deduction for a foreign  
39 research or experimental expenditure described in section one hundred  
40 seventy-four of such code, except that the amortization deduction of  
41 such expenditures shall be rated over the five-year period beginning  
42 with the midpoint of the taxable year in which such expenditures are  
43 paid or incurred.

44 § 4. Paragraph (b) of subdivision 8 of section 11-602 of the adminis-  
45 trative code of the city of New York is amended by adding four new  
46 subparagraphs 23, 24, 25 and 26 to read as follows:

47 (23) For taxable years beginning after December thirty-first, two  
48 thousand twenty-four, the amount allowed as an exclusion or deduction in  
49 determining federal taxable income of any depreciation of qualified  
50 production property described in subsection (n) of section one hundred  
51 sixty-eight of the internal revenue code. For the purposes of this  
52 subchapter, such property shall not be treated as a 1245 property as  
53 described in section one thousand two hundred forty-five of the internal  
54 revenue code.

55 (24) For taxable years beginning after December thirty-first, two  
56 thousand twenty-four, the amount allowed as an exclusion or deduction in



1 determining federal taxable income pursuant to subsection (a) of section  
2 one hundred seventy-nine of the internal revenue code.

3 (25) For taxable years beginning after December thirty-first, two  
4 thousand twenty-four, the amount allowed as an exclusion or deduction in  
5 determining federal taxable income for domestic research or experimental  
6 expenditures pursuant to section one hundred seventy-four-A of the  
7 internal revenue code.

8 (26) For taxable years beginning on or after January first, two thou-  
9 sand twenty-five, the increase in the amount allowed as a federal inter-  
10 est deduction pursuant to section one hundred sixty-three of the inter-  
11 nal revenue code attributable to additional adjusted taxable income that  
12 is attributable to depreciation, amortization, or depletion. For the  
13 purposes of this subdivision, "additional adjusted taxable income that  
14 is attributable to depreciation, amortization, or depletion" means the  
15 difference between the amount of adjusted taxable income computed pursu-  
16 ant to paragraph eight of subsection (j) of section one hundred sixty-  
17 three of the internal revenue code and such amount calculated without  
18 regard to clause (v) of subparagraph (A) of such paragraph.

19 § 5. Subdivision (b) of section 11-641 of the administrative code of  
20 the city of New York is amended by adding four new paragraphs 18, 19, 20  
21 and 21 to read as follows:

22 (18) For taxable years beginning after December thirty-first, two  
23 thousand twenty-four, the amount allowed as an exclusion or deduction in  
24 determining federal taxable income of any depreciation of qualified  
25 production property described in subsection (n) of section one hundred  
26 sixty-eight of the internal revenue code. For the purposes of this  
27 subchapter, such property shall not be treated as a 1245 property as  
28 described in section one thousand two hundred forty-five of the internal  
29 revenue code.

30 (19) For taxable years beginning after December thirty-first, two  
31 thousand twenty-four, the amount allowed as an exclusion or deduction in  
32 determining federal taxable income pursuant to subsection (a) of section  
33 one hundred seventy-nine of the internal revenue code.

34 (20) For taxable years beginning after December thirty-first, two  
35 thousand twenty-four, the amount allowed as an exclusion or deduction in  
36 determining federal taxable income for domestic research or experimental  
37 expenditures pursuant to section one hundred seventy-four-A of the  
38 internal revenue code.

39 (21) For taxable years beginning on or after January first, two thou-  
40 sand twenty-five, the increase in the amount allowed as a federal inter-  
41 est deduction pursuant to section one hundred sixty-three of the inter-  
42 nal revenue code attributable to additional adjusted taxable income that  
43 is attributable to depreciation, amortization, or depletion. For the  
44 purposes of this subdivision, "additional adjusted taxable income that  
45 is attributable to depreciation, amortization, or depletion" means the  
46 difference between the amount of adjusted taxable income computed pursu-  
47 ant to paragraph eight of subsection (j) of section one hundred sixty-  
48 three of the internal revenue code and such amount calculated without  
49 regard to clause (v) of subparagraph (A) of such paragraph.

50 § 6. Subdivision (e) of section 11-641 of the administrative code of  
51 the city of New York is amended by adding three new paragraphs 17, 18  
52 and 19 to read as follows:

53 (17) for taxable years beginning after December thirty-first, two  
54 thousand twenty-four, for taxpayers that have made an election pursuant  
55 to paragraph six of subsection (n) of section one hundred sixty-eight of  
56 the internal revenue code with respect to any qualified production prop-

erty defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(18) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(19) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 7. Paragraph (a) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding three new subparagraphs 19, 20 and 21 to read as follows:

(19) for taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production property defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(20) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".



(21) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 8. Paragraph (b) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding four new subparagraphs 24, 25, 26 and 27 to read as follows:

(24) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this subchapter, such property shall not be treated as a 1245 property as described in section one thousand two hundred forty-five of the internal revenue code.

(25) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(26) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(27) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 9. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 31, 2024, and shall apply to taxable years beginning after December 31, 2024.

#### PART H

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

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



1 election made under this section is irrevocable after [the due date]  
2 September fifteenth of the taxable year.

3 § 2. Subsection (b) of section 864 of the tax law, as added by section  
4 1 of part C of chapter 59 of the laws of 2021, paragraph 3 as amended by  
5 chapter 555 of the laws of 2022, is amended to read as follows:

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

8 (1) [The] For a partnership or S corporation that made an election to  
9 be taxed pursuant to this article on or before March fifteenth of the  
10 taxable year, the electing partnership or electing S corporation shall  
11 make estimated tax [shall be paid] payments in four equal installments  
12 on March fifteenth, June fifteenth, September fifteenth, and December  
13 fifteenth in the calendar year prior to the year in which the due date  
14 of the return required by this article falls. The amount of each  
15 installment shall be twenty-five percent of the required annual payment.

16 (2) [The amount of any required installment shall be twenty-five  
17 percent of the required annual payment] For a partnership or S corpo-  
18 ration that made an election to be taxed pursuant to this article after  
19 March fifteenth but on or before June fifteenth in the taxable year, the  
20 electing partnership or electing S corporation shall make payments on  
21 June fifteenth, September fifteenth, and December fifteenth in the  
22 calendar year prior to the year in which the due date of the return  
23 required by this article falls. The amount of the June fifteenth payment  
24 shall be fifty percent of the required annual amount. The amount of the  
25 September fifteenth payment shall be twenty-five percent of the required  
26 annual amount. The amount of the December fifteenth payment shall be  
27 twenty-five percent of the required annual amount.

28 (2-a) For a partnership or S corporation that made an election to be  
29 taxed pursuant to this article after June fifteenth but on or before  
30 September fifteenth in the taxable year, the electing partnership or  
31 electing S corporation shall make payments on September fifteenth and  
32 December fifteenth in the calendar year prior to the year in which the  
33 due date of the return required by this article falls. The amount of the  
34 September fifteenth payment shall be seventy-five percent of the  
35 required annual amount. The amount of the December fifteenth payment  
36 shall be twenty-five percent of the required annual amount.

37 (3) Notwithstanding paragraph four of subsection (c) of section six  
38 hundred eighty-five of this chapter, the required annual payment is the  
39 lesser of: (A) ninety percent of the tax shown on the return for the  
40 taxable year; or (B) one hundred percent of the tax shown on the return  
41 of the electing partnership or electing S corporation for the preceding  
42 taxable year.

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

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



1 § 4. Subsection (b) of section 871 of the tax law, as added by section  
2 1 of subpart B of part MM of chapter 59 of the laws of 2022, paragraph 3  
3 as amended by chapter 555 of the laws of 2022, is amended to read as  
4 follows:

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

8 (1) [The] For an electing city partnership or electing city S corpo-  
9 ration that made an election to be taxed pursuant to this article on or  
10 before March fifteenth in the taxable year, the electing city partner-  
11 ship or electing city S corporation shall make estimated tax [shall be  
12 paid] payments in four equal installments on March fifteenth, June  
13 fifteenth, September fifteenth, and December fifteenth in the calendar  
14 year prior to the year in which the due date of the return required by  
15 this article falls. The amount of each installment shall be twenty-five  
16 percent of the required annual payment.

17 (2) [The amount of any required installment shall be twenty-five  
18 percent of the required annual payment] For an electing city partnership  
19 or electing city S corporation that made an election to be taxed pursu-  
20 ant to this article after March fifteenth but on or before June  
21 fifteenth in the taxable year, the electing city partnership or electing  
22 city S corporation shall make payments on June fifteenth, September  
23 fifteenth, and December fifteenth in the calendar year prior to the year  
24 in which the due date of the return required by this article falls. The  
25 amount of the June fifteenth payment shall be fifty percent of the  
26 required annual amount. The amount of the September fifteenth payment  
27 shall be twenty-five percent of the required annual amount. The amount  
28 of the December fifteenth payment shall be twenty-five percent of the  
29 required annual amount.

30 (2-a) For an electing city partnership or electing city S corporation  
31 that made an election to be taxed pursuant to this article after June  
32 fifteenth but on or before September fifteenth in the taxable year, the  
33 electing city partnership or electing city S corporation shall make  
34 payments on September fifteenth and December fifteenth in the calendar  
35 year prior to the year in which the due date of the return required by  
36 this article falls. The amount of the September fifteenth payment shall  
37 be seventy-five percent of the required annual amount. The amount of the  
38 December fifteenth payment shall be twenty-five percent of the required  
39 annual amount.

40 (3) Without regard to paragraph four of subsection (c) of section six  
41 hundred eighty-five of this chapter, the required annual payment is the  
42 lesser of: (A) ninety percent of the tax shown on the return for the  
43 taxable year; or (B) one hundred percent of the tax shown on the return  
44 of the electing city partnership or electing city resident S corporation  
45 for the preceding taxable year.

46 § 5. This act shall take effect immediately and shall apply to all  
47 taxable years beginning on or after January 1, 2027.

48 PART I

49 Section 1. Paragraph (a) of subdivision 5 of section 845-e of the  
50 executive law, as added by section 1 of part E of chapter 59 of the laws  
51 of 2024, is amended to read as follows:

52 (a) For taxable years beginning on or after January first, two thou-  
53 sand twenty-four and before January first, two thousand [twenty-six]  
54 twenty-nine, a business entity in the commercial security tax credit

1 program that meets the eligibility requirements of subdivision two of  
2 this section may be eligible to claim a credit equal to three thousand  
3 dollars for each retail location of the business entity located in New  
4 York state.

5 § 2. Subdivision (a) of section 49 of the tax law, as added by section  
6 2 of part E of chapter 59 of the laws of 2024, is amended to read as  
7 follows:

8 (a) Allowance of credit. For taxable years beginning on or after Janu-  
9 ary first, two thousand twenty-four and before January first, two thou-  
10 sand [twenty-six] twenty-nine, a taxpayer required to file a return  
11 pursuant to articles nine, nine-A or twenty-two of this chapter shall be  
12 allowed a credit against such tax, pursuant to the provisions referenced  
13 in subdivision (f) of this section. The amount of the credit is equal to  
14 the amount determined pursuant to section eight hundred forty-five-e of  
15 the executive law. No cost or expense paid or incurred by the taxpayer  
16 that is included as part of the calculation of this credit shall be the  
17 basis of any other tax credit allowed under this chapter.

18 § 3. This act shall take effect immediately.

19 PART J

20 Section 1. Paragraph 1 of subdivision (f) of section 24-c of the tax  
21 law, as amended by section 4 of part L of chapter 59 of the laws of  
22 2025, is amended to read as follows:

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

30 § 2. This act shall take effect immediately and apply to qualified New  
31 York city musical and theatrical production companies whose first  
32 performance was on or after December 1, 2025; provided, however, that  
33 the amendments to section 24-c of the tax law made by section one of  
34 this act shall not affect the repeal of such section and shall be deemed  
35 repealed therewith.

36 PART K

37 Section 1. Subdivisions 2 and 12 of section 470 of the tax law, subdi-  
38 vision 2 as amended by chapter 728 of the laws of 2019 and subdivision  
39 12 as added by chapter 61 of the laws of 1989, are amended and a new  
40 subdivision 22 is added to read as follows:

41 2. "Tobacco products." Any cigar, including a little cigar, [or]  
42 tobacco, or alternative nicotine product, other than cigarettes,  
43 intended for consumption by smoking, chewing, or as snuff. "Tobacco  
44 products" shall not include research tobacco products.

45 12. "Distributor." Any person who imports or causes to be imported  
46 into this state any tobacco product (in excess of fifty cigars [or], one  
47 pound of tobacco, or fifteen units of alternative nicotine products) for  
48 sale, or who manufactures any tobacco product in this state, and any  
49 person within or without the state who is authorized by the commissioner  
50 of taxation and finance to make returns and pay the tax on tobacco  
51 products sold, shipped or delivered by [him] them to any person in the  
52 state.



1     22. "Alternative nicotine product." Any noncombustible product, other  
2 than vapor products, which contains nicotine but not tobacco and is  
3 intended for human consumption, whether chewed, absorbed, dissolved, or  
4 ingested by any other means. "Alternative nicotine product" does not  
5 include any product regulated as a drug or device by the U.S. Food and  
6 Drug Administration (FDA) under Chapter V (21 U.S.C. § 351 et seq.) of  
7 the Federal Food, Drug, and Cosmetic Act. The term "unit" as it relates  
8 to alternative nicotine products means any cannister, pack, box, carton,  
9 or container of any kind or, if no other container, any wrapping, in  
10 which an alternative nicotine product is offered for sale, sold, or  
11 otherwise distributed to consumers.

12     § 2. The opening paragraph of subdivision (a) of section 471-c of the  
13 tax law, as amended by section 2 of part II of chapter 57 of the laws of  
14 2009, is amended to read as follows:

15     There is hereby imposed and shall be paid a tax on all tobacco  
16 products used in the state by any person, except that no such tax shall  
17 be imposed (1) if the tax provided in section four hundred seventy-one-b  
18 of this article is paid, or (2) on the use of tobacco products which are  
19 exempt from the tax imposed by said section, or (3) on the use of two  
20 hundred fifty cigars or less, or five pounds or less of tobacco other  
21 than roll-your-own tobacco, or thirty-six ounces or less of roll-your-  
22 own tobacco, or seventy-five units or less of alternative nicotine  
23 products, brought into the state on, or in the possession of, any  
24 person.

25     § 3. Subdivisions 2 and 3 of section 474 of the tax law, subdivision 2  
26 as amended by chapter 552 of the laws of 2008 and subdivision 3 as added  
27 by chapter 61 of the laws of 1989, are amended to read as follows:

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

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

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

4 (i) In addition to any other penalty imposed by this article, the  
5 commissioner may (A) impose a penalty of not more than six hundred  
6 dollars for each two hundred cigarettes, or fraction thereof, in excess  
7 of one thousand cigarettes in unstamped or unlawfully stamped packages  
8 in the possession or under the control of any person or (B) impose a  
9 penalty of not more than two hundred dollars for each ten unaffixed  
10 false, altered or counterfeit cigarette tax stamps, imprints or  
11 impressions, or fraction thereof, in the possession or under the control  
12 of any person. In addition, the commissioner may impose a penalty of not  
13 more than seventy-five dollars for each fifty cigars [or], one pound of  
14 tobacco, or fifteen units of alternative nicotine products, or fraction  
15 thereof, in excess of two hundred fifty cigars [or], five pounds of  
16 tobacco, or seventy-five units of alternative nicotine products, in the  
17 possession or under the control of any person and a penalty of not more  
18 than one hundred fifty dollars for each fifty cigars [or], pound of  
19 tobacco, or fifteen units of alternative nicotine products, or fraction  
20 thereof, in excess of five hundred cigars [or], ten pounds of tobacco,  
21 or one hundred fifty units of alternative nicotine products, in the  
22 possession or under the control of any person, with respect to which the  
23 tobacco products tax has not been paid or assumed by a distributor or  
24 tobacco products dealer; provided, however, that any such penalty  
25 imposed shall not exceed seven thousand five hundred dollars in the  
26 aggregate. The commissioner may impose a penalty of not more than seven-  
27 ty-five dollars for each fifty cigars [or], one pound of tobacco, or  
28 fifteen units of alternative nicotine products, or fraction thereof, in  
29 excess of fifty cigars [or], one pound of tobacco, or fifteen units of  
30 alternative nicotine products, in the possession or under the control of  
31 any tobacco products dealer or distributor appointed by the commission-  
32 er, and a penalty of not more than one hundred fifty dollars for each  
33 fifty cigars [or], pound of tobacco, or fifteen units of alternative  
34 nicotine products, or fraction thereof, in excess of two hundred fifty  
35 cigars [or], five pounds of tobacco, or seventy-five units of alterna-  
36 tive nicotine products, in the possession or under the control of any  
37 such dealer or distributor, with respect to which the tobacco products  
38 tax has not been paid or assumed by a distributor or a tobacco products  
39 dealer; provided, however, that any such penalty imposed shall not  
40 exceed fifteen thousand dollars in the aggregate.

41 § 5. Clauses (B) and (C) of subparagraph (ii) of paragraph (b) of  
42 subdivision 1 of section 481 of the tax law, as added by chapter 262 of  
43 the laws of 2000, are amended to read as follows:

44 (B) (I) not less than twenty-five dollars but not more than one hundred  
45 dollars for each fifty cigars [or], one pound of tobacco, or fifteen  
46 units of alternative nicotine products, or fraction thereof, in excess  
47 of two hundred fifty cigars [or], five pounds of tobacco, or seventy-  
48 five units of alternative nicotine products, knowingly in the possession  
49 or knowingly under the control of any person, with respect to which the  
50 tobacco products tax has not been paid or assumed by a distributor or  
51 tobacco products dealer; and

52 (II) not less than fifty dollars but not more than two hundred dollars  
53 for each fifty cigars [or], pound of tobacco, or fifteen units of alter-  
54 native nicotine products, or fraction thereof, in excess of five hundred  
55 cigars [or], ten pounds of tobacco, or one hundred fifty units of alter-  
56 native nicotine products, knowingly in the possession or knowingly under



1 the control of any person, with respect to which the tobacco products  
2 tax has not been paid or assumed by a distributor or tobacco products  
3 dealer; provided, however, that any such penalty imposed under this  
4 clause shall not exceed ten thousand dollars in the aggregate.

5 (C) (I) not less than twenty-five dollars but not more than one hundred  
6 dollars for each fifty cigars [or], one pound of tobacco, or fifteen  
7 units of alternative nicotine products, or fraction thereof, in excess  
8 of fifty cigars [or], one pound of tobacco, or fifteen units of alterna-  
9 tive nicotine products, knowingly in the possession or knowingly under  
10 the control of any person, with respect to which the tobacco products  
11 tax has not been paid or assumed by a distributor or tobacco products  
12 dealer; and

13 (II) not less than fifty dollars but not more than two hundred dollars  
14 for each fifty cigars [or], pound of tobacco, or fifteen units of alter-  
15 native nicotine products, or fraction thereof, in excess of two hundred  
16 fifty cigars [or], five pounds of tobacco, or seventy-five units of  
17 alternative nicotine products, knowingly in the possession or knowingly  
18 under the control of any person, with respect to which the tobacco  
19 products tax has not been paid or assumed by a distributor or a tobacco  
20 products dealer; provided, however, that any such penalty imposed under  
21 this clause shall not exceed twenty thousand dollars in the aggregate.

22 § 6. Paragraph (a) of subdivision 2 of section 481 of the tax law, as  
23 amended by chapter 552 of the laws of 2008, is amended to read as  
24 follows:

25 (a) The possession within this state of more than four hundred ciga-  
26 rettes in unstamped or unlawfully stamped packages or more than two  
27 hundred fifty cigars, or more than five pounds of tobacco other than  
28 roll-your-own tobacco, or more than thirty-six ounces of roll-your-own  
29 tobacco, or more than seventy-five units of alternative nicotine  
30 products, by any person other than an agent or distributor, as the case  
31 may be, at any one time shall be presumptive evidence that such ciga-  
32 rettes or tobacco products are subject to tax as provided by this arti-  
33 cle.

34 § 7. Section 482 of the tax law is amended by adding a new subdivision  
35 (c) to read as follows:

36 (c) From the taxes, interest and penalties collected or received by  
37 the commissioner under section four hundred seventy-one-b of this arti-  
38 cle, effective April first, two thousand twenty-seven, fifty million  
39 dollars from the moneys collected or received under such section shall  
40 be deposited annually to the credit of the tobacco control and insurance  
41 initiatives pool to be established and distributed by the commissioner  
42 of health in accordance with section twenty-eight hundred seven-v of the  
43 public health law.

44 § 8. Subdivisions (a) and (h) of section 1814 of the tax law, as  
45 amended by section 28 of subpart I of part VI of chapter 57 of the laws  
46 of 2009, are amended to read as follows:

47 (a) Any person who willfully attempts in any manner to evade or defeat  
48 the taxes imposed by article twenty of this chapter or payment thereof  
49 on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars  
50 or more, [or] (iii) four hundred forty pounds of tobacco or more, or  
51 (iv) six thousand six hundred units of alternative nicotine products or  
52 more, or has previously been convicted two or more times of a violation  
53 of paragraph one of this subdivision shall be guilty of a class E felo-  
54 ny.

55 (h) (1) Any dealer, other than a distributor appointed by the commis-  
56 sioner of taxation and finance under article twenty of this chapter, who



1 shall knowingly transport or have in [his] their custody, possession or  
2 under [his] their control more than ten pounds of tobacco [or], more  
3 than five hundred cigars, or more than one hundred fifty units of alter-  
4 native nicotine products, upon which the taxes imposed by article twenty  
5 of this chapter have not been assumed or paid by a distributor appointed  
6 by the commissioner of taxation and finance under article twenty of this  
7 chapter, or other person treated as a distributor pursuant to section  
8 four hundred seventy-one-d of this chapter, shall be guilty of a misde-  
9 meanor punishable by a fine of not more than five thousand dollars or by  
10 a term of imprisonment not to exceed thirty days.

11 (2) Any person, other than a dealer or a distributor appointed by the  
12 commissioner under article twenty of this chapter, who shall knowingly  
13 transport or have in [his] their custody, possession or under [his]  
14 their control more than fifteen pounds of tobacco [or], more than seven  
15 hundred fifty cigars, or more than two hundred twenty-five units of  
16 alternative nicotine products, upon which the taxes imposed by article  
17 twenty of this chapter have not been assumed or paid by a distributor  
18 appointed by the commissioner under article twenty of this chapter, or  
19 other person treated as a distributor pursuant to section four hundred  
20 seventy-one-d of this chapter shall be guilty of a misdemeanor punisha-  
21 ble by a fine of not more than five thousand dollars or by a term of  
22 imprisonment not to exceed thirty days.

23 (3) Any person, other than a distributor appointed by the commissioner  
24 under article twenty of this chapter, who shall knowingly transport or  
25 have in [his] their custody, possession or under [his] their control  
26 twenty-five hundred or more cigars [or], fifty or more pounds of  
27 tobacco, or seven hundred fifty units or more of alternative nicotine  
28 products, upon which the taxes imposed by article twenty of this chapter  
29 have not been assumed or paid by a distributor appointed by the commis-  
30 sioner under article twenty of this chapter, or other person treated as  
31 a distributor pursuant to section four hundred seventy-one-d of this  
32 chapter shall be guilty of a misdemeanor. Provided further, that any  
33 person who has twice been convicted under this subdivision shall be  
34 guilty of a class E felony for any subsequent violation of this section,  
35 regardless of the amount of tobacco products involved in such violation.

36 (4) For purposes of this subdivision, such person shall knowingly  
37 transport or have in [his] their custody, possession or under [his]  
38 their control tobacco [or], cigars, or alternative nicotine products, on  
39 which such taxes have not been assumed or paid by a distributor  
40 appointed by the commissioner where such person has knowledge of the  
41 requirement of the tax on tobacco products and, where to [his] their  
42 knowledge, such taxes have not been assumed or paid on such tobacco  
43 products by a distributor appointed by the commissioner of taxation and  
44 finance.

45 § 9. Section 1814-a of the tax law, as added by chapter 61 of the laws  
46 of 1989, is amended to read as follows:

47 § 1814-a. Person not appointed as a tobacco products distributor. (a)  
48 Any person who, while not appointed as a distributor of tobacco products  
49 pursuant to the provisions of article twenty of this chapter, imports or  
50 causes to be imported into the state more than fifty cigars [or], more  
51 than one pound of tobacco, or more than fifteen units of alternative  
52 nicotine products, for sale within the state, or produces, manufactures  
53 or compounds tobacco products within the state shall be guilty of a  
54 misdemeanor punishable by a fine of not more than five thousand dollars  
55 or by a term of imprisonment not to exceed thirty days. If, within any  
56 ninety day period, one thousand or more cigars, or five hundred pounds



1 or more of tobacco, or seven thousand five hundred units or more of  
2 alternative nicotine products, are imported or caused to be imported  
3 into the state for sale within the state or are produced, manufactured  
4 or compounded within the state by any person while not appointed as a  
5 distributor of tobacco products, such person shall be guilty of a misde-  
6 meanor. Provided further, that any person who has twice been convicted  
7 under this section shall be guilty of a class E felony for any subse-  
8 quent violation of this section, regardless of the amount of tobacco  
9 products involved in such violation.

10 (b) For purposes of this section, the possession or transportation  
11 within this state by any person, other than a tobacco products distribu-  
12 tor appointed by the commissioner of taxation and finance, at any one  
13 time of seven hundred fifty or more cigars [or], fifteen pounds or more  
14 of tobacco, or two hundred twenty-five units or more of alternative  
15 nicotine products, shall be presumptive evidence that such tobacco  
16 products are possessed or transported for the purpose of sale and are  
17 subject to the tax imposed by section four hundred seventy-one-b of this  
18 chapter. With respect to such possession or transportation, any  
19 provisions of article twenty of this chapter providing for a time period  
20 during which the tax imposed by such article may be paid shall not  
21 apply.

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

24 (a) Whenever a police officer designated in section 1.20 of the crimi-  
25 nal procedure law or a peace officer designated in subdivision four of  
26 section 2.10 of such law, acting pursuant to [his] their special duties,  
27 shall discover any tobacco products in excess of five hundred cigars  
28 [or], ten pounds of tobacco, or one hundred fifty units of alternative  
29 nicotine products, which are [being imported for] possessed for the  
30 purpose of sale in the state [where the person importing or causing]  
31 when the excise taxes on such tobacco products [to be imported has not  
32 been appointed as] have not been assumed or paid by a distributor  
33 appointed pursuant to section four hundred seventy-two of this chapter,  
34 such police officer or peace officer is hereby authorized and empowered  
35 forthwith to seize and take possession of such tobacco products. Such  
36 tobacco products seized by a police officer or peace officer shall be  
37 turned over to the commissioner. Such seized tobacco products shall be  
38 forfeited to the state. All tobacco products forfeited to the state  
39 shall be destroyed or used for law enforcement purposes, except that  
40 tobacco products that violate, or are suspected of violating, federal  
41 trademark laws or import laws shall not be used for law enforcement  
42 purposes. If the commissioner determines the tobacco products may not be  
43 used for law enforcement purposes, the commissioner must, within a  
44 reasonable time thereafter, upon publication in the state registry of a  
45 notice to such effect before the day of destruction, destroy such  
46 forfeited tobacco products. The commissioner may, prior to any  
47 destruction of tobacco products, permit the true holder of the trademark  
48 rights in the tobacco products to inspect such forfeited products in  
49 order to assist in any investigation regarding such tobacco products.

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

52 (b) Any peace officer designated in subdivision four of section 2.10  
53 of the criminal procedure law, acting pursuant to [his] their special  
54 duties, or any police officer designated in section 1.20 of the criminal  
55 procedure law may seize any vehicle or other means of transportation  
56 used to import tobacco products in excess of five hundred cigars [or],



1 ten pounds of tobacco, or one hundred fifty units of alternative nico-  
2 tine products, for sale where the person importing or causing such  
3 tobacco products to be imported has not been appointed a distributor  
4 pursuant to section four hundred seventy-two of this chapter, other than  
5 a vehicle or other means of transportation used by any person as a  
6 common carrier in transaction of business as such common carrier, and  
7 such vehicle or other means of transportation shall be subject to  
8 forfeiture as hereinafter in this section provided.

9 § 12. Subdivisions (a) and (b) of section 92-dd of the state finance  
10 law, subdivision (a) as amended by section 2 of part UU of chapter 59 of  
11 the laws of 2019 and subdivision (b) as amended by section 3 of part T  
12 of chapter 61 of the laws of 2011, are amended to read as follows:

13 (a) On and after April first, two thousand five, such fund shall  
14 consist of the revenues heretofore and hereafter collected or required  
15 to be deposited pursuant to paragraph (a) of subdivision eighteen of  
16 section twenty-eight hundred seven-c, and sections twenty-eight hundred  
17 seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t  
18 of the public health law, [subdivision] subdivisions (b) and (c) of  
19 section four hundred eighty-two and section eleven hundred eighty-six of  
20 the tax law and required to be credited to the tobacco control and  
21 insurance initiatives pool, subparagraph (O) of paragraph four of  
22 subsection (j) of section four thousand three hundred one of the insur-  
23 ance law, section twenty-seven of part A of chapter one of the laws of  
24 two thousand two and all other moneys credited or transferred thereto  
25 from any other fund or source pursuant to law.

26 (b) The pool administrator under contract with the commissioner of  
27 health pursuant to section twenty-eight hundred seven-y of the public  
28 health law shall continue to collect moneys required to be collected or  
29 deposited pursuant to paragraph (a) of subdivision eighteen of section  
30 twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j,  
31 twenty-eight hundred seven-s and twenty-eight hundred seven-t of the  
32 public health law, and shall deposit such moneys in the HCRA resources  
33 fund. The comptroller shall deposit moneys collected or required to be  
34 deposited pursuant to [subdivision] subdivisions (b) and (c) of section  
35 four hundred eighty-two of the tax law and required to be credited to  
36 the tobacco control and insurance initiatives pool, subparagraph (O) of  
37 paragraph four of subsection (j) of section four thousand three hundred  
38 one of the insurance law, section twenty-seven of part A of chapter one  
39 of the laws of two thousand two and all other moneys credited or trans-  
40 ferred thereto from any other fund or source pursuant to law in the HCRA  
41 resources fund.

42 § 13. Notwithstanding any other provision of law to the contrary, the  
43 units of alternative nicotine products possessed in New York state as of  
44 11:59 pm eastern standard time on August 31, 2026, by any person for  
45 sale shall be subject to tax pursuant to section 471-b of the tax law,  
46 and shall be remitted by September 21, 2026, in the form and manner  
47 prescribed by the commissioner of taxation and finance.

48 § 14. This act shall take effect immediately, and shall apply to all  
49 sales of alternative nicotine products on or after September 1, 2026.

50 PART L

51 Section 1. The article heading of article 28-C of the tax law, as  
52 added by section 1 of part UU of chapter 59 of the laws of 2019, is  
53 amended to read as follows:





## [SUPPLEMENTAL] TAX ON VAPOR PRODUCTS

§ 2. Section 1180 of the tax law, as added by section 1 of part UU of chapter 59 of the laws of 2019, is amended to read as follows:

§ 1180. Definitions. For the purposes of the taxes imposed by this article, the following [terms shall mean] definitions shall apply:

(a) "Vapor product" means any noncombustible liquid or gel, regardless of the presence of nicotine therein, that is manufactured [in to] into a finished product for use in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, vaping pen, hookah pen or other similar device. "Vapor product" shall not include any product approved by the United States food and drug administration as a drug or medical device, or manufactured and dispensed pursuant to title five-A of article thirty-three of the public health law.

(b) "Vapor products dealer" means a person [licensed by the commissioner to sell] who sells vapor products at retail to a person in this state.

(c) "Vapor products distributor" means any person who imports or causes to be imported into this state any vapor products or who manufactures any vapor products in this state; provided, however, where a vapor products dealer also imports vapor products or causes vapor products to be imported into this state for sale, or manufactures vapor products for sale in this state, such vapor products dealer shall also be a vapor products distributor.

(d) "Contraband vapor products" means any vapor products that are: (1) possessed by a vapor products dealer or vapor products distributor who does not possess a valid certificate of registration or whose certificate of registration has been revoked; (2) possessed by a vapor products distributor or vapor products dealer upon which the tax imposed by this article is due and has not been paid; or (3) possessed in this state that are not listed on the vapor products registry pursuant to section eleven hundred eighty-seven of this article.

(e) "Unit" means the individual package, box, carton, canister or container of any kind, or, if no other container, any wrapping in or from which retail sales of vapor products are made or intended to be made as such vapor product is packaged by the manufacturer of such vapor products.

§ 3. Section 1181 of the tax law, as amended by chapter 92 of the laws of 2021, is amended to read as follows:

§ 1181. Imposition of tax. (a) (1) In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax on each unit of vapor products first imported into or manufactured in the state by a vapor products distributor at the rate of fifty-five cents per unit of vapor product that shall accrue at the time of first import or manufacture in the state.

(2) The tax imposed by this subdivision shall be passed through from the vapor products distributor to the vapor products dealer at the time the vapor products distributor sells or transfers such vapor products to a vapor products dealer. Upon each sale or transfer of vapor products, other than a sale at retail, the vapor products distributor shall provide to the vapor products dealer at the time of delivery of such products, a certification containing such information as the commissioner shall require that shall include a statement to the effect that such vapor products distributor paid the taxes imposed by this subdivision and, in each case, is passing through such taxes.

(3) It shall be presumed that all vapor products possessed within the state by a vapor products dealer are subject to the vapor products



1 distributor tax until the contrary is established and the burden to  
2 establish that any vapor products are not taxable hereunder shall be  
3 upon the vapor products dealer in possession or control of such vapor  
4 products.

5 (4) Every vapor products dealer shall be liable for the tax on vapor  
6 products in their possession upon which tax has not been paid by a  
7 distributor, and the failure of any vapor products dealer to produce and  
8 exhibit to the commissioner upon demand the invoice provided by a vapor  
9 products distributor for any vapor products in their possession shall be  
10 presumptive evidence that the tax thereon has not been paid, and that  
11 such dealer is liable for the tax thereon unless evidence of such  
12 invoice or payment shall later be produced.

13 (b) In addition to any other tax imposed by this chapter or other law,  
14 there is hereby imposed a tax of twenty percent on receipts from the  
15 retail sale of vapor products sold in this state. The tax is imposed on  
16 the purchaser and collected by the vapor products dealer as defined in  
17 subdivision (b) of section eleven hundred eighty of this article, in  
18 trust for and on account of the state.

19 (c) The taxes imposed under this section shall not apply to adult-use  
20 cannabis products subject to tax under article twenty-C of this chapter.

21 § 4. Section 1183 of the tax law, as added by section 1 of part UU of  
22 chapter 59 of the laws of 2019, is amended to read as follows:

23 § 1183. Vapor products [dealer] registration and renewal. (a) Every  
24 [person who intends to sell vapor products] vapor products distributor  
25 and vapor products dealer in this state must [receive from the commis-  
26 sioner] file with the commissioner a properly completed application for  
27 a certificate of registration and obtain such certificate twenty days  
28 prior to [engaging in business] the first import, manufacture, or sale  
29 of vapor products. Such person must electronically submit a properly  
30 completed application for a certificate of registration [for each  
31 location at which vapor products will be sold in this state,] on a form  
32 prescribed by the commissioner[,] and such application shall be accompa-  
33 nied by a non-refundable application fee of three hundred dollars. A  
34 vapor products dealer shall apply for a certificate of registration for  
35 each location at which vapor products will be sold at retail in this  
36 state.

37 (b) A [vapor products dealer] certificate of registration shall be  
38 valid for the calendar year for which it is issued unless earlier  
39 [suspended or] revoked. Upon the expiration of the term stated on the  
40 certificate of registration, such certificate shall be null and void. A  
41 certificate of registration shall not be assignable or transferable and  
42 shall be destroyed immediately upon [the vapor products dealer] the  
43 person to whom such certificate is issued ceasing to do business as  
44 specified in such certificate or in the event that such business never  
45 commenced.

46 (c) (1) Every [vapor product dealer] person to whom a certificate is  
47 issued under this article shall publicly display a vapor products [deal-  
48 er] certificate of registration in each place of business in this state  
49 where vapor products are first imported, manufactured, or sold [at  
50 retail]. A vapor products dealer who has no regular place of business  
51 shall publicly display such valid certificate on each of its carts,  
52 stands, trucks or other merchandising devices through which it sells  
53 vapor products.

54 (2) No vapor products distributor shall sell any vapor product to any  
55 vapor products dealer who is not registered pursuant to this section, or  
56 whose registration has been revoked. No vapor products dealer shall

1 purchase any vapor products from a vapor products distributor who is not  
2 registered pursuant to this section, or whose registration has been  
3 revoked.

4 (d) (1) The commissioner shall refuse to issue a certificate of regis-  
5 tration pursuant to this section to any applicant who is required to but  
6 does not possess a valid certificate of authority under section eleven  
7 hundred thirty-four of this chapter. In addition, the commissioner may  
8 refuse to issue a certificate of registration[, or suspend, cancel] or  
9 revoke a certificate of registration issued to any person who: (A) has a  
10 past-due liability as that term is defined in section one hundred seven-  
11 ty-one-v of this chapter; (B) has had a certificate of registration  
12 under this article or any license or registration provided for in this  
13 chapter revoked [within one year from the date on which such application  
14 was filed]; (C) has been convicted of a crime provided for in this chap-  
15 ter [within one year from the date on which such application was filed];  
16 (D) willfully fails to file a report or return required by this article;  
17 (E) willfully files, causes to be filed, gives or causes to be given a  
18 report, return, certificate or affidavit required by this article which  
19 is false; (F) willfully fails to collect or truthfully account for or  
20 pay over any tax imposed by this [article] chapter; [or] (G) has had a  
21 penalty imposed pursuant to paragraph three, four, five, or six of  
22 subdivision (b) of section eleven hundred eighty-five of this article  
23 within one year from the date on which such application was filed; or  
24 (H) whose place of business is at the same premises as that of a person  
25 whose vapor products distributor registration or vapor products dealer  
26 registration has been revoked and where such revocation is still in  
27 effect, unless the applicant or vapor products distributor or vapor  
28 products dealer, as the case may be, provides the commissioner with  
29 adequate documentation demonstrating that such applicant or vapor  
30 products distributor or vapor products dealer acquired the premises or  
31 business through an arm's length transaction as defined in paragraph (e)  
32 of subdivision one of section four hundred eighty-a of this chapter and  
33 the sale or lease was not conducted, in whole or in part, for the  
34 purpose of permitting the original registrant to avoid the effect of the  
35 previous revocation for the same premises.

36 (2) In addition to the grounds provided in paragraph one of this  
37 subdivision, the commissioner shall refuse to issue a certificate of  
38 registration and shall [cancel or suspend] revoke a certificate of  
39 registration as directed by an enforcement officer pursuant to article  
40 thirteen-F of the public health law. Notwithstanding any provision of  
41 law to the contrary, an applicant whose application for a certificate of  
42 registration is refused or a vapor products distributor or vapor  
43 products dealer whose registration is [cancelled or suspended] revoked  
44 under this paragraph shall have no right to a hearing under this chapter  
45 and shall have no right to commence a court action or proceeding or to  
46 any other legal recourse against the commissioner with respect to such  
47 refusal[, suspension or cancellation] or revocation; provided, however,  
48 that nothing herein shall be construed to deny a vapor products distrib-  
49 utor or vapor products dealer a hearing under article thirteen-F of the  
50 public health law or to prohibit vapor products distributor or vapor  
51 products dealers from commencing a court action or proceeding against an  
52 enforcement officer as defined in section thirteen hundred ninety-nine-  
53 aa of the public health law.

54 (3) No person whose registration has been revoked or was refused  
55 pursuant to this section shall possess vapor products in any place of  
56 business, cart, stand, truck or other merchandising device in this state



1 beginning on the tenth day after such revocation and continuing for the  
2 duration of the same; provided, however, that such person shall not be  
3 prohibited before the tenth day after such revocation from selling or  
4 transferring such inventory of vapor product properly listed on the  
5 vapor products registry pursuant to section eleven hundred eighty-seven  
6 of this article on which taxes imposed by this article have been paid to  
7 a properly registered vapor products dealer whose registration has not  
8 been revoked.

9 (e) If a vapor products [dealer] certificate of registration is  
10 [suspended, cancelled or] revoked and [such vapor products dealer] the  
11 holder of such certificate sells vapor products through more than one  
12 place of business in this state, the [vapor products dealer's] certifi-  
13 cate of registration issued to that place of business, cart, stand,  
14 truck or other merchandising device, where such violation occurred,  
15 shall be [suspended,] revoked [or cancelled]. Provided, however, upon a  
16 [vapor products dealer's] holder of a certificate of registration's  
17 third [suspension, cancellation or] revocation within a five-year period  
18 for any one or more businesses owned or operated by [the vapor products  
19 dealer] such person, such [suspension, cancellation, or] revocation of  
20 the [vapor products dealer's] certificate of registration shall apply to  
21 all places of business where [he or she] such person sells vapor  
22 products in this state.

23 (f) Every holder of a certificate of registration must notify the  
24 commissioner of changes to any of the information stated on the certif-  
25 icate or changes to any information contained in the application for the  
26 certificate of registration. Such notification must be made on or before  
27 the last day of the month in which a change occurs and must be made  
28 electronically on a form prescribed by the commissioner.

29 (g) Every vapor products distributor and vapor products dealer who  
30 holds a certificate of registration under this [article] section shall  
31 be required to reapply for a certificate of registration for the follow-  
32 ing calendar year on or before the twentieth day of September and such  
33 reapplication shall be subject to the same requirements and conditions,  
34 including grounds for refusal, as an initial registration under this  
35 [article] section, including but not limited to the payment of the three  
36 hundred dollar application fee for each retail location.

37 (h) In addition to any other penalty imposed by this chapter, any  
38 vapor products distributor or vapor products dealer who violates the  
39 provisions of this section, (1) for a first violation is liable for a  
40 civil [fine] penalty not less than five thousand dollars but not to  
41 exceed twenty-five thousand dollars and such certificate of registration  
42 may be [suspended] revoked for a period of not more than six months; and  
43 (2) for a second or subsequent violation within three years following a  
44 prior violation of this section, is liable for a civil [fine] penalty  
45 not less than ten thousand dollars but not to exceed thirty-five thou-  
46 sand dollars and such certificate of registration may be [suspended]  
47 revoked for a period of up to thirty-six months; or (3) for a third  
48 violation within a period of five years, its vapor products certificate  
49 or certificates of registration issued to each place of business owned  
50 or operated by the vapor products distributor or vapor products dealer  
51 in this state, shall be revoked for a period of up to five years.

52 § 5. Section 1184 of the tax law, as added by section 1 of part UU of  
53 chapter 59 of the laws of 2019, is amended to read as follows:

54 § 1184. Administrative provisions. (a) Except as otherwise provided  
55 for in this article, the taxes imposed by this article shall be adminis-  
56 tered and collected in a like manner as and jointly with the taxes

1 imposed by sections eleven hundred five and eleven hundred ten of this  
2 chapter. In addition, except as otherwise provided in this article, all  
3 of the provisions of article twenty-eight of this chapter (except  
4 sections eleven hundred seven, eleven hundred eight, eleven hundred  
5 nine, and eleven hundred forty-eight) relating to or applicable to the  
6 administration, collection and review of the taxes imposed by such  
7 sections eleven hundred five and eleven hundred ten, including, but not  
8 limited to, the provisions relating to definitions, returns, exemptions,  
9 penalties, tax secrecy, personal liability for the tax, and collection  
10 of tax from the customer, shall apply to the taxes imposed by this arti-  
11 cle so far as such provisions can be made applicable to the taxes  
12 imposed by this article with such limitations as set forth in this arti-  
13 cle and such modifications as may be necessary in order to adapt such  
14 language to the taxes so imposed. Such provisions shall apply with the  
15 same force and effect as if the language of those provisions had been  
16 set forth in full in this article except to the extent that any  
17 provision is either inconsistent with a provision of this article or is  
18 not relevant to the taxes imposed by this article.

19 (b) Notwithstanding the provisions of subdivision (a) of this section,  
20 the exemptions provided in paragraph ten of subdivision (a) of section  
21 eleven hundred fifteen of this chapter, and the provisions of section  
22 eleven hundred sixteen, except those provided in paragraphs one, two,  
23 three and six of subdivision (a) of such section, shall not apply to the  
24 taxes imposed by this article.

25 (c) Notwithstanding the provisions of this section or section eleven  
26 hundred forty-six of this chapter, the commissioner may, in [his or her]  
27 their discretion, permit the commissioner of health or [his or her]  
28 their authorized representative to inspect any return related to the  
29 [tax] taxes imposed by this article and may furnish to the commissioner  
30 of health any such return or supply [him or her] such commissioner with  
31 information concerning an item contained in any such return, or  
32 disclosed by any investigation of a liability under this article.

33 (d) Every vapor products distributor and vapor products dealer on whom  
34 tax is imposed under this article shall maintain complete and accurate  
35 records in such form as the commissioner may require and shall provide  
36 such records to the commissioner upon request. Each vapor products  
37 distributor shall make a true duplicate invoice, in the form and manner  
38 prescribed by the commissioner, that identifies the name and address of  
39 the vapor products distributor, such distributor's certificate of regis-  
40 tration number issued by the commissioner, the names and addresses of  
41 any consignors or sellers, the names and addresses of the vapor products  
42 dealer or any consignees or purchasers, the date of delivery or  
43 purchase, the quantities, brands and purchase price of the vapor  
44 products transported, purchased or delivered, the amount of taxes paid  
45 by such distributor pursuant to section eleven hundred eighty-one of  
46 this article on such vapor products, and any other record or information  
47 the commissioner may require. A vapor products distributor shall provide  
48 such invoice to the vapor products dealer when such vapor products are  
49 purchased or received. Such records shall be preserved for a period of  
50 four years after the filing of the return to which such records relate  
51 and shall be provided to the commissioner upon request.

52 (e) (1) In addition to any other penalty provided in this chapter or  
53 otherwise imposed by law, every person subject to the taxes imposed  
54 under this article who fails to maintain or make available to the  
55 commissioner the records required by this section shall be subject to a  
56 penalty not to exceed one thousand dollars for each month, or part ther-



1 eof, for which the failure occurs. Such penalty may not be imposed more  
2 than once for failures for the same monthly period or part thereof. If  
3 the commissioner determines that a failure to maintain and make avail-  
4 able records in any month was entirely due to reasonable cause and not  
5 due to willful neglect, the commissioner shall abate the penalty for  
6 that month.

7 (2) The failure of any vapor products distributor or vapor products  
8 dealer on whom tax is imposed under this article to meet the require-  
9 ments made applicable by subdivision (a) of this section for such vapor  
10 products possessed by such distributor or such dealer shall be presump-  
11 tive evidence that the taxes imposed pursuant to section eleven hundred  
12 eighty-one of this article have not been paid, and that such distributor  
13 or dealer is liable for the taxes thereon unless evidence of such  
14 invoice, receipt or payment shall later be produced.

15 § 6. Section 1185 of the tax law, as added by section 1 of part UU of  
16 chapter 59 of the laws of 2019, is amended to read as follows:

17 § 1185. [Criminal penalties] Enforcement. (a) For purposes of the  
18 efficient administration of the taxes imposed by this article, it is the  
19 intent of the legislature that the distribution and sale of vapor  
20 products be deemed a heavily regulated industry subject to supervision  
21 by the commissioner. The commissioner is hereby authorized to conduct  
22 regulatory inspections in the same manner as a regulatory inspection  
23 pursuant to article twenty of this chapter of any place of business or  
24 vehicle where vapor products are distributed, placed, stored, sold or  
25 offered for sale and to examine the books, papers, invoices and other  
26 records of any place of business or vehicle where vapor products are  
27 distributed, placed, stored, sold or offered for sale. Any vapor  
28 products distributor or vapor products dealer in possession, control or  
29 occupancy of any such business or vehicle is hereby directed and  
30 required upon demand to give to the commissioner the means, facilities,  
31 and opportunity for such inspections and examinations.

32 (b) Penalties. (1) The criminal penalties in sections eighteen hundred  
33 one through eighteen hundred seven and eighteen hundred seventeen of  
34 this chapter shall apply to this article with the same force and effect  
35 as if the language of those provisions had been set forth in full in  
36 this article except to the extent that any provision is either incon-  
37 sistent with a provision of this article or is not relevant to the taxes  
38 imposed by this article.

39 (2) If any person registered under section eleven hundred eighty-three  
40 of this article refuses to give the commissioner the means, facilities  
41 and opportunity for the inspections and examinations provided for in  
42 this article, such person's registration to distribute or to sell vapor  
43 products in this state shall be revoked for a period of one year or, for  
44 a second such failure within a period of three years, such registration  
45 shall be permanently revoked.

46 (3) If any person required to be registered under section eleven  
47 hundred eighty-three of this article who does not possess a valid regis-  
48 tration, or whose registration is revoked, refuses to give the commis-  
49 sioner the means, facilities and opportunity for such inspections and  
50 examinations provided for in this article, such person shall be subject  
51 to a civil penalty of up to four thousand dollars for the first such  
52 refusal, and up to eight thousand dollars for a second or any subsequent  
53 such refusal within three years of a prior refusal.

54 (4) Any vapor products distributor who: (i) sells vapor products to a  
55 vapor products dealer that does not possess a valid registration under  
56 section eleven hundred eighty-three of this article, or whose registra-



tion is revoked; (ii) manufactures, sells, imports, or causes to be imported, into this state any contraband vapor products; or (iii) possesses contraband vapor products for sale in this state shall be subject to a civil penalty of up to four thousand dollars for the first such violation, and up to eight thousand dollars for a second or any subsequent violation within three years. The possession by a vapor products distributor of more than one hundred units of any vapor products in its place of business or any offices or vehicles used to conduct business shall be presumptive evidence that such vapor products are possessed for the purpose of sale or transfer to a retail dealer.

(5) Any vapor products dealer who possesses contraband vapor products for sale in this state shall be liable for a civil penalty of up to twenty-five thousand dollars for a first violation and up to thirty-five thousand dollars for a second or any subsequent violation within three years following a prior violation. The possession by a vapor products dealer of more than one hundred units of any vapor products in a retail location shall be presumptive evidence that such vapor products are possessed for the purpose of a sale.

(6) Any vapor products dealer who purchases vapor products from any vapor products distributor who does not possess a valid registration under section eleven hundred eighty-three of this article, or whose registration is revoked, shall be subject to a civil penalty of up to four thousand dollars for the first such sale, and up to eight thousand dollars for a second or any subsequent sale within three years.

(c) Forfeiture and seizure. (1) The commissioner, or their duly authorized representative, shall seize any contraband vapor products found in any place of business or vehicle where such products are distributed, placed, stored, sold or offered for sale. Such seized contraband vapor products shall be immediately forfeited to the state. If such contraband vapor products are not the subject of a criminal referral, such contraband vapor products shall be turned over to the commissioner of health for destruction.

(2) Contraband vapor products that have been seized pursuant to this subdivision that are the subject of a criminal referral shall be held in the custody of either the commissioner or the prosecutor until such time as the related criminal action has concluded. Notwithstanding any provision of law to the contrary, such vapor products may be turned over to the commissioner of health for destruction upon the written consent of the prosecutor or an authorized assistant or agent thereof.

(3) The commissioner or the commissioner of health, whomever is in possession of the seized and forfeited vapor products, may implement procedures whereby any cost charged for the storage and destruction of the seized and forfeited vapor products will be borne jointly and severally by the manufacturer of the product and the person from whom such products were seized.

§ 7. The tax law is amended by adding a new section 1187 to read as follows:

§ 1187. Vapor products registry. (a) The commissioner shall maintain a publicly available vapor products registry that lists all vapor products the commissioner has authorized to be sold in this state. Such registry shall be updated at least monthly.

(b) Every manufacturer of vapor products whose vapor products are sold in this state shall certify to the commissioner each calendar year, or earlier as necessary, on a form and in a manner prescribed by the commissioner, that: (1) the manufacturer has received a marketing authorization or similar order for each such vapor product from the



1 United States food and drug administration pursuant to section three  
2 hundred eighty-seven-j of the federal food, drug, and cosmetic act; or  
3 (2) each vapor product was marketed in the United States as of August  
4 eighth, two thousand sixteen, a pre-market tobacco product application  
5 was submitted for the vapor product to the United States food and drug  
6 administration pursuant to section three hundred eighty-seven-j of the  
7 federal food, drug, and cosmetic act on or before September ninth, two  
8 thousand twenty, and either the application remains under review by the  
9 United States food and drug administration or a final decision on the  
10 application has not taken effect.

11 (c)(1) A vapor products manufacturer must file an application for  
12 certification to the commissioner or for an amended certification to add  
13 additional vapor products to the vapor products registry if the vapor  
14 product satisfies the requirements provided in this section. Such  
15 certification shall be effective for the calendar year in which it is  
16 issued; provided, however, that any vapor products approved by the  
17 commissioner for inclusion on the vapor products registry shall only be  
18 listed on the registry and sold in this state until the end of the  
19 calendar year, at which time, a manufacturer that intends to continue to  
20 sell such vapor products in this state shall reapply to the commissioner  
21 for such products to remain on the registry for the next calendar year.  
22 The application shall include a schedule, in the manner prescribed by  
23 the commissioner, that separately lists each of the vapor products  
24 intended for sale in the state. The manufacturer shall submit with the  
25 application a non-refundable fee equal to one thousand five hundred  
26 dollars per individual vapor product to be listed on the registry for  
27 each calendar year.

28 (2) For each vapor product to be listed on the registry, the applica-  
29 tion to the commissioner shall include a copy of the marketing authori-  
30 zation or similar order for the vapor product issued by the United  
31 States food and drug administration pursuant to section three hundred  
32 eighty-seven-j of the federal food, drug, and cosmetic act, as provided  
33 under paragraph one of subdivision (b) of this section, or evidence that  
34 the pre-market tobacco product application for the vapor product was  
35 submitted to the United States food and drug administration, as provided  
36 under paragraph two of subdivision (b) of this section and a final deci-  
37 sion on the application has not taken effect. Other information, includ-  
38 ing but not limited to, the twelve-digit universal product code, a  
39 picture of the product label, a picture of the product to be listed on  
40 the registry, the manufacturer contact information, and any other infor-  
41 mation as prescribed by the commissioner, shall be included with the  
42 application.

43 (d) A manufacturer shall notify the commissioner within thirty days of  
44 any material change to the information contained in its application,  
45 including any order or action by the United States food and drug admin-  
46 istration that affects the ability of the vapor product to be introduced  
47 or delivered into interstate commerce for commercial distribution in the  
48 United States.

49 (e) Any vapor products that cannot be lawfully sold or possessed in  
50 this state shall not be listed on the vapor products registry. Vapor  
51 products distributors and vapor products dealers shall not purchase or  
52 sell any vapor products that are not listed on the vapor products regis-  
53 try. The commissioner may impose on each such distributor or dealer who  
54 sells or offers for sale vapor products in this state that are not list-  
55 ed on the vapor product registry a civil penalty of one thousand dollars  
56 per day for each vapor product offered for sale in violation of this





1 section until each such vapor product is no longer offered for sale in  
2 this state or each such vapor product is properly listed on the registry  
3 pursuant to this section; provided, however, that any such penalty  
4 imposed under this subdivision shall not exceed fifty thousand dollars  
5 in the aggregate per day.

6 (f) (1) The commissioner shall provide a vapor products manufacturer  
7 with notice and an opportunity to cure deficiencies before removing a  
8 vapor product from the registry. The commissioner may remove a vapor  
9 product from the registry no sooner than ten business days after the  
10 date on which the commissioner provides such notice to the manufacturer  
11 by electronic mail to the address provided on the vapor product manufac-  
12 turer's most recent application for inclusion on the vapor products  
13 registry submitted pursuant to this section.

14 (2) A determination by the commissioner to refuse inclusion of or to  
15 remove a vapor product from the registry shall not be subject to review  
16 in the division of tax appeals, but may be reviewed pursuant to article  
17 seventy-eight of the civil practice law and rules, by a proceeding  
18 commenced in the county where the commissioner has their principal  
19 office.

20 (g) (1) When a vapor product is removed from the registry pursuant to  
21 this section, the commissioner shall publish on the vapor products  
22 registry website the name of the vapor product removed, the manufacturer  
23 of such vapor product, the date of the removal of the vapor product from  
24 such registry, and any additional information the commissioner  
25 prescribes.

26 (2) Each vapor products distributor and vapor products dealer that  
27 possesses in its inventory a vapor product that has been removed from  
28 the vapor products registry shall: (i) be notified of such removal by  
29 the manufacturer; and (ii) allow the manufacturer to retrieve the vapor  
30 product from its inventory no later than ten business days after the  
31 date the vapor product has been removed from the registry. After ten  
32 days following removal of a vapor product from the registry, any such  
33 removed vapor product shall be deemed contraband vapor products and  
34 subject to seizure, forfeiture, and destruction pursuant to section  
35 eleven hundred eighty-five of this article and shall not be purchased,  
36 sold, or transferred in this state. Notwithstanding whether any taxes on  
37 such vapor products have been paid or passed through to the purchaser,  
38 the cost of forfeiture and destruction of such contraband vapor products  
39 shall be borne jointly and severally by the manufacturer and the person  
40 from whom the vapor products are seized.

41 § 8. Paragraph 6 of subdivision (a) of section 1801 of the tax law, as  
42 amended by section 4 of part F of chapter 25 of the laws of 2009, is  
43 amended to read as follows:

44 (6) fails to collect any tax required to be collected under articles  
45 twelve-A, eighteen, twenty, twenty-two, twenty-eight [or],  
46 twenty-eight-A, or twenty-eight-C of this chapter, or pursuant to the  
47 authority of article twenty-nine of this chapter;

48 § 9. The tax law is amended by adding a new section 1814-b to read as  
49 follows:

50 § 1814-b. Vapor products taxes. (a) Any person who, while not regis-  
51 tered as a vapor products distributor pursuant to the provisions of  
52 article twenty-eight-C of this chapter, sells more than fifty units of  
53 vapor products to a vapor products dealer for sale within the state,  
54 shall be guilty of a misdemeanor. If, within any ninety-day period, such  
55 unregistered person sells more than one hundred units of vapor products

1 to a vapor products dealer in this state, such person shall be guilty of  
2 a class A misdemeanor.

3 (b) Any person who, while not registered as a vapor products dealer  
4 pursuant to the provisions of article twenty-eight-C of this chapter,  
5 purchases or possesses for sale within this state, more than fifty units  
6 of vapor products shall be guilty of a misdemeanor. If, within any nine-  
7 ty-day period, such unregistered person purchases or possesses for sale  
8 more than one hundred units of vapor products from a vapor products  
9 distributor in this state, such person shall be guilty of a class A  
10 misdemeanor. Provided, further, that any person who has twice been  
11 convicted under this subdivision shall be guilty of a class E felony for  
12 any subsequent violation of this subdivision, regardless of the amount  
13 of vapor products involved in such violation.

14 (c) (1) Any person who sells or possesses for sale contraband vapor  
15 products in this state shall be guilty of a class A misdemeanor. Any  
16 person who violates the provisions of this paragraph after having previ-  
17 ously been convicted of a violation of this paragraph within the preced-  
18 ing five years, shall be guilty of a class E felony.

19 (2) Any person who sells or possesses for sale in this state more than  
20 three hundred units of contraband vapor products shall be guilty of a  
21 class E felony.

22 (3) Any person who sells or possesses for sale in this state more than  
23 five hundred units of contraband vapor products shall be guilty of a  
24 class D felony.

25 (d) Any person required to be registered under the provisions of  
26 section eleven hundred eighty-three of this chapter that willfully  
27 represents any false information required on the application prescribed  
28 in section eleven hundred eighty-three of this chapter, shall be guilty  
29 of a class A misdemeanor for each false representation. Any such person  
30 who violates the provisions of this subdivision after having previously  
31 been convicted of a violation of this subdivision within the preceding  
32 five years shall be guilty of a class E felony.

33 § 10. Subdivision 3 of section 1399-ff of the public health law, as  
34 amended by chapter 405 of the laws of 2000, is amended to read as  
35 follows:

36 3. The enforcement officer shall promptly notify the commissioner of  
37 taxation and finance and the director of the division of the lottery of  
38 any determination, made after a hearing and any appeals therefrom have  
39 been concluded, that a violation of this article has occurred together  
40 with a direction to such commissioner and director with respect to any  
41 action to be taken concerning registration under [section] sections four  
42 hundred eighty-a and eleven hundred eighty-three of the tax law and  
43 licensing under section sixteen hundred seven of the tax law.

44 § 11. Notwithstanding any other provision of law to the contrary, the  
45 vapor products distributor tax due on vapor products that were first  
46 imported or manufactured and are currently possessed in New York state  
47 as of 11:59 pm eastern standard time on August 31, 2026, by any person  
48 in possession for sale shall be subject to tax pursuant to subdivision  
49 (a) of section 1181 of the tax law, as amended by section three of this  
50 act, and shall be paid on or before September 20, 2026, in the form and  
51 manner prescribed by the commissioner of taxation and finance. It shall  
52 be presumed that the vapor products distributor tax imposed by article  
53 28-C of the tax law has not been paid and is owing on all inventory in  
54 the possession and control of a vapor products dealer.



1       § 12. This act shall take effect immediately; provided, however, that  
2 sections three, six, eight and nine of this act shall take effect  
3 September 1, 2026.

## 4 PART M

5 Section 1. The opening paragraph of subparagraph (B) of paragraph 2 of  
6 subdivision (b) of section 1402 of the tax law, as amended by section 1  
7 of part U of chapter 59 of the laws of 2023, is amended to read as  
8 follows:

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

20 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section  
21 1201 of the tax law, as amended by section 2 of part U of chapter 59 of  
22 the laws of 2023, is amended to read as follows:

(2) any issuance or transfer of an interest in a REIT, or in a partnership or corporation in which a REIT owns a controlling interest immediately following the issuance or transfer, in connection with a transaction described in subparagraph one of this paragraph. Notwithstanding the foregoing, a transaction described in the preceding sentence shall not constitute a real estate investment trust transfer unless (A) it occurs in connection with the initial formation of the REIT and the conditions described in subparagraphs three and four of this paragraph are satisfied, or (B) in the case of any real estate investment trust transfer occurring on or after July thirteenth, nineteen hundred ninety-six and before September first, two thousand [twenty-six] twenty-nine, the transaction is described in subparagraph five of this paragraph in which case the provisions of such subparagraph shall apply.

36 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section  
37 11-2102 of the administrative code of the city of New York, as amended  
38 by section 3 of part U of chapter 59 of the laws of 2023, is amended to  
39 read as follows:

(B) any issuance or transfer of an interest in a REIT, or in a partnership or corporation in which a REIT owns a controlling interest immediately following the issuance or transfer in connection with a transaction described in subparagraph (A) of this paragraph. Notwithstanding the foregoing, a transaction described in the preceding sentence shall not constitute a real estate investment trust transfer unless (i) it occurs in connection with the initial formation of the REIT and the conditions described in subparagraphs (C) and (D) of this paragraph are satisfied, or (ii) in the case of any real estate investment trust transfer occurring on or after July thirteenth, nineteen hundred ninety-six and before September first, two thousand [twenty-six] twenty-nine, the transaction is described in subparagraph (E) of this paragraph in which case the provision of such subparagraph shall apply.

53        § 4. This act shall take effect immediately.

1

## PART N

2     Section 1. Notwithstanding any provision of law to the contrary, the  
3 commissioner of taxation and finance is hereby directed to institute a  
4 reregistration program in accordance with this section, to be completed  
5 by December 31, 2030. Such commissioner shall issue a notice of expira-  
6 tion to holders of current certificates of authority in an order and at  
7 such times that such commissioner determines necessary for the proper  
8 administration of such reregistration program and to ensure the integri-  
9 ty and qualifications of registrants pursuant to this section. Such  
10 notice of expiration shall be issued to the holder of such certificate  
11 of authority at least 180 days prior to the date of expiration indicated  
12 therein and shall be mailed by certified mail in accordance with the  
13 provisions in subdivision (a) of section 1147 of the tax law. A properly  
14 completed certificate of registration for a new certificate of authority  
15 must be filed with such commissioner at least 90 days prior to the date  
16 of expiration of the current certificate of authority. The commissioner,  
17 within 30 days of receipt of a certificate of registration for a new  
18 certificate of authority pursuant to this section, shall either: issue,  
19 without charge, to each registrant a certificate of authority empowering  
20 such person to collect sales tax for a specified term of no less than  
21 three years, and a duplicate thereof for each additional place of busi-  
22 ness of such person; or, shall propose to refuse to issue a certificate  
23 of authority for any of the circumstances described in subparagraph (B)  
24 of paragraph 4 of subdivision (a) of section 1134 of the tax law. A  
25 person who has received a notice of proposed refusal pursuant to this  
26 section may seek review of such determination in accordance with para-  
27 graph (h) of subdivision 3-a of section 170 and subdivision 2 of section  
28 2008 of the tax law; provided, however, the division of tax appeals must  
29 schedule an expedited hearing within 30 days of receipt of a petition by  
30 a person who has received a notice of proposed refusal pursuant to this  
31 section.

32     § 2. (a) Notwithstanding any provision of law to the contrary, the  
33 commissioner of taxation and finance shall administer a sales and use  
34 tax penalty and interest discount program for all eligible taxpayers  
35 with eligible tax liabilities as described in this section.

36     (b) For purposes of this sales and use tax penalty and interest  
37 discount program, an eligible taxpayer is any person who is a holder of  
38 a current certificate of authority subject to the reregistration program  
39 authorized by section one of this act who has an eligible tax liability,  
40 and who meets the conditions of this section. A person convicted of a  
41 crime under the tax law, or a person convicted under the penal law who  
42 is subject to a court order to pay a tax liability as result of such  
43 conviction, is not eligible to participate in this program.

44     (c) For purposes of this section, an eligible tax liability is a  
45 liability for sales and use taxes imposed by article 28 of the tax law  
46 or pursuant to the authority of article 29 of such law, including any  
47 interest or penalty thereon, that is fixed and final on or before  
48 September 1, 2026, such that the taxpayer no longer has any right to an  
49 administrative or judicial review. An eligible tax liability shall not  
50 include any penalty imposed by paragraphs 2 or 5 of subdivision (a) of  
51 section 1145 of the tax law, or subdivisions (i) or (j) of such section  
52 1145, as added by section 15 of subpart J of part V-1 of chapter 57 of  
53 the laws of 2009. An eligible tax liability shall not include any  
54 assessment that was reduced by a written agreement with the commission-  
55 er, a liability that was compromised pursuant to subdivision eigh-



1 tenth-a of section 171 of the tax law, or a liability reduced pursuant  
2 to subdivision 3 of section 1700 of the tax law.

3 (d) The discounted amount due under the sales and use tax penalty and  
4 interest discount program for an eligible taxpayer with an eligible tax  
5 liability shall be the sales or use tax liability plus fifty percent of  
6 the interest accrued thereon, through December 31, 2026.

7 (e) The commissioner of taxation and finance shall identify the eligi-  
8 ble taxpayers with eligible tax liabilities for purposes of this  
9 section, shall compute the discounted amount due on such eligible tax  
10 liabilities, and shall notify eligible taxpayers of such discounted  
11 amount due. The discount authorized by this section shall not be granted  
12 to any eligible taxpayer for any eligible tax liability unless the  
13 eligible taxpayer pays the discounted amount due in full on or before  
14 December 31, 2026. Payment pursuant to this program shall be made by  
15 eligible taxpayers with eligible tax liabilities in a form and manner as  
16 prescribed by the commissioner of taxation and finance.

17 (f) No refund will be granted or subsequent credit allowed with  
18 respect to any penalty or interest paid with respect to an eligible tax  
19 liability prior to the time the eligible taxpayer participates in the  
20 sales and use tax penalty and interest discount program.

21 (g) No refund will be granted or subsequent credit allowed with  
22 respect to any amount paid under the sales and use tax penalty and  
23 interest discount program.

24 (h) If an eligible taxpayer has entered into an installment payment  
25 agreement that applies to an eligible tax liability, the taxpayer may  
26 participate in the sales and use tax penalty and interest discount  
27 program with respect to that liability if the taxpayer pays the  
28 discounted amount due under such program in full by December 31, 2026.

29 § 3. This act shall take effect immediately.

30 PART O

31 Section 1. Section 1115 of the tax law is amended by adding a new  
32 subdivision (mm) to read as follows:

33 (mm) The following shall be exempt from tax under this article: (1)  
34 Receipts from the retail sale of electricity by means of a commercial  
35 electric vehicle charging station. For purposes of this subdivision, a  
36 "commercial electric vehicle charging station" shall mean a device that  
37 supplies electricity to charge the battery of an electric vehicle and  
38 that accepts payment for such electricity at the time such charging  
39 takes place.

40 (2) The purchase of electricity for sale by means of a commercial  
41 electric vehicle charging station shall be deemed a retail sale subject  
42 to tax under subdivision (b) of section eleven hundred five of this  
43 article.

44 § 2. This act shall take effect on the first day of a sales tax quar-  
45 terly period next commencing at least 90 days after this act shall have  
46 become a law.

47 PART P

48 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of  
49 section 1115 of the tax law, as amended by section 1 of part AA of chap-  
50 ter 59 of the laws of 2025, is amended to read as follows:

51 (B) Until May thirty-first, two thousand [twenty-six] twenty-nine, the  
52 food and drink excluded from the exemption provided by clauses (i), (ii)



1 and (iii) of subparagraph (A) of this paragraph, and bottled water,  
2 shall be exempt under this subparagraph: (i) when sold for one dollar  
3 and fifty cents or less through any vending machine that accepts coin or  
4 currency only; or (ii) when sold for two dollars or less through any  
5 vending machine that accepts any form of payment other than coin or  
6 currency, whether or not it also accepts coin or currency.

7 § 2. This act shall take effect immediately.

8 PART Q

9 Section 1. Section 2 of part PP of chapter 58 of the laws of 2024  
10 amending the tax law relating to establishing a sales tax exemption for  
11 residential energy storage, is amended to read as follows:

12 § 2. This act shall take effect June 1, 2024 and shall expire and be  
13 deemed repealed June 1, [2026] 2028.

14 § 2. This act shall take effect immediately.

15 PART R

16 Section 1. Subdivision (a) of section 308 of the tax law, as amended  
17 by chapter 2 of the laws of 1995, is amended to read as follows:

18 (a) General.--Every petroleum business subject to tax under this arti-  
19 cle shall monthly, on or before the twentieth day following the close of  
20 its taxable month, file a return which shall state (i) the number of  
21 gallons of motor fuel imported or caused to be imported into this state  
22 for use, distribution, storage or sale in the state or produced,  
23 refined, manufactured or compounded in the state during the preceding  
24 calendar month, (ii) the number of gallons of diesel motor fuel sold or  
25 used or, with respect to gallonage which prior thereto has not been  
26 included in the measure of the tax imposed by this article, delivered by  
27 the petroleum business to a filling station or into the fuel tank  
28 connecting with the engine of a motor vehicle for use in the operation  
29 thereof during the preceding calendar month, (iii) the number of gallons  
30 of, and the resultant product produced, manufactured or blended, using  
31 diesel motor fuel as a component of such resultant product and the sales  
32 of such resultant product, and (iv) the number of gallons of residual  
33 petroleum product sold or used in this state and the sales of such resi-  
34 dual petroleum product, for the period covered by such return. A resi-  
35 dual petroleum business shall include in its reports the number of  
36 gallons of residual petroleum product imported into the state or  
37 purchased in this state, the number of gallons of diesel motor fuel  
38 purchased in this state and the number of gallons of, and the resultant  
39 product produced, manufactured or blended by such petroleum business,  
40 using diesel motor fuel as a component of such resultant product. The  
41 commissioner of taxation and finance may permit the filing of a return  
42 on a quarterly basis in the case of a petroleum business which only  
43 makes sales of diesel motor fuel solely for residential heating purposes  
44 and which is registered under article twelve-A of this chapter as a  
45 diesel motor fuel distributor under a limited registration applicable  
46 only to the importation, sale and distribution of diesel motor fuel for  
47 the purposes described in subparagraph (i) of paragraph (b) of subdivi-  
48 sion three of section two hundred eighty-two-a of this chapter or in the  
49 case of a petroleum business registered as a "distributor of kero-jet  
50 fuel only" pursuant to the provisions of subdivision two of section two  
51 hundred eighty-two-a of this chapter. In the case of such returns  
52 permitted to be filed on a quarterly basis, the adjustments to the rates



1 of tax then in effect, as provided for in sections three hundred one-a  
2 and three hundred one-e of this article, which take effect on the first  
3 day of January of each year shall, with respect to such quarterly  
4 return, take effect on the first day of the next succeeding March.  
5 Returns shall be filed with the commissioner [in] on a form prescribed  
6 by the commissioner, setting forth such other information as the commis-  
7 sioner may prescribe. Every petroleum business shall also transmit such  
8 other returns and such facts and information as the commissioner may  
9 require in the administration of this article. Every petroleum business  
10 which is a corporation subject to tax under this article and which ceas-  
11 es to exercise its franchise or to be subject to the tax imposed by this  
12 article shall transmit to the commissioner a return on the date of such  
13 cessation, or at such other time as the commissioner may require, cover-  
14 ing each month or period for which no return was theretofore filed. The  
15 commissioner may, if the commissioner deems it necessary in order to  
16 insure the payment of the tax imposed by this article, require returns  
17 to be made at such times and covering such periods as the commissioner  
18 may deem necessary. Notwithstanding the foregoing provisions of this  
19 subdivision, the commissioner may require any corporation or unincorpo-  
20 rated business [which] that engages in transactions involving petroleum  
21 or similar products, including aviation fuels, to file a monthly return,  
22 which shall contain [any data specified by him] such information as the  
23 commissioner prescribes, regardless of whether such corporation or unin-  
24 corporated business is subject to tax under this article. Notwithstand-  
25 ing the provisions of this subdivision, every petroleum business that  
26 operates a "commercial vessel", as defined in subdivision (b) of section  
27 eleven hundred one of this chapter, shall annually file the returns  
28 required under this section, on a form and containing such information  
29 as the commissioner prescribes. Such "commercial vessel" returns shall  
30 be filed annually on or before March twentieth and shall cover the four  
31 sales tax quarterly periods described in subdivision (b) of section  
32 eleven hundred thirty-six of this chapter immediately preceding such  
33 date.

34 § 2. This act shall take effect on the first day of the month next  
35 commencing at least ninety days after this act shall have become a law;  
36 provided, however, that a petroleum business that is required to file an  
37 annual return pursuant to section one of this act shall be required to  
38 file monthly returns for periods ending on or before such effective  
39 date; and provided further, however, that such petroleum business shall  
40 file an annual return for the remainder of the annual period of March 1,  
41 2026 through February 28, 2027, on or before March 20, 2027, and shall  
42 be required to file annual returns thereafter.

#### 43 PART S

44 Section 1. Section 19 of part W-1 of chapter 109 of the laws of 2006  
45 amending the tax law and other laws relating to providing exemptions,  
46 reimbursements and credits from various taxes for certain alternative  
47 fuels, as amended by section 1 of part EE of chapter 59 of the laws of  
48 2021, is amended to read as follows:

49 § 19. This act shall take effect immediately; provided, however, that  
50 sections one through thirteen of this act shall take effect September 1,  
51 2006 and shall be deemed repealed on September 1, [2026] 2031 and such  
52 repeal shall apply in accordance with the applicable transitional  
53 provisions of sections 1106 and 1217 of the tax law, and shall apply to  
54 sales made, fuel compounded or manufactured, and uses occurring on or



1 after such date, and with respect to sections seven through eleven of  
2 this act, in accordance with applicable transitional provisions of  
3 sections 1106 and 1217 of the tax law; provided, however, that the  
4 commissioner of taxation and finance shall be authorized on and after  
5 the date this act shall have become a law to adopt and amend any rules  
6 or regulations and to take any steps necessary to implement the  
7 provisions of this act; provided further that sections fourteen through  
8 sixteen of this act shall take effect immediately and shall apply to  
9 taxable years beginning on or after January 1, 2006.

10 § 2. This act shall take effect immediately.

11 PART T

12 Section 1. Paragraph (a-2) of subdivision 6 of section 425 of the real  
13 property tax law, as amended by section 1 of subpart A of part Z of  
14 chapter 59 of the laws of 2022, is amended to read as follows:

15 (a-2) Notwithstanding any provision of law to the contrary, [where an  
16 application for the "enhanced" STAR exemption authorized by subdivision  
17 four of this section has not been filed on or before the taxable status  
18 date, and the owner believes that good cause existed for the failure to  
19 file the application by that date,] when a property owner of a property  
20 with a basic STAR exemption believes they have become eligible for the  
21 enhanced STAR exemption but their basic STAR exemption has not been  
22 changed to an enhanced STAR exemption pursuant to the provisions of  
23 paragraph (b) of subdivision four-b of this section, the owner may, no  
24 later than the last day for paying school taxes without incurring inter-  
25 est or penalty, submit a [written] request to the commissioner asking  
26 [him or her to extend the filing deadline and] the commissioner to grant  
27 the exemption. Such request shall be in a form prescribed by the commis-  
28 sioner and shall contain an explanation of why the [deadline was missed,  
29 and shall be accompanied by an application, reflecting the facts and  
30 circumstances as they existed on the taxable status date] property owner  
31 believes they have become eligible for the enhanced STAR exemption.  
32 After consulting with the assessor, the commissioner may [extend the  
33 filing deadline and] grant the exemption if the commissioner is satis-  
34 fied that [(i) good cause existed for the failure to file the applica-  
35 tion by the taxable status date, and that (ii)] the applicant is [other-  
36 wise] entitled to the exemption. The commissioner shall mail notice of  
37 [his or her] such determination to such owner and the assessor. If the  
38 determination states that the commissioner has granted the exemption,  
39 the assessor shall thereupon be authorized and directed to correct the  
40 assessment roll accordingly, or, if another person has custody or  
41 control of the assessment roll, to direct that person to make the appro-  
42 priate corrections. Provided, however, that if the assessment roll  
43 cannot be corrected in time for the exemption to appear on the appli-  
44 cant's school tax bill, the commissioner shall be authorized to remit  
45 directly to the applicant the tax savings that the STAR exemption would  
46 have yielded if it had appeared on the applicant's tax bill. The amounts  
47 so payable shall be paid from the account established for the payment of  
48 STAR benefits to late registrants pursuant to subparagraph (iii) of  
49 paragraph (a) of subdivision fourteen of this section.

50 § 2. Paragraphs (c) and (d) of subdivision 14 of section 425 of the  
51 real property tax law are REPEALED and a new paragraph (c) is added to  
52 read as follows:

53 (c) When the commissioner determines that a property is ineligible for  
54 a STAR exemption, notice of such determination and an opportunity for





1 review thereof shall be provided in the manner set forth in subdivision  
2 four-b of this section.

3 § 3. Subparagraphs (ii) and (iii) of paragraph (b) of subdivision 15  
4 of section 425 of the real property tax law are REPEALED and a new  
5 subparagraph (ii) is added to read as follows:

6 (ii) When the commissioner determines that a property is ineligible  
7 for a STAR exemption, notice of such determination and an opportunity  
8 for review thereof shall be provided in the manner set forth in subdivi-  
9 sion four-b of this section.

10 § 4. Subparagraph (A) of paragraph 1 of subsection (eee) of section  
11 606 of the tax law, as amended by section 8 of part A of chapter 73 of  
12 the laws of 2016, is amended to read as follows:

13 (A) "Qualified taxpayer" means a resident individual of the state, who  
14 maintained [his or her] their primary residence in this state on [Decem-  
15 ber thirty-first] July first of the taxable year, and who was an owner  
16 of that property on that date, provided however:

17 (i) A taxpayer whose primary residence received a STAR exemption for  
18 the associated fiscal year shall not be considered a qualified taxpayer  
19 for purposes of this subsection.

20 (ii) An individual may be considered a qualified taxpayer with respect  
21 to no more than one primary residence during any given taxable year.

22 [(iii) If a resident individual was an owner of the property during  
23 the taxable year but did not own it on December thirty-first of the  
24 taxable year, he or she shall be considered a qualified taxpayer if the  
25 property was his or her primary residence during the taxable year and he  
26 or she paid qualifying taxes on that property while he or she was still  
27 an owner of that property.

28 (iv) If a resident individual has acquired ownership of property  
29 during a taxable year, such resident individual shall not be considered  
30 a qualified taxpayer for that taxable year to the extent that an advance  
31 payment of the credit for that taxable year has been issued to the prior  
32 owner with respect to the same property, unless such resident individual  
33 can demonstrate that he or she paid qualifying taxes on such property  
34 during the taxable year, and that the prior owner did not.]

35 § 5. Subsection (eee) of section 606 of the tax law is amended by  
36 adding a new paragraph 2 to read as follows:

37 (2) Allowance of credit. A qualified taxpayer shall be allowed a cred-  
38 it as provided in paragraph three or four of this subsection, whichever  
39 is applicable, against the taxes imposed by this article reduced by the  
40 credits permitted by this article, provided that the requirements set  
41 forth in the applicable subsection are satisfied. If the credit exceeds  
42 the tax as so reduced for such year under this article, the excess shall  
43 be treated as an overpayment, to be credited or refunded, without inter-  
44 est. If a qualified taxpayer is not required to file a return pursuant  
45 to section six hundred fifty-one of this article, a qualified taxpayer  
46 may nevertheless receive the full amount of the credit to be credited or  
47 repaid as an overpayment, without interest thereon.

48 § 6. The opening paragraph of subparagraph (A) of paragraph 4 of  
49 subsection (eee) of section 606 of the tax law, as amended by section 11  
50 of part 0 of chapter 59 of the laws of 2025, is amended to read as  
51 follows:

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



1     § 7. Subparagraph (C) of paragraph 13 of subsection (eee) of section  
2 606 of the tax law, as added by section 1 of part TT of chapter 59 of  
3 the laws of 2017, is amended to read as follows:

4     (C) If the commissioner determines that a taxpayer received a prelimi-  
5 nary advance payment that is above or below the advance payment to which  
6 he or she was entitled under this subsection, the commissioner shall  
7 provide notice to such taxpayer that the next advance payment due to  
8 such taxpayer under this subsection shall be adjusted to reconcile such  
9 underpayment or overpayment[; provided, however, the commissioner shall  
10 permit a taxpayer to request that such adjustment be made on an  
11 originally filed timely income tax return for the tax year in which such  
12 overpayment or underpayment occurred, provided such return is filed on  
13 or before the due date for such return, determined without regard to  
14 extensions].

15     § 8. This act shall take effect immediately; provided, however, that  
16 section six of this act shall be deemed to have been in full force and  
17 effect on and after January 1, 2026.

18                                   PART U

19     Section 1. Section 4 of chapter 475 of the laws of 2013 amending the  
20 real property tax law relating to assessment ceilings for local public  
21 utility mass real property, as amended by section 1 of part Y of chapter  
22 59 of the laws of 2022, is amended to read as follows:

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

34     § 2. This act shall take effect immediately.

35                                   PART V

36     Section 1. Paragraph a of subdivision 3 of section 467-b of the real  
37 property tax law, as amended by section 1 of part U of chapter 55 of the  
38 laws of 2014, is amended to read as follows:

39     a. for a dwelling unit where the head of the household is a person  
40 sixty-two years of age or older, no tax abatement shall be granted if  
41 the combined income of all members of the household for the income tax  
42 year immediately preceding the date of making application exceeds four  
43 thousand dollars, or such other sum not more than twenty-five thousand  
44 dollars beginning July first, two thousand five, twenty-six thousand  
45 dollars beginning July first, two thousand six, twenty-seven thousand  
46 dollars beginning July first, two thousand seven, twenty-eight thousand  
47 dollars beginning July first, two thousand eight, twenty-nine thousand  
48 dollars beginning July first, two thousand nine, [and] fifty thousand  
49 dollars beginning July first, two thousand fourteen, and seventy-five  
50 thousand dollars beginning July first, two thousand twenty-six, as may  
51 be provided by the local law, ordinance or resolution adopted pursuant  
52 to this section, provided that when the head of the household retires



1 before the commencement of such income tax year and the date of filing  
2 the application, the income for such year may be adjusted by excluding  
3 salary or earnings and projecting [his or her] their retirement income  
4 over the entire period of such year, and further provided that, notwith-  
5 standing any other provision of law, in a city with a population of one  
6 million or more, the income limit of seventy-five thousand dollars  
7 beginning July first, two thousand twenty-six, shall apply without the  
8 need for a local law, ordinance or resolution to be adopted pursuant to  
9 this section.

10 § 2. Paragraph b of subdivision 3 of section 467-b of the real proper-  
11 ty tax law, as amended by section 1 of chapter 129 of the laws of 2014,  
12 is amended to read as follows:

13 b. for a dwelling unit where the head of the household qualifies as a  
14 person with a disability pursuant to subdivision five of this section,  
15 no tax abatement shall be granted if the combined income for all members  
16 of the household for the current income tax year exceeds fifty thousand  
17 dollars beginning July first, two thousand fourteen, and seventy-five  
18 thousand dollars beginning July first, two thousand twenty-six, as may  
19 be provided by the local law, ordinance or resolution adopted pursuant  
20 to this section, and further provided that, notwithstanding any other  
21 provision of law, in a city with a population of one million or more,  
22 the income limit of seventy-five thousand dollars beginning July first,  
23 two thousand twenty-six shall apply without the need for a local law,  
24 ordinance or resolution to be adopted pursuant to this section.

25 § 3. Subparagraph 1 of paragraph d of subdivision 1 of section 467-c  
26 of the real property tax law, as amended by section 2 of part U of chap-  
27 ter 55 of the laws of 2014, is amended to read as follows:

28 (1) a person or [his or her] their spouse who is sixty-two years of  
29 age or older and is entitled to the possession or to the use and occu-  
30 pancy of a dwelling unit, provided, however, with respect to a dwelling  
31 which was subject to a mortgage insured or initially insured by the  
32 federal government pursuant to section two hundred thirteen of the  
33 National Housing Act, as amended "eligible head of the household" shall  
34 be limited to that person or [his or her] their spouse who was entitled  
35 to possession or the use and occupancy of such dwelling unit at the time  
36 of termination of such mortgage, and whose income when combined with the  
37 income of all other members of the household, does not exceed six thou-  
38 sand five hundred dollars for the taxable period, or such other sum not  
39 less than sixty-five hundred dollars nor more than twenty-five thousand  
40 dollars beginning July first, two thousand five, twenty-six thousand  
41 dollars beginning July first, two thousand six, twenty-seven thousand  
42 dollars beginning July first, two thousand seven, twenty-eight thousand  
43 dollars beginning July first, two thousand eight, twenty-nine thousand  
44 dollars beginning July first, two thousand nine, [and] fifty thousand  
45 dollars beginning July first, two thousand fourteen, and seventy-five  
46 thousand dollars beginning July first, two thousand twenty-six, as may  
47 be provided by local law, and further provided that, notwithstanding any  
48 other provision of law, in a city with a population of one million or  
49 more, the income limit of seventy-five thousand dollars beginning July  
50 first, two thousand twenty-six shall apply without the need for a local  
51 law to be adopted pursuant to this section; or

52 § 4. Paragraph m of subdivision 1 of section 467-c of the real proper-  
53 ty tax law, as amended by chapter 129 of the laws of 2014, is amended to  
54 read as follows:

55 m. "Person with a disability" means an individual who is currently  
56 receiving social security disability insurance (SSDI) or supplemental



1 security income (SSI) benefits under the federal social security act or  
2 disability pension or disability compensation benefits provided by the  
3 United States department of veterans affairs or those previously eligi-  
4 ble by virtue of receiving disability benefits under the supplemental  
5 security income program or the social security disability program and  
6 currently receiving medical assistance benefits based on determination  
7 of disability as provided in section three hundred sixty-six of the  
8 social services law and whose income for the current income tax year,  
9 together with the income of all members of such individual's household,  
10 does not exceed fifty thousand dollars beginning July first, two thou-  
11 sand fourteen, and seventy-five thousand dollars beginning July first,  
12 two thousand twenty-six, as may be provided by local law, and further  
13 provided that, notwithstanding any other provision of law, in a city  
14 with a population of one million or more, the income limit of seventy-  
15 five thousand dollars beginning July first, two thousand twenty-six  
16 shall apply without the need for a local law to be adopted pursuant to  
17 this section.

18 § 5. Section 4 of part U of chapter 55 of the laws of 2014, amending  
19 the real property tax law relating to the tax abatement and exemption  
20 for rent regulated and rent controlled property occupied by senior citi-  
21 zens, as amended by chapter 144 of the laws of 2024, is amended to read  
22 as follows:

23 § 4. This act shall take effect July 1, 2014, and sections one and two  
24 of this act shall expire and be deemed repealed June 30, [2026] 2028;  
25 provided that the amendment to section 467-b of the real property tax  
26 law made by section one of this act shall not affect the expiration of  
27 such section and shall be deemed to expire therewith.

28 § 6. Section 4 of chapter 129 of the laws of 2014, amending the real  
29 property tax law relating to the tax abatement and exemption for rent  
30 regulated and rent controlled property occupied by persons with disabil-  
31 ities, as amended by chapter 144 of the laws of 2024, is amended to read  
32 as follows:

33 § 4. This act shall take effect July 1, 2014 provided, however, that:

34 (a) the amendments to paragraph b of subdivision 3 of section 467-b of  
35 the real property tax law made by section one of this act shall be  
36 subject to the expiration and reversion of such subdivision pursuant to  
37 section 17 of chapter 576 of the laws of 1974, as amended, when upon  
38 such date the provisions of section two of this act shall take effect;  
39 and

40 (b) nothing contained in this act shall be construed so as to extend  
41 the provisions of this act beyond June 30, [2026] 2028, when upon such  
42 date this act shall expire and the provisions contained in this act  
43 shall be deemed repealed.

44 § 7. This act shall take effect immediately; provided however:

45 (a) sections one, two, three and four of this act shall expire and be  
46 deemed repealed June 30, 2028;

47 (b) the amendments to paragraphs a and b of subdivision 3 of section  
48 467-b of the real property tax law made by sections one and two of this  
49 act shall not affect the expiration of such paragraphs and shall be  
50 deemed to expire therewith;

51 (c) the amendments to subparagraph 1 of paragraph d of subdivision 1  
52 of section 467-c of the real property tax law made by section three of  
53 this act shall not affect the expiration of such subparagraph and shall  
54 be deemed to expire therewith; and

55 (d) the amendments to paragraph m of subdivision 1 of section 467-c of  
56 the real property tax law made by section four of this act shall not



1 affect the expiration of such paragraph and shall be deemed to expire  
2 therewith.

3

PART W

4 Section 1. Subdivisions 2, 4 and 5 of section 136 of the racing,  
5 pari-mutuel wagering and breeding law, as added by section 1 of subpart  
6 A of part FF of chapter 59 of the laws of 2025, are amended to read as  
7 follows:

8 2. Beginning with state fiscal year two thousand twenty-six, the  
9 aggregate amount of the pari-mutuel wagering tax paid by a harness track  
10 pursuant to [paragraph (b) of] subdivision one of this section in a  
11 state fiscal year shall not exceed the pari-mutuel wagering tax attrib-  
12 utable to live racing handle paid by such harness track in state fiscal  
13 year two thousand twenty-four.

14 4. Breaks[, as defined in sections two hundred thirty-six, two hundred  
15 thirty-eight, three hundred eighteen, and four hundred eighteen of this  
16 chapter] are not permitted, unless required by another jurisdiction  
17 pursuant to section nine hundred five of this chapter. All distributions  
18 to the holders of winning tickets shall be calculated to the nearest  
19 penny.

20 5. Notwithstanding subdivision four of this section, a racetrack may  
21 round to the nearest nickel for bets made at the facility[, however the]  
22 only if such breaks [must be] are directed to the retired and rescued  
23 thoroughbred horse aftercare fund pursuant to section two hundred nine-n  
24 of the tax law if the bet was made on a thoroughbred race, and to the  
25 retired and rescued standardbred horse aftercare fund pursuant to  
26 section two hundred nine-o of the tax law if the bet was made on a  
27 [standardbred] harness race.

28 § 2. Section 236 of the racing, pari-mutuel wagering and breeding law,  
29 as amended by chapter 18 of the laws of 2008, subdivisions 1, 2, and 3  
30 as amended by chapter 243 of the laws of 2020, is amended to read as  
31 follows:

32 § 236. Disposition of pari-mutuel pools; percentage payable to state  
33 as a tax; authority of counties or certain cities to impose a tax. 1.  
34 Every corporation authorized under this chapter to conduct pari-mutuel  
35 betting at a race meeting on races run thereat, except as provided in  
36 section two hundred thirty-eight of this article with respect to the  
37 franchised corporation, shall distribute all sums deposited in any pari-  
38 mutuel pool to the holders of winning tickets therein, providing such  
39 tickets be presented for payment before April first of the year follow-  
40 ing the year of their purchase, less an amount that shall be established  
41 and retained by such racing corporation of between fourteen to twenty  
42 percent of the total deposits in pools resulting from regular on-track  
43 bets and less sixteen to twenty-two percent of the total deposits in  
44 pools resulting from multiple on-track bets and less twenty to thirty  
45 percent of the total deposits in pools resulting from exotic on-track  
46 bets and less twenty to thirty-six percent of the total pools resulting  
47 from super exotic on-track bets[, plus the breaks]. The retention rate  
48 to be established is subject to the prior approval of the commission.  
49 Such rate may not be changed more than once per calendar quarter to be  
50 effective on the first day of the calendar quarter. "Exotic bets" and  
51 "multiple bets" shall have the meanings set forth in section five  
52 hundred nineteen of this chapter [and breaks are hereby defined as the  
53 odd cents over any multiple of five for payoffs greater than one dollar  
54 five cents but less than five dollars, over any multiple of ten for



1 payoffs greater than five dollars but less than twenty-five dollars,  
2 over any multiple of twenty-five for payoffs greater than twenty-five  
3 dollars but less than two hundred fifty dollars, or over any multiple of  
4 fifty for payoffs over two hundred fifty dollars]. "Super exotic bets"  
5 shall have the meaning set forth in section three hundred one of this  
6 chapter. Of the amount so retained there shall be paid by such corpo-  
7 ration to the department of taxation and finance as a reasonable tax by  
8 the state for the privilege of conducting pari-mutuel betting on the  
9 races run at the race meeting held by such corporation, which tax is  
10 hereby levied, [the following percentages of the total pool, plus  
11 fifty-five percent of the breaks; the applicable rates for regular and  
12 multiple bets shall be one and one-half percent; the applicable rates  
13 for exotic bets shall be six and three-quarter percent and the applica-  
14 ble rate for super exotic bets shall be seven and three-quarter percent.  
15 Effective on and after September first, nineteen hundred ninety-four,  
16 the applicable tax rate shall be one percent of all wagers, provided  
17 that, an amount equal to one-half the difference between the taxation  
18 rate for on-track regular, multiple and exotic bets as of December thir-  
19 ty-first, nineteen hundred ninety-three and the rates on such on-track  
20 wagers as herein provided shall be used exclusively for purses.  
21 Provided, however, that] in the applicable percentage set forth in  
22 subdivision one of section one hundred thirty-six of this chapter. Any  
23 such racing corporation shall, for any twelve-month period beginning on  
24 April first in nineteen hundred ninety and any year thereafter, [each of  
25 the applicable rates set forth above shall be increased by one-quarter  
26 of one percent on all on-track bets of any such racing corporation that  
27 did not] expend an amount equal to at least one-half of one percent of  
28 its on-track bets during the immediately preceding calendar year for  
29 enhancements consisting of capital improvements as defined by section  
30 two hundred thirty-seven of this article, repairs to its physical plant,  
31 structures, and equipment used in its racing or wagering operations [as  
32 certified by the commission to the commissioner of taxation and finance  
33 no later than eighty days after the close of such calendar year,] and  
34 five special events at each track in each calendar year, not otherwise  
35 conducted in the ordinary course of business, the purpose of which shall  
36 be to encourage, attract and promote track attendance and encourage new  
37 and continued patronage, which events shall be subject to the prior  
38 approval of the commission for purposes of this subdivision. In the  
39 determination of the amounts expended for such enhancements, the commis-  
40 sion may consider the immediately preceding twelve-month calendar period  
41 or the average of the two immediately preceding twelve-month calendar  
42 periods. Provided further, however, that of the portion of the increased  
43 amounts retained by such corporation above those amounts retained in  
44 nineteen hundred eighty-four, an amount of such increase shall be  
45 distributed to purses in the same proportion as commissions and purses  
46 were distributed during nineteen hundred eighty-four as certified by the  
47 commission. [Such corporation in the second zone shall receive a credit  
48 against the daily tax imposed by this subdivision in an amount equal to  
49 four-tenths of one percent of total daily pools resulting from the  
50 simulcast of such corporation's races to licensed facilities operated by  
51 regional off-track betting corporations in accordance with section one  
52 thousand eight of this chapter, provided however, that sixty percent of  
53 the amount of such credit shall be used exclusively to increase purses  
54 for overnight races conducted by such corporation; and, provided  
55 further, that in no event shall such total daily credit exceed four-  
56 tenths of one percent of the total daily pool of such corporation.]



1 Such corporation shall pay to the New York state thoroughbred breeding  
2 and development fund one-half of one percent of the total daily on-track  
3 pari-mutuel pools from regular, multiple and exotic bets, and three  
4 percent of super exotic bets. [The corporation shall receive credit as a  
5 reduction of the tax by the state for the privilege of conducting pari-  
6 mutuel betting for the amounts, except amounts paid from super exotic  
7 betting pools, paid to the New York state thoroughbred breeding and  
8 development fund after January first, nineteen hundred seventy-eight.]

9 Such corporation shall distribute to purses an amount equal to fifty  
10 percent of any compensation it receives from simulcasting or from wager-  
11 ing conducted outside the United States. Such corporation shall pay to  
12 the commission as a regulatory fee, which fee is hereby levied, six-  
13 tenths of one percent of the total daily on-track pari-mutuel pools of  
14 such corporation.

15 2. The balance of the retained percentage of such pool [and of the  
16 breaks] shall be held by such corporation for its own use and purposes,  
17 except that in addition to any payments to purses provided for in subdi-  
18 vision one of this section, an amount equal to two and one-half percent  
19 of the total pools resulting from on-track regular bets and exotic bets  
20 and an amount equal to three and one-half percent of the total pools  
21 resulting from on-track multiple bets and an amount equal to twelve  
22 percent of on-track super exotic bets shall be used exclusively for the  
23 purpose of increasing purses (including stakes, premiums and prizes)  
24 awarded to horses in races conducted by such corporation. Such two and  
25 one-half percent and three and one-half percent shall be in addition to  
26 (i) four and one-half percent of such total pools resulting from regular  
27 and multiple wagers and five and one-half percent of such total pools  
28 resulting from exotic wagers, or (ii) the percentage of such total pools  
29 used for purses (including stakes, premiums and prizes) during the year  
30 nineteen hundred eighty-two, whichever is larger. Such percentage of the  
31 total pools mentioned in this subdivision shall be used for purses  
32 (including stakes, premiums and prizes) in races hereafter conducted by  
33 such corporation, and any portion not so used during any year shall be  
34 so used during the following year[, failing which such portion shall be  
35 payable to the commissioner of taxation and finance as additional tax].  
36 The commission shall report annually, on or before July first, to the  
37 director of the budget, the chair of the senate finance committee and  
38 the chair of the assembly ways and means committee the extent to which  
39 such corporation used and retained percentages [and breakage] for oper-  
40 ations, maintenance, capital improvements, advertising and promotion,  
41 administration and general overhead and evaluate the effectiveness and  
42 make recommendations with respect to the application of the [reduced]  
43 rates of taxation [as provided for in subdivision one of this section in  
44 accomplishing the objectives stated therein]. Such report shall also  
45 specify the amount of such retained percentages [and breakage] used for  
46 investments not directly related to racing activities and such amounts  
47 used to declare dividends or other profit distributions, additions to  
48 capital stock, its sale and transfer and additions to retained earnings.  
49 Such reports shall also include an analysis of any such agreements or  
50 proposals to conduct or otherwise expand wagers authorized under article  
51 ten of this chapter and present its conclusions with respect to the  
52 conduct of such wagering, the nature of such proposals and agreements,  
53 and recommendations to ensure the future maintenance of the intent of  
54 this article.

55 3. [Tax rates in event of a failure to maintain] Maintenance of pari-  
56 mutuel racing activity. [a. Notwithstanding any other provision of this

1 section to the contrary, for] For any calendar year commencing on or  
2 after January first, nineteen hundred eighty-nine, [in which] a racing  
3 corporation in zone two [does] shall not conduct [a minimum number of]  
4 fewer pari-mutuel programs and pari-mutuel races at its facilities  
5 [equal to at least] than ninety percent of the programs and races so  
6 conducted during nineteen hundred eighty-five or during nineteen hundred  
7 eighty-six, whichever is less, [in lieu of the tax rates set forth in  
8 subdivision one of this section the applicable pari-mutuel tax rates for  
9 such corporation with respect to on-track pari-mutuel betting pools  
10 during such year shall be increased by one percent of regular, multiple  
11 and exotic betting pools. Notwithstanding the foregoing, no increase  
12 shall be proposed unless such corporation has been afforded notice and  
13 opportunity to be heard. The commission shall promulgate rules and regu-  
14 lations to implement the provisions relating to notice and hearing.

15 b. The provisions of this subdivision shall not apply to a corporation  
16 for any calendar year for which the commission certifies to the commis-  
17 sioner of taxation and finance:

18 (i) by December fifteenth of the year immediately preceding such year,  
19 that such corporation has been assigned for such year, from the programs  
20 and races it requested, at least the minimum number of programs and  
21 races prescribed in paragraph a of this subdivision, or, if fewer than  
22 such number were assigned for such year, that the assignment of such  
23 lesser number was for] unless such corporation demonstrates to the  
24 satisfaction of the commission good cause due to factors beyond the  
25 control of such corporation or because the commission [found] finds that  
26 it would be uneconomical or impractical for such corporation to be  
27 assigned or conduct the prescribed number[; and

28 (ii) by January thirty-first of the year immediately subsequent to  
29 such year, that such corporation did conduct such number of programs and  
30 races as were certified pursuant to subparagraph (i) of this paragraph,  
31 or if it failed to conduct such number that such failure was for good  
32 cause due to factors beyond its control or because the commission found  
33 it uneconomical or impractical for such corporation to conduct such a  
34 number.

35 c. For any calendar year for which the commission does not certify  
36 pursuant to the provisions of subparagraph (i) of paragraph b of this  
37 subdivision with respect to a corporation, the tax imposed by this  
38 section shall be computed by substituting the provisions of paragraph a  
39 of this subdivision for the provisions of subdivision one of this  
40 section and shall pay the tax so computed to the commissioner of taxa-  
41 tion and finance. In such computation and payment, all other provisions  
42 of this section shall apply as if the provisions of this paragraph and  
43 of paragraph a of this subdivision had been incorporated in whole in  
44 subdivision one of this section.

45 d. For any calendar year for which the commission does not certify  
46 pursuant to the provisions of subparagraph (ii) of paragraph b of this  
47 subdivision with respect to a corporation, the tax required to be paid  
48 hereunder for such year shall be equal to the difference between the tax  
49 imposed pursuant to paragraph a of this subdivision and the tax imposed  
50 pursuant to the provisions of subdivision one of this section less one-  
51 half of such difference in recognition of purses that were required to  
52 be paid, plus an additional amount equal to ten percent of such tax in  
53 the event of a willful failure to comply with the provisions of subpara-  
54 graph (ii) of paragraph b of this subdivision, and such corporation  
55 shall pay the tax so computed to the commissioner of taxation and  
56 finance on or before March fifteenth of the following year. Notwith-



1 standing the provisions of this subdivision, in the event that upon  
2 appeal from the determination of the commission that the certification  
3 provided in paragraph b of this subdivision will not be made, it is  
4 finally determined that the commission erred in failing to so certify  
5 and that any moneys received by the commissioner of taxation and finance  
6 under paragraph c of this subdivision were paid in error, the same shall  
7 be refunded at the rate of interest of six percent per annum. Payment of  
8 such balance of tax due, or the anticipation of such payment, shall not  
9 affect the determination of purses in the year in which such tax arises  
10 or in the year in which such payment is made nor shall such payment in  
11 any other manner be considered in any statutory or contractual calcu-  
12 lation of purse obligations.

13 e. Written notice of the certification of the commission pursuant to  
14 the provisions of paragraph b of this subdivision shall be given by the  
15 commission to the applicable corporation by the dates therein specified.  
16 In like manner, written notice that such certification will not be made  
17 shall be given by the commission to the commissioner of taxation and  
18 finance and the applicable corporation by such dates].

19 4. The payment of the state tax imposed by this section shall be made  
20 to the commissioner of taxation and finance on the last business day of  
21 each month and shall cover taxes due for the period from the sixteenth  
22 day of the preceding month through the fifteenth day of the current  
23 month provided, however, that such payments required to be made on March  
24 thirty-first shall include all taxes due and accruing through the last  
25 full week of racing in March of the current year or as otherwise deter-  
26 mined by the commissioner of taxation and finance, and shall be accompa-  
27 nied by a report under oath, showing the total of all such contrib-  
28 utions, together with such other information as the commissioner of  
29 taxation and finance may require. A penalty of five [per centum] percent  
30 and interest at the rate of one [per centum] percent per month from the  
31 date the report is required to be filed to the date of payment of the  
32 tax shall be payable in case any tax imposed by this section is not paid  
33 when due. If the commissioner of taxation and finance determines that  
34 any moneys received under this subdivision were paid in error, the  
35 commissioner of taxation and finance may cause the same to be refunded  
36 without interest out of any moneys collected thereunder, provided an  
37 application therefor is filed with the commissioner of taxation and  
38 finance within one year from the time the erroneous payment was made.  
39 Such taxes, interest and penalties when collected, after the deduction  
40 of refunds of taxes erroneously paid, shall be paid by the commissioner  
41 of taxation and finance into the general fund of the state treasury.

42 5. No county, city, town, village or other political subdivision of  
43 the state may impose, levy or collect a tax on admission fees or tickets  
44 of admission, on wagers made by patrons, in the form of purchases of  
45 pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on  
46 breaks, on dividends or payments made to winning bettors, or on that  
47 part of the pari-mutuel pools [or breaks] to be retained by racing  
48 corporations under this section, except as otherwise provided in this  
49 chapter.

50 § 3. Section 238 of the racing, pari-mutuel wagering and breeding law,  
51 as amended by chapter 18 of the laws of 2008, subdivision 1 as amended  
52 by chapter 243 of the laws of 2020, paragraph (a) of subdivision 1 as  
53 amended by section 9 of subpart B of part FF of chapter 59 of the laws  
54 of 2025, and paragraph c of subdivision 2 as amended by chapter 367 of  
55 the laws of 2021, is amended to read as follows:



1     § 238. Disposition of pari-mutuel pools of the franchised corporation;  
2 percentage payable to state as a tax; authority of counties or certain  
3 cities to impose a tax. 1. (a) The franchised corporation authorized  
4 under this chapter to conduct pari-mutuel betting at a race meeting or  
5 races run thereat shall distribute all sums deposited in any pari-mutuel  
6 pool to the holders of winning tickets therein, provided such tickets  
7 are presented for payment before April first of the year following the  
8 year of their purchase, less an amount that shall be established and  
9 retained by such franchised corporation of between twelve to seventeen  
10 percent of the total deposits in pools resulting from on-track regular  
11 bets, and fourteen to twenty-one percent of the total deposits in pools  
12 resulting from on-track multiple bets and fifteen to twenty-five percent  
13 of the total deposits in pools resulting from on-track exotic bets and  
14 fifteen to thirty-six percent of the total deposits in pools resulting  
15 from on-track super exotic bets[, plus the breaks]. The retention rate  
16 to be established is subject to the prior approval of the commission.

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

39     For the period April first, two thousand one through December thirty-  
40 first, two thousand twenty-six, such tax on all wagers shall be one and  
41 six-tenths percent, plus, in each such period, twenty percent of the  
42 breaks] applicable percentage set forth in subdivision one of section  
43 one hundred thirty-six of this chapter. Payment to the New York state  
44 thoroughbred breeding and development fund by such franchised corpo-  
45 ration shall be one-half of one percent of total daily on-track pari-mu-  
46 tuel pools resulting from regular, multiple and exotic bets and three  
47 percent of super exotic bets and for the period April first, two thou-  
48 sand one through December thirty-first, two thousand twenty-six, such  
49 payment shall be seven-tenths of one percent of regular, multiple and  
50 exotic pools.

51     (b) An amount equal to fifty percent of any compensation received by a  
52 franchised corporation from simulcasting or from wagering conducted  
53 outside the United States or outside New York state and within the  
54 United States shall be distributed to purses, except with respect to  
55 such compensation received from Connecticut which shall be computed as a  
56 percentage of wagering handle in a manner approved by the commission.



1 (c) An amount equal to fifty percent of any compensation received by  
2 the franchised corporation from simulcasting or from wagering conducted  
3 outside the United States shall be distributed to purses.

4 (d) (i) [The pari-mutuel tax rate authorized by paragraph (a) of this  
5 subdivision shall be effective so long as a franchised corporation noti-  
6 fies the commission by August fifteenth of each year that such pari-mu-  
7 tuel tax rate is effective of its intent to] The franchised corporation  
8 shall conduct a race meeting at Aqueduct racetrack during the months of  
9 December, January, February, March and April. For purposes of this para-  
10 graph such race meeting shall consist of not less than ninety-five days  
11 of racing unless otherwise agreed to in writing by the New York  
12 Thoroughbred Breeders Inc., the New York thoroughbred horsemen's associ-  
13 ation (or such other entity as is certified and approved pursuant to  
14 section two hundred twenty-eight of this article) and approved by the  
15 commission. Not later than May first of each year [that such pari-mutuel  
16 tax rate is effective], the commission shall determine whether a race  
17 meeting at Aqueduct racetrack consisted of the number of days as  
18 required by this [paragraph] subparagraph. In determining the number of  
19 race days, cancellation of a race day because of an act of God that the  
20 commission approves or because of weather conditions that are unsafe or  
21 hazardous that the commission approves shall not be construed as a fail-  
22 ure to conduct a race day. Additionally, cancellation of a race day  
23 because of circumstances beyond the control of such franchised corpo-  
24 ration for which the commission gives approval shall not be construed as  
25 a failure to conduct a race day. [If the commission determines that the  
26 number of days of racing as required by this paragraph have not occurred  
27 then the pari-mutuel tax rate in paragraph (a) of this subdivision shall  
28 revert to the pari-mutuel tax rates in effect prior to January first,  
29 nineteen hundred ninety-five.]

30 (ii) Such franchised corporation shall pay to the commission as a  
31 regulatory fee, which fee is hereby levied, six-tenths of one percent of  
32 the total daily on-track pari-mutuel pools of such franchised corpo-  
33 ration.

34 2. a. Subject to the provisions of this section the payment of such  
35 state tax shall be made to the commissioner of taxation and finance on  
36 the last business day of each month and shall cover taxes due for the  
37 period from the sixteenth day of the preceding month through the  
38 fifteenth day of the current month provided, however, that such payments  
39 required to be made on March thirty-first shall include all taxes due  
40 and accruing through the last full week of racing in March of the  
41 current year or as otherwise determined by the commissioner, and shall  
42 be accompanied by a report under oath, showing such information as the  
43 commissioner may require. A penalty of five [per centum] percent and  
44 interest at the rate of one [per centum] percent per month from the date  
45 the report is required to be filed to the date of the payment of the tax  
46 shall be payable in case any tax imposed by this section is not paid  
47 when due. If the commissioner determines that any moneys received by the  
48 commissioner under this section were paid in error, the commissioner may  
49 cause the same to be refunded without interest out of any moneys  
50 collected thereunder, provided an application therefor is filed with the  
51 commissioner within one year from the time the erroneous payment was  
52 made. Such taxes, interest and penalties when collected, after the  
53 deduction of refunds of taxes erroneously paid, shall be paid by the  
54 commissioner into the general fund of the state treasury.



1 b. The balance of the retained percentage of such pool [and of the  
2 breaks] shall be held by such franchised corporation for its corporate  
3 purposes, except as provided in paragraph c of this subdivision.

4 c. An amount equal to five and ninety-four hundredths percent of the  
5 total pools resulting from on-track regular bets and an amount equal to  
6 five and ninety-four hundredths percent of the total pools resulting  
7 from on-track multiple and exotic bets, and twelve percent of the total  
8 pools resulting from super exotic bets shall be used exclusively for  
9 purses (including stakes, premiums and prizes) awarded in races  
10 conducted by such franchised corporation. Any portion of such percent  
11 not so used during any year shall be so used during the following year[,  
12 failing which such portion shall be payable to the commissioner as addi-  
13 tional tax. Such additional tax shall be payable on or before April  
14 first in the year following the year in which such portion is not so  
15 used and the provisions of paragraph a of this subdivision shall be  
16 applicable thereto except as to the time of payment].

17 3. No county, city, town, village or other political subdivision of  
18 the state may impose, levy or collect a tax on admission fees or tickets  
19 of admission, on wagers made by patrons in the form of purchases of  
20 pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on  
21 breaks, on dividends or payments made to winning bettors, or on revenue  
22 retained by the franchised corporation, except as provided in former  
23 article two-B of the general city law, and as otherwise provided in this  
24 chapter.

25 [4. Notwithstanding any inconsistent provision of this chapter, when-  
26 ever the franchised corporation operates the Breeder's Cup Meet at one  
27 of its racing facilities, such franchised corporation shall not be  
28 required to pay to the department of taxation and finance pursuant to  
29 this section the pari-mutuel tax on the pari-mutuel pools of such fran-  
30 chised corporation's races during the Breeder's Cup Meet. For the  
31 purposes of this subdivision, the Breeder's Cup Meet shall consist of  
32 three days: the day on which the Breeder's Cup races are conducted, the  
33 day preceding such races and the day subsequent to such races.]

34 § 4. Subdivisions 1, 4 and 5 of section 318 of the racing, pari-mutuel  
35 wagering and breeding law, subdivisions 1 and 5 as amended by chapter  
36 243 of the laws of 2020, and subdivision 4 as amended by chapter 261 of  
37 the laws of 1988, are amended to read as follows:

38 1. Except as otherwise provided by law, every association or corpo-  
39 ration authorized under this article to conduct pari-mutuel betting at a  
40 harness horse race meeting on races run thereat shall distribute all  
41 sums deposited in any pari-mutuel pool to the holders of winning tickets  
42 therein, provided such tickets be presented for payment prior to April  
43 first of the year following the year of their purchase, less an amount  
44 that shall be established and retained by such racing association or  
45 corporation of between fourteen and twenty percent of the total deposits  
46 in pools resulting from regular bets, less sixteen to twenty-two percent  
47 of the total deposits in pools resulting from multiple bets, less twenty  
48 to thirty percent of the total deposits in pools resulting from exotic  
49 bets, and less twenty to thirty-six percent of the total betting depos-  
50 its in pools resulting from super exotic bets[, plus the breaks]. The  
51 retention rate to be established is subject to the prior approval of the  
52 commission. Such rate may not be changed more than once per calendar  
53 quarter to be effective on the first day of the calendar quarter.

54 "Exotic bets" and "multiple bets" shall have the meanings set forth in  
55 section five hundred nineteen of this chapter[, "super"]. "Super exotic  
56 bets" shall have the meaning set forth in subdivision four of section

1 three hundred one of this article [and "the breaks" are hereby defined  
2 as the odd cents over any multiple of ten for regular and multiple bets,  
3 or for exotic bets, over any multiple of fifty, or for super exotic  
4 bets, over any multiple of one hundred calculated on the basis of one  
5 dollar and otherwise payable to a patron, provided however, that effec-  
6 tive after October fifteenth, nineteen hundred ninety-four breaks are  
7 hereby defined as the odd cents over any multiple of five for payoffs  
8 greater than one dollar five cents but less than five dollars, over any  
9 multiple of ten for payoffs greater than five dollars but less than  
10 twenty-five dollars, over any multiple of twenty-five for payoffs great-  
11 er than twenty-five dollars but less than two hundred fifty dollars, or  
12 over any multiple of fifty for payoffs over two hundred fifty dollars].

13 a. Of the sum so retained from on-track pari-mutuel betting pools,  
14 such association or corporation authorized to operate in Westchester or  
15 Nassau county: (i) shall pay to the commissioner of taxation and finance  
16 as a reasonable tax for the privilege of conducting pari-mutuel betting  
17 at races run at race meetings held by such corporation or association, a  
18 tax, which is hereby levied, [at the rate of one-half of one percent of  
19 all wagers from total daily on-track pools. Such association or corpo-  
20 ration shall receive credit as a reduction of the daily tax by the state  
21 for the privilege of conducting pari-mutuel betting of amounts equal to  
22 four-tenths percent of total daily pools resulting from the simulcast of  
23 such association's or corporation's races to licensed facilities oper-  
24 ated by regional off-track betting corporations in accordance with  
25 section one thousand eight of this chapter; provided, however, that in  
26 no event shall total daily credit exceed four-tenths percent of the  
27 total daily pool of such association or corporation. An amount equal to  
28 fifty percent of such credit shall be used to increase purses; provided,  
29 however, that] in the applicable percentage set forth in subdivision one  
30 of section one hundred thirty-six of this chapter as limited by subdivi-  
31 sion two of section one hundred thirty-six of this chapter. Any such  
32 association or corporation shall, for any twelve-month period beginning  
33 on April first in nineteen hundred ninety and any year thereafter, [each  
34 of the applicable rates set forth above shall be increased by one-half  
35 of one percent on all on-track bets of any such racing association or  
36 corporation that did not] expend an amount equal to at least one-half of  
37 one percent of its on-track bets during the immediately preceding calen-  
38 dar year for enhancements consisting of capital improvements as defined  
39 by section three hundred nineteen of this article, repairs to its phys-  
40 ical plant, structures, and equipment used in its racing or wagering  
41 operations, [as certified by the commission to the commissioner of taxa-  
42 tion and finance no later than eighty days after the close of such  
43 calendar year,] and five special events at each track in each calendar  
44 year, not otherwise conducted in the ordinary course of business, the  
45 purpose of which shall be to encourage, attract and promote track  
46 attendance and encourage new and continued patronage, which events shall  
47 be subject to the approval of the commission for purposes of this subdivi-  
48 vision. In the determination of the amounts expended for such enhance-  
49 ments, the commission shall consider the average of the two immediately  
50 preceding twelve-month calendar periods. [Notwithstanding the foregoing  
51 no increase shall be imposed unless such corporation or association has  
52 been afforded notice and opportunity to be heard. The commission shall  
53 promulgate rules and regulations to implement the provisions relating to  
54 notice and hearing.]

55 (ii) except as otherwise provided in this paragraph an amount equal to  
56 six and eight-tenths percent of the total pool resulting from on-track

1 regular bets, an amount equal to seven and ninety-five one hundredths  
2 percent of the total pool resulting from on-track multiple bets, an  
3 amount equal to ten and one-half percent of the total pool resulting  
4 from on-track exotic bets, an amount equal to fifteen and one-half  
5 percent of the total daily pool resulting from on-track super exotic  
6 bets shall be used exclusively for purses, of which an amount of not  
7 less than ninety percent shall be used exclusively for purses for over-  
8 night races conducted by such association or corporation. Such amounts  
9 may be reduced upon an application approved by the commission and an  
10 agreement between the licensed harness racing corporation or association  
11 and the representative horsemen's organization as a condition to reduce  
12 the amounts of retained percentages as provided for in this section.  
13 However, of the total amount available for purses, an amount as deter-  
14 mined by contractual obligations between an organization representing at  
15 least fifty-one percent of the owners and trainers using the facilities  
16 of such association or corporation for racing, training or stabling  
17 purposes and the association or corporation, shall be used for the  
18 administrative purposes of said organization and for such welfare and  
19 medical plans for regularly employed backstretch employees principally  
20 employed at the facilities of such corporation or association as  
21 provided by said organization, provided, however, that eligibility for  
22 benefits in such plans shall not be conditioned upon membership in such  
23 organization by any employee or employer thereof, and any denial of  
24 eligibility for benefits in such plans which, upon investigation and  
25 review by the commission, is determined to have resulted from a person,  
26 firm, association, corporation or organization knowingly aiding in or  
27 permitting eligibility for benefits being conditioned upon membership in  
28 such organization shall subject such organization to the penalties  
29 imposed under sections three hundred ten and three hundred twenty-one of  
30 this article but the ratio between the amounts actually expended for  
31 such welfare and medical plans and the cost actually incurred in admin-  
32 istering such welfare and medical plans for fiscal years of such corpo-  
33 ration or association, on or after July twenty-fourth, nineteen hundred  
34 eighty-one, shall not be less than the ratio between such amounts actu-  
35 ally expended and such costs actually incurred for the fiscal year imme-  
36 diately prior to such date. Such organization shall annually on or  
37 before July first certify to the commission that it represents at least  
38 fifty-one percent of such owners and trainers and provide copies of such  
39 certification to such association or corporation. Any other organization  
40 claiming to represent at least fifty-one percent of such owners and  
41 trainers may file a challenge with the commission within fifteen days of  
42 such original certification. The commission shall examine such claim and  
43 may undertake studies and conduct hearings to determine the validity of  
44 such claim. Within sixty days of receiving such challenge and based  
45 upon the findings of such studies and hearings, the commission shall  
46 render a decision on the validity of such claim and advise such organ-  
47 izations and association or corporation of its determination. Upon  
48 receipt of such original certification by such organization, the associ-  
49 ation or corporation shall make such payments to said organization and,  
50 in the event of a challenge brought to any other organization, such  
51 payments shall continue to be made until such time as the commission  
52 renders its decision on such challenge; and  
53 (iii) the balance of the retained percentage of such pools [and the  
54 balance of the breaks] may be held by such association or corporation  
55 for its own use and purposes except as provided in paragraph c of this  
56 subdivision and in subdivision four of section three hundred one of this



1 article, provided, however, that the commission shall report annually,  
2 on or before July first, to the director of the budget, the chair of the  
3 senate finance committee and the chair of the assembly ways and means  
4 committee the extent to which such corporations and associations used  
5 such retained percentages [and breakage] for operations, maintenance,  
6 capital improvements, advertising and promotion, administration and  
7 general overhead and evaluate the effectiveness and make recommendations  
8 with respect to the application of the [reduced] rates of taxation as  
9 provided for in subparagraph (i) of this paragraph in accomplishing the  
10 objectives stated therein. Such report shall also specify the amounts of  
11 such retained percentages [and breakage] used for investments not  
12 directly related to racing activities and such amounts used to declare  
13 dividends or other profit distributions, additions to capital stock, its  
14 sale and transfer and additions to retained earnings. Such reports shall  
15 also include an analysis of any such agreements or proposals to conduct  
16 or otherwise expand wagers authorized under article ten of this chapter  
17 and present its conclusions with respect to the conduct of such wager-  
18 ing, the nature of such proposals and agreements, and recommendations to  
19 ensure the future maintenance of the intent of this article and article  
20 ten of this chapter.

21 b. (i) Of the sums retained by any other licensed harness racing asso-  
22 ciation or corporation other than those described in paragraph a of this  
23 subdivision, such association or corporation shall pay to the commis-  
24 sioner of taxation and finance as a reasonable tax for the privilege of  
25 conducting pari-mutuel betting at races run at race meetings held by  
26 such corporation or association, a tax, which is hereby levied, in the  
27 applicable [tax rates for regular bets shall be six-tenths of one  
28 percent; for multiple bets shall be one and one-tenth percent; for exot-  
29 ic bets shall be five and six-tenths percent and for super exotic bets  
30 shall be seven percent, plus fifty percent of the breaks. Effective  
31 September first, nineteen hundred ninety-four, for all licensed harness  
32 racing associations and corporations that have entered into a contract  
33 with their representative horsemen's association on and after such date,  
34 such tax shall be one-half of one percent of all wagers, plus fifty  
35 percent of the breaks.

36 Provided, however, that] percentage set forth in subdivision one of  
37 section one hundred thirty-six of this chapter, as limited by subdivi-  
38 sion two of section one hundred thirty-six of this chapter. Any such  
39 racing association or corporation shall for any twelve-month period  
40 beginning on April first in nineteen hundred ninety and any year there-  
41 after, [each of the applicable rates set forth above shall be increased  
42 by one-quarter of one percent on all on-track bets of any such racing  
43 association or corporation that did not] expend an amount equal to at  
44 least one-half of one percent of its on-track bets during the immediate-  
45 ly preceding calendar year for enhancements consisting of capital  
46 improvements as defined by section three hundred nineteen of this arti-  
47 cle, repairs to its physical plant, structures, and equipment used in  
48 its racing or wagering operations, [as certified by the commission to  
49 the commissioner of taxation and finance no later than eighty days after  
50 the close of such calendar year, and five special events at each track  
51 in each calendar year,] not otherwise conducted in the ordinary course  
52 of business, the purpose of which shall be to encourage, attract and  
53 promote track attendance and encourage new and continued patronage,  
54 which events shall be subject to the approval of the commission for  
55 purposes of this subdivision. In this regard, expenditures by a county  
56 agricultural society pursuant to section three hundred nineteen of this

1 article shall be credited to the applicable harness racing association  
2 or corporation for this purpose. In the determination of the amounts  
3 expended for such enhancements, the commission may consider the imme-  
4 diately preceding twelve-month calendar period or the average of the two  
5 immediately preceding twelve-month calendar periods. [Notwithstanding  
6 the foregoing no increase shall be imposed unless such corporation or  
7 association has been afforded a notice and opportunity to be heard. The  
8 commission shall promulgate rules and regulations to implement the  
9 provisions relating to notice and hearing.

10 Such associations or corporations shall receive credit as a reduction  
11 of the daily tax by the state for the privilege of conducting pari-mutu-  
12 el betting of amounts equal to four-tenths percent of total daily pools  
13 resulting from the simulcast of such association's or corporation's  
14 races to licensed facilities operated by regional off-track betting  
15 corporations in accordance with section one thousand eight of this chap-  
16 ter, provided however, that in no event shall the total daily credit  
17 exceed four-tenths percent of the total daily pool of such association  
18 or corporation which tax is hereby levied and shall be paid to the  
19 commissioner of taxation and finance as a reasonable tax imposed by the  
20 state for the privilege of conducting pari-mutuel betting at races run  
21 at race meetings held by such association or corporation.] The commis-  
22 sion shall report annually, before July first, to the director of the  
23 budget, the chair of the senate finance committee and the chair of the  
24 assembly ways and means committee the extent to which such corporations  
25 and associations used such retained percentages [and breakage] for oper-  
26 ations, maintenance, capital improvements, advertising and promotion,  
27 administration and general overhead and evaluate the effectiveness and  
28 make recommendations with respect to the application of the [reduced]  
29 rates of taxation as provided for in this subparagraph in accomplishing  
30 the objectives stated therein. Such report shall also specify the  
31 amounts of such retained percentages [and breakage] used for investments  
32 not directly related to racing activities and such amounts used to  
33 declare dividends or other profit distributions, additions to capital  
34 stock, its sale and transfer and additions to retained earnings. Such  
35 reports shall also include an analysis of any such agreements or  
36 proposals to conduct or otherwise expand wagers authorized under article  
37 ten of this chapter and present its conclusions with respect to the  
38 conduct of such wagering, the nature of such proposals and agreements,  
39 and recommendations to ensure the future maintenance of the intent of  
40 this article.

41 (ii) Of the sums retained by such association or corporation, an  
42 amount equal to one and three-quarters percent of the total pool result-  
43 ing from on-track regular, multiple and exotic bets shall be used exclu-  
44 sively for the purpose of increasing purses awarded in overnight races  
45 conducted by such association or corporation. Such amounts shall be in  
46 addition to purse moneys otherwise provided pursuant to existing  
47 contractual obligations. In this regard an amount equal to twelve  
48 percent of the total bets in super exotic pools shall be used for purses  
49 in lieu of any such contractual obligations that might otherwise apply  
50 to purses to be awarded on super exotic bets. Any portion of such amount  
51 not so used during any year shall be so used during the following year[,  
52 failing which such portion shall be payable to the commissioner of taxa-  
53 tion and finance as additional tax]. In addition to the amounts  
54 required in this paragraph, fifty percent of all additional sums  
55 retained, as a result of tax reductions provided in this section after  
56 September first, nineteen hundred ninety-four to qualified licensed



1 harness racing associations, shall be used exclusively for purposes of  
2 increasing purses awarded in overnight races conducted by such associ-  
3 ation or corporation, provided that such association or corporation has  
4 entered into a written agreement with its representative horsemen's  
5 organization on and after September first, nineteen hundred ninety-four.  
6 Notwithstanding anything contained herein to the contrary, in a harness  
7 special betting district the amount to be used for purses or the method-  
8 ology for calculating the amount to be used for purses may be specified  
9 in a written contract between a harness racing association or corpo-  
10 ration and its representative horsemen's association. The balance of the  
11 retained percentage of such pool may be held by such corporation or  
12 association for its own use and purposes.

13 (iii) [Of the amount of the breaks from on-track regular, multiple,  
14 exotic and super exotic bets such association or corporation shall pay  
15 fifty percent to the commissioner of taxation and finance. The balance  
16 of such breaks may be held by such association or corporation for its  
17 own use and purposes.

18 (iv)] The commission shall as a condition of racing require an associ-  
19 ation authorized to operate in areas other than Westchester or Nassau  
20 county to withhold one percent of all purses and to pay such sum to the  
21 horsemen's organization representing the owners and trainers using the  
22 facilities of such association [which] that had a contract with the  
23 association governing the conditions of racing on January first, nine-  
24 teen hundred ninety-two, as determined by the commission.

25 Any other horsemen's organization may apply to the commission to be  
26 approved as the qualified organization to receive payment of the one  
27 percent of all purses by submitting to the commission proof of both,  
28 that (i) such organization represents more than fifty-one percent of all  
29 the owners and trainers using the same facilities and (ii) the  
30 horsemen's organization previously approved as qualified by the commis-  
31 sion does not represent fifty-one percent of all the owners and trainers  
32 using the same facilities. If the commission is satisfied that the  
33 documentation submitted with the application of any other horsemen's  
34 organization is conclusive with respect to subparagraphs (i) and (ii) of  
35 this paragraph, the commission may approve the applicant as the quali-  
36 fied recipient organization.

37 In the best interests of racing, upon receipt of such an application,  
38 the commission may direct the payments to the previously qualified  
39 horsemen's organization to continue uninterrupted, or it may direct the  
40 payments to be withheld and placed in interest-bearing accounts for a  
41 period not to exceed ninety days, during which time the commission shall  
42 review and approve or disapprove the application. Funds held in such  
43 manner shall be paid to the organization approved by the commission. In  
44 no event shall the commission accept more than one such application in  
45 any calendar year from the same horsemen's organization.

46 The funds authorized to be paid by the commission are to be used  
47 exclusively for the benefit of those horsemen racing in New York state  
48 through the administrative purposes of such qualified organization,  
49 benevolent activities on behalf of backstretch employees, and for the  
50 promotion of equine research.

51 c. Of the sums retained by any harness racing association or corpo-  
52 ration, an amount equal to one percent of the total pools resulting from  
53 on-track regular, multiple and exotic bets and an amount equal to three  
54 percent of the total pools resulting from on-track super exotic bets  
55 shall be paid to the agriculture and New York state horse breeding  
56 development fund.



1 d. Every harness racing association or corporation shall pay to the  
2 commission as a regulatory fee, which fee is hereby levied, six-tenths  
3 of one percent of the total daily on-track pari-mutuel pools of such  
4 association or corporation.

5 4. Notwithstanding any other provisions of this chapter, there shall  
6 be no pari-mutuel tax imposed upon the compensation received by any  
7 harness racing association or corporation in consideration for (a)  
8 permission to have wagering conducted outside this state on races run by  
9 such association or corporation, and (b) the simulcasting outside this  
10 state of races run by such association or corporation, except for such  
11 permission or such simulcasting as may be granted to an off-track  
12 betting operator in the state of Connecticut by a harness racing associ-  
13 ation or corporation located in Nassau or Westchester county. Any such  
14 association or corporation so simulcasting to an off-track betting oper-  
15 ator in the state of Connecticut shall pay to the New York commissioner  
16 of taxation and finance a reasonable tax for such permission and privi-  
17 lege for such simulcasting, which is hereby levied, at the following  
18 rates: one and one-tenth [per centum] percent of total daily regular and  
19 multiple bets; three and one-tenth [per centum] percent of total daily  
20 exotic bets; and three and one-half [per centum] percent of total daily  
21 super exotic bets.

22 5. [Tax rates in event of failure to maintain] Maintenance of pari-mu-  
23 tuel racing activity. [a. Notwithstanding any other provision of this  
24 section to the contrary, for] For any calendar year commencing on or  
25 after January first, nineteen hundred eighty-nine, [in which] a harness  
26 racing association or corporation [does] shall not conduct [a minimum  
27 number of] fewer pari-mutuel programs and pari-mutuel races at its  
28 facilities [equal to at least] than ninety percent of the programs and  
29 races so conducted during nineteen hundred eighty-five or during nine-  
30 teen hundred eighty-six, whichever is less, [in lieu of the tax rates  
31 set forth in subdivision one of this section the applicable pari-mutuel  
32 tax rates for such association or corporation with respect to on-track  
33 pari-mutuel betting pools during such year shall be as follows:

34 (i) For such an association or corporation authorized to operate in  
35 Westchester or Nassau county: of total daily on-track pools resulting  
36 from regular bets, three and seventy-five hundredths percent of the  
37 first five hundred thousand dollars comprising such pools and five and  
38 twenty-five hundredths percent of the amount in excess of five hundred  
39 thousand dollars, plus fifty percent of the breaks; of total daily  
40 on-track pools resulting from multiple bets, four and seventy-five  
41 hundredths percent of the first three hundred thousand dollars compris-  
42 ing such pools and six and twenty-five hundredths percent of the amount  
43 in excess of three hundred thousand dollars, plus fifty percent of the  
44 breaks; of total daily on-track pools resulting from exotic bets, eight  
45 and seventy-five hundredths percent of the first two hundred thousand  
46 dollars comprising such pools, and ten and twenty-five hundredths  
47 percent of the amount in excess of two hundred thousand dollars, plus  
48 fifty percent of the breaks; and of total daily on-track pools resulting  
49 from super exotic bets, seven percent, plus fifty percent of the breaks;  
50 and

51 (ii) For any harness racing association or corporation other than one  
52 described in subparagraph (i) of this paragraph: of total daily on-track  
53 pools resulting from regular bets, one and one-half percent, plus fifty  
54 percent of the breaks; of total daily on-track pools resulting from  
55 multiple bets, two percent, plus fifty percent of the breaks; of total  
56 daily on-track pools resulting from exotic bets, six and one-half



1 percent, plus fifty percent of the breaks; and of total daily on-track  
2 pools resulting from super exotic bets, seven percent, plus fifty  
3 percent of the breaks.

4 b. The provisions of this subdivision shall not apply to an associ-  
5 ation or corporation for any calendar year for which the commission  
6 certifies to the commissioner of taxation and finance:

7 (i) by December fifteenth of the year immediately preceding such year,  
8 that such association or corporation has been assigned for such year,  
9 from the programs and races it requested, at least the minimum number of  
10 programs and races prescribed in paragraph a of this subdivision, or, if  
11 fewer than such number were assigned for such year, that the assignment  
12 of such lesser number was for] unless such association or corporation  
13 demonstrates to the satisfaction of the commission good cause due to  
14 factors beyond the control of such association or corporation or because  
15 the commission [found] finds that it would be uneconomical or impracti-  
16 cal for such association or corporation to be assigned or conduct the  
17 prescribed number[; and

18 (ii) by January thirty-first of the year immediately subsequent to  
19 such year, that such association or corporation did conduct such number  
20 of programs and races as were certified pursuant to subparagraph (i) of  
21 this paragraph, or if it failed to conduct such number that such failure  
22 was for good cause due to factors beyond its control or because the  
23 commission found it uneconomical or impractical for such association or  
24 corporation to conduct such a number.

25 c. For any calendar year for which the commission does not certify  
26 pursuant to the provisions of subparagraph (i) of paragraph b of this  
27 subdivision with respect to an association or corporation, the tax  
28 imposed by this section shall be computed by substituting the provisions  
29 of paragraph a of this subdivision for the provisions of paragraph a or  
30 b, whichever is applicable, of subdivision one of this section and shall  
31 pay the tax so computed to the commissioner of taxation and finance. In  
32 such computation and payment, all other provisions of this section shall  
33 apply as if the provisions of this paragraph and of paragraph a of this  
34 subdivision had been incorporated in whole in paragraph a or b, whichev-  
35 er is applicable, of subdivision one of this section.

36 d. For any calendar year for which the commission does not certify  
37 pursuant to the provisions of subparagraph (ii) of paragraph b of this  
38 subdivision with respect to an association or corporation, the tax  
39 required to be paid hereunder for such year shall be equal to the  
40 difference between the tax imposed pursuant to the provisions of para-  
41 graph a of this subdivision and the tax imposed pursuant to the  
42 provisions of paragraph a or b, whichever is applicable, of subdivision  
43 one of this section, less one-half of such difference in recognition of  
44 purses that were required to be paid, plus an additional amount equal to  
45 ten percent of such tax in the event of a willful failure to comply with  
46 the provisions of subparagraph (ii) of paragraph b of this subdivision  
47 and such association or corporation shall pay the tax so computed to the  
48 commissioner of taxation and finance on or before March fifteenth of the  
49 following year. Notwithstanding the provisions of this subdivision, in  
50 the event that upon appeal from the determination of the commission that  
51 the certification provided in paragraph b of this subdivision will not  
52 be made, it is finally determined that the commission erred in failing  
53 to so certify and that any moneys received by the commissioner of taxa-  
54 tion and finance under paragraph c of this subdivision were paid in  
55 error, the same shall be refunded at the rate of interest of six percent  
56 per annum. Payment of such tax due, or the anticipation of such payment,

1 shall not affect the determination of purses in the year in which such  
2 tax arises or in the year in which such payment is made nor shall such  
3 payment in any other manner be considered in any statutory or contractu-  
4 al calculation of purse obligations.

5 e. Written notice of the certification of the commission pursuant to  
6 the provisions of paragraph b of this subdivision shall be given by the  
7 commission to the applicable association or corporation by the dates  
8 therein specified. In like manner, written notice that such certif-  
9 ication will not be made shall be given by the commission to the commis-  
10 sioner of taxation and finance and the applicable association or corpo-  
11 ration by such dates].

12 § 5. Subdivision 1 of section 418 of the racing, pari-mutuel wagering  
13 and breeding law, as amended by chapter 243 of the laws of 2020, is  
14 amended to read as follows:

15 1. Every association or corporation authorized under [sections two  
16 hundred twenty-two through seven] section four hundred five of this  
17 [chapter] article to conduct pari-mutuel betting at a quarter horse race  
18 meeting on races run thereat shall distribute all sums deposited in any  
19 pari-mutuel pool to the holders of winning tickets therein provided such  
20 tickets be presented for payment before April first of the year follow-  
21 ing the year of their purchase, less seventeen percent of the total  
22 deposits in pools resulting from regular on-track bets and less nineteen  
23 percent of the total deposits in pools resulting from multiple bets and  
24 less twenty-five percent of the total deposits in pools resulting from  
25 exotic on-track bets[, plus the breaks]. "Multiple bet" or "multiple  
26 wager" shall mean a single bet or wager on two horses, evidenced by a  
27 single ticket and representing an interest in a single betting pool.  
28 "Exotic bet" or "exotic wager" shall mean a single bet or wager on three  
29 or more horses, evidenced by a single ticket and representing an inter-  
30 est in a single betting pool. [The breaks for regular bets and multiple  
31 bets are hereby defined as the odd cents over any multiple of ten or for  
32 exotic bets, over any multiple of fifty calculated on the basis of one  
33 dollar and otherwise payable to a patron.] Of the sum so retained [the  
34 applicable tax rates for regular bets shall be three percent; the appli-  
35 cable tax rates for multiple bets shall be three and one-half percent;  
36 the applicable tax rates for exotic bets] there shall be eight percent,  
37 plus sixty-five percent of the amount of the breaks from on-track regu-  
38 lar, multiple and exotic bets shall be paid by such corporation or asso-  
39 ciation to the department of taxation and finance as a reasonable tax by  
40 the state for the privilege of conducting pari-mutuel betting on the  
41 races run at the quarter horse race meetings held by such corporation or  
42 association, which tax is hereby levied, [and the balance of the  
43 retained percentage of such pool and of the breaks may be held by such  
44 corporation or association for its own use and purposes] in the applica-  
45 ble percentage set forth in subdivision one of section one hundred thir-  
46 ty-six of this chapter. The payment of such state tax shall be made to  
47 the department of taxation and finance at such regular intervals as the  
48 department of taxation and finance may require, and shall be accompanied  
49 by a report under oath showing the total of all such contributions  
50 together with such other information as the department of taxation and  
51 finance may require. A penalty of five percent and interest at the rate  
52 of one percent per month from the date the report is required to be  
53 filed to the date of payment of the tax shall be payable in case any tax  
54 imposed by this section is not paid when due. If the department of taxa-  
55 tion and finance determines that any moneys received under this section  
56 were paid in error, it may cause the same to be refunded without inter-



1 est out of any moneys collected thereunder, provided an application  
2 therefor is filed with it within one year from the time the erroneous  
3 payment was made. Such taxes, interest and penalties when collected,  
4 after the deduction of refunds of taxes erroneously paid, shall be paid  
5 by the department of taxation and finance into the general fund of the  
6 state treasury. [Ten percent of the breaks shall be paid to the New York  
7 state quarter horse breeding and development fund.]

8 § 6. Subdivisions 1, 5, 7 and 8 of section 527 of the racing, pari-mu-  
9 tuel wagering and breeding law, as amended by chapter 18 of the laws of  
10 2008, the opening paragraph of subdivision 1 and subdivision 5 as  
11 amended by chapter 243 of the laws of 2020, are amended to read as  
12 follows:

13 1. The disposition of the retained commission from pools resulting  
14 from regular, multiple or exotic bets, as the case may be, whether  
15 placed on races run within a region or outside a region, conducted by  
16 racing corporations, harness racing associations or corporations, quar-  
17 ter horse racing associations or corporations or races run outside the  
18 state shall be governed by the tables in paragraphs a and b of this  
19 subdivision. [The rate denominated "state tax"] There shall [represent  
20 the rate of] be paid by each regional corporation conducting off-track  
21 betting, as a reasonable tax imposed upon the retained commission for  
22 the privilege of conducting off-track pari-mutuel betting, which tax is  
23 hereby levied [and], a percentage of all money wagered on live races  
24 through such corporation, which shall be payable in the manner set forth  
25 in this section and in subdivision one of section one hundred thirty-six  
26 of this chapter. Each off-track betting corporation shall pay to the  
27 commission as a regulatory fee, which fee is hereby levied, six-tenths  
28 of one percent of the total daily pools of such corporation. Each corpo-  
29 ration shall also pay twenty percent of the breaks derived from bets on  
30 out-of-state harness races and fifty percent of the breaks derived from  
31 bets on all other out-of-state races to the agriculture and New York  
32 State horse breeding and development fund and to the thoroughbred breed-  
33 ing and development fund, the total of such payments to be apportioned  
34 fifty percent to each such fund. For the purposes of this section, the  
35 New York city, Suffolk, Nassau, and the Catskill regions shall consti-  
36 tute a single region and any thoroughbred track located within the Capi-  
37 tal District region shall be deemed to be within such single region. A  
38 "regional meeting" shall refer to either harness or thoroughbred meet-  
39 ings, or both, except that a franchised corporation shall not be a  
40 regional track for the purpose of receiving distributions from bets on  
41 thoroughbred races conducted by a thoroughbred track in the Catskill  
42 region conducting a mixed meeting. With the exception of a harness  
43 racing association or corporation first licensed to conduct pari-mutuel  
44 wagering at a track located in Tioga, Saratoga or Westchester county  
45 after January first, two thousand five, racing corporations first  
46 licensed to conduct pari-mutuel racing after January first, nineteen  
47 hundred eighty-six or a harness racing association or corporation first  
48 licensed to conduct pari-mutuel wagering at a track located in Genesee  
49 County after January first, two thousand five, and quarter horse tracks  
50 shall not be "regional tracks"; if there is more than one harness track  
51 within a region, such tracks shall evenly divide payments made pursuant  
52 to the tables in paragraphs a and b of this subdivision when neither  
53 track is running. In the event a track elects to reduce its retained  
54 percentage from any or all of its pari-mutuel pools, the payments to the  
55 track holding the race and the regional track required by paragraphs a  
56 and b of this subdivision shall be reduced in proportion to such



1 reduction. Nothing in this section shall be construed to authorize the  
 2 conduct of off-track betting contrary to the provisions of section five  
 3 hundred twenty-three of this article.

4 a. Regular and multiple bets:

	Track holding race	Regional track	[State] [tax]
5			
6			
7			
8 Pools on races run by:			
9 Franchised corporations:			
10 in region;.....	3.50	N/A	[.30]
11 out-region, during a regional			
12 meeting;.....	1.00	2.50	[.30]
13 out-region, no regional			
14 meeting;.....	1.75	1.75	[.30]
15 Racing corporations			
16 in special			
17 betting district:			
18 in-special betting district;...	3.80	N/A	[1.00]
19 out-district, during a regional			
20 meeting;.....	1.00	2.80	[1.00]
21 out-district, no regional			
22 meeting;.....	1.90	1.90	[1.00]
23 Harness racing associations or			
24 corporations within Suffolk,			
25 Nassau, or Catskill regions:			
26 in region;.....	4.00	N/A	[.70]
27 out-region, during a regional			
28 meeting;.....	1.00	3.00	[.70]
29 out-region, no regional			
30 meeting;.....	2.00	2.00	[.70]
31 Harness racing associations or			
32 corporations:			
33 in-special betting			
34 district;.....	4.00	N/A	[.50]
35 out-district, during a			
36 regional meeting;.....	1.00	3.00	[.50]
37 out-district, no regional			
38 meeting;.....	2.00	2.00	[.50]
39 Other harness racing associations			
40 or corporations:			
41 in region;.....	4.00	N/A	[.50]
42 out-region, during a regional			
43 meeting;.....	1.00	3.00	[.50]
44 out-region, no regional			
45 meeting;.....	2.00	2.00	[.50]
46 Quarter horse racing associations			
47 or corporations;.....	3.50	N/A	[1.10]
48 Out-of-state tracks:.....	3.50 divided		[1.10]
49	pursuant to		
50	paragraph		
51	g of this		
52	subdivision		

53 b. Exotic bets:

1		Track		
2		holding	Regional	[State]
3		race	track	[tax]
4	Pools on races run by:			
5	Franchised corporations:			
6	in region;.....	6.50	N/A	[1.30]
7	out-region, during a regional			
8	meeting;.....	2.00	4.50	[1.30]
9	out-region, no regional			
10	meeting;.....	3.25	3.25	[1.30]
11	Racing corporations			
12	in special			
13	betting district:			
14	in-special betting districts;..	6.80	N/A	[3.00]
15	out-district, during a regional			
16	meeting;.....	2.00	4.80	[3.00]
17	out-district, no regional			
18	meeting;.....	3.40	3.40	[3.00]
19	Harness racing associations or			
20	corporations within Suffolk,			
21	Nassau, or Catskill			
22	regions:			
23	in region;.....	7.00	N/A	[2.70]
24	out-region, during a regional			
25	meeting;.....	2.00	5.00	[2.70]
26	out-region, no regional			
27	meeting;.....	3.50	3.50	[2.70]
28	Harness racing associations			
29	or corporations:			
30	in-special betting			
31	district;.....	7.00	N/A	[2.50]
32	out-district, during a			
33	regional meeting;.....	2.00	5.00	[2.50]
34	out-district, no regional			
35	meeting;.....	3.50	3.50	[2.50]
36	Other harness racing associa-			
37	tions or corporations:			
38	in-region;.....	7.00	N/A	[2.50]
39	out-region, during a			
40	regional meeting;.....	2.00	5.00	[2.50]
41	out-region, no regional			
42	meeting;.....	3.50	3.50	[2.50]
43	Quarter horse racing associa-			
44	tions or corporations;.....	6.50	N/A	[3.10]
45	Out-of-state tracks:.....	6.50 divided		[3.10]
46		pursuant to		
47		paragraph		
48		g of this		
49		subdivision		
50	c. Super Exotic Bets:			
51		Track		
52		holding	Regional	[State]
53		race	track	[tax]
54	Pools on races run by:			



1	Franchised corporations:			
2	in region;.....	12.00	N/A	[3.50]
3	out-region, during a regional			
4	meeting;.....	3.00	10.00	[2.50]
5	out-region, no regional			
6	meeting;.....	6.00	6.00	[3.50]
7	Racing corporations			
8	in special			
9	betting district:			
10	in-special betting districts;..	12.00	N/A	[3.50]
11	out-district, during a regional			
12	meeting;.....	3.00	10.00	[2.50]
13	out-district, no regional			
14	meeting;.....	6.00	6.00	[3.50]
15	Harness racing associations or			
16	corporations within Suffolk,			
17	Nassau, or Catskill regions:			
18	in-region;.....	12.00	N/A	[3.50]
19	out-region, during a regional			
20	meeting;.....	3.00	10.00	[2.50]
21	out-region, no regional			
22	meeting;.....	6.00	6.00	[3.50]
23	Harness racing associations			
24	or corporations:			
25	in-special betting			
26	district;.....	12.00	N/A	[3.50]
27	out-district, during a			
28	regional meeting;.....	3.00	10.00	[2.50]
29	out-district, no regional			
30	meeting;.....	6.00	6.00	[3.50]
31	Other harness racing associations			
32	or corporations:			
33	in-region;.....	12.00	N/A	[3.50]
34	out-region, during a			
35	regional meeting;.....	3.00	10.00	[2.50]
36	out-region, no regional			
37	meeting;.....	6.00	6.00	[3.50]

38 d. For the portion of the Western region included within a thorough-  
 39 bred special betting district and not within a harness special betting  
 40 district, when no thoroughbred race meeting is conducted by a racing  
 41 corporation located within such thoroughbred special district, the  
 42 distribution of the retained commission to "regional tracks" by such  
 43 regional corporation derived from wagers placed within such special  
 44 betting district shall be divided as follows:

45 (i) when a harness corporation located in such district is conducting  
 46 a meet the full amount to such harness corporation; and when a harness  
 47 corporation in the region but not located in such district is conducting  
 48 a meet, forty percent to the thoroughbred racing corporation and sixty  
 49 percent to the harness corporation conducting a meet;

50 (ii) when no racing is being conducted, forty [per centum] percent to  
 51 the thoroughbred racing corporation and the balance divided equally  
 52 between the harness racing corporations located in such region; and

53 (iii) when no racing is being conducted and no more than one harness  
 54 racing association is licensed during the calendar year to conduct a  
 55 race meeting, fifty [per centum] percent to the thoroughbred racing





1 corporation and fifty [per centum] percent to the harness racing associ-  
2 ation located in such region.

3 e. For the portions of the Capital District, Catskill, Central and  
4 Western regions included within a harness racing special betting  
5 district, except those portions described in paragraph e of this subdi-  
6 vision, the harness track located in such special district shall be the  
7 "regional track" for the purposes of the distributions made pursuant to  
8 paragraphs a and b of this subdivision.

9 f. For the portions of the Catskill, Central and Western regions  
10 included in both a thoroughbred special betting district and a harness  
11 special betting district, the distribution of the retained commission to  
12 "regional tracks" by such regional corporations derived from wagers  
13 placed within such portions of such regions shall be divided as follows:

14 (i) when a harness corporation located in the harness special betting  
15 district is conducting a meet and no thoroughbred race meeting is being  
16 conducted by a racing corporation located in the thoroughbred special  
17 betting district, the full amount to such harness association;

18 (ii) when a thoroughbred corporation located in the thoroughbred  
19 special betting district is conducting a meet and no harness race meet-  
20 ing is being conducted by a harness association located in the harness  
21 special betting district, the full amount to such thoroughbred corpo-  
22 ration;

23 (iii) when no racing is being conducted the amount to be divided even-  
24 ly between the thoroughbred track located in such thoroughbred special  
25 betting district and the harness track located in such harness special  
26 betting district.

27 g. With respect to the amounts payable to track operators from the  
28 retained commission on pools resulting from thoroughbred or harness  
29 races outside this state, the regional corporation shall first pay any  
30 contractual obligation owed to the out-of-state track operator, or to  
31 another state or entity thereof, as the case may be. The balance of such  
32 amounts shall be divided as follows:

33 (i) for the betting region composed of the New York city, Suffolk and  
34 Nassau regions and the portion of the Catskill region outside a special  
35 betting district: when both harness and thoroughbred meets are in  
36 progress in such betting region, the balance to the association or  
37 corporation holding the same type of meet as the out-of-state race; when  
38 only a harness meet is in progress in such betting region, the balance  
39 to the harness track operator; when only a thoroughbred meet is in  
40 progress in such betting region, the balance to the thoroughbred track  
41 operator; when no meet is in progress, fifty [per centum] percent of the  
42 balance to the franchised corporation and the remainder divided among  
43 harness racing corporations or associations within such betting region;

44 (ii) for the Capital District region and the portion of the Western  
45 region outside a special betting district: when a harness meet is in  
46 progress in such region and a thoroughbred meet is in progress outside a  
47 special betting district, the balance to whichever operator is conduct-  
48 ing the same type of meet as the out-of-state race; when no harness meet  
49 is in progress, the balance to the racing association outside a special  
50 betting district; and when no meet is in progress within such region and  
51 no thoroughbred meet is in progress outside a special betting district,  
52 fifty [per centum] percent of the balance to the racing association  
53 outside a special betting district and the remainder to the licensed  
54 harness racing corporations or associations within such region;

55 (iii) for the portion of the Western region within a thoroughbred  
56 special betting district but not within a harness special betting

1 district: when a harness meet and a thoroughbred meet are in progress  
2 within such region and the district, the balance to the association or  
3 corporation conducting the same type of meet as the out-of-state or  
4 out-of-region race; when a harness meet is in progress in such region  
5 but no thoroughbred meet is in progress in the special betting district,  
6 the balance to the harness track operator within such region; when only  
7 a thoroughbred meet is in progress in such betting region, the balance  
8 to the thoroughbred track operator; and when no meet is in progress  
9 within such region the balance is divided, forty [per centum] percent to  
10 the thoroughbred racing corporation within the district and the remain-  
11 der divided between the harness racing associations or corporations  
12 within the region provided, however, that if no more than one harness  
13 racing association or corporation is licensed to conduct a race meeting,  
14 fifty [per centum] percent to the thoroughbred racing corporation within  
15 the district and fifty [per centum] percent to the licensed harness  
16 racing association within the region;

17 (iv) for the portions of the Capital District, Catskill, Central and  
18 Western regions included in a harness special betting district: when a  
19 harness meeting is in progress in such harness special betting district  
20 and a thoroughbred meeting is in progress outside the thoroughbred  
21 special betting district, the balance to the association or corporation  
22 holding the same kind of race; when no harness meet is in progress, the  
23 balance to the racing corporation holding a thoroughbred race meeting  
24 outside the thoroughbred special betting district; when a harness meet-  
25 ing is in progress in the harness special betting district and no  
26 thoroughbred meeting is in progress outside the thoroughbred special  
27 betting district, the balance to the harness track operating in such  
28 harness special betting district; when no harness meet is being held  
29 within such harness special betting district and no thoroughbred meet is  
30 being held outside the thoroughbred special betting district, fifty [per  
31 centum] percent of such amount to the harness racing corporation in such  
32 harness special betting district and fifty [per centum] percent to the  
33 thoroughbred track operator outside the thoroughbred special betting  
34 district;

35 (v) for the portions of the Catskill and Western regions included in  
36 both a thoroughbred special betting district and a harness special  
37 betting district: when a harness meet and a thoroughbred meet are in  
38 progress within both such districts the balance to the association or  
39 corporation conducting the same type of meet as the out-of-state race;  
40 when a harness meet is in progress but no thoroughbred meet the balance  
41 to the harness track operator within such district; when a thoroughbred  
42 meet is in progress but no harness meet the balance to the thoroughbred  
43 track operator in the district; and when no meet is in progress the  
44 balance to be divided evenly between the harness track operator in the  
45 harness special betting district and the thoroughbred operator located  
46 within the thoroughbred special betting district;

47 (vi) notwithstanding any contrary provision contained in this section,  
48 the portion of retained commissions from off-track pools distributable  
49 to the track holding the race shall be for regular and multiple bets:  
50 five and three-quarters [per centum] percent and for exotic bets: seven  
51 and three-quarters [per centum] percent for the three races commonly  
52 referred to as the Triple Crown consisting of the Kentucky Derby, the  
53 Preakness and the Belmont Stakes, run respectively at Churchill Downs,  
54 Kentucky, at Pimlico, Maryland and at Belmont Park, New York; addi-  
55 tionally the same commissions shall apply to the series of races known  
56 as the Breeders' Cup and the portion distributable from retained commis-

sions shall be paid to the Breeders' Cup, ltd. irrespective of whether the races are held at a track within or without the state; provided, however, that as a condition precedent to the obligation of a regional corporation to make the foregoing distributions as required in this subparagraph with respect to wagers on the Belmont Stakes, such regional corporation shall have accepted wagers on at least one or both of the immediately preceding Kentucky Derby and Preakness races; and provided further that the distributable portion of such retained commissions with respect to the Belmont Stakes shall be deemed to include the additional amounts payable pursuant to the provisions of paragraph b of subdivision three of this section; and provided further, notwithstanding the foregoing provisions of this subparagraph, that of the retained commissions resulting from off-track wagers placed in a special betting district on the Belmont Stakes, the track holding the race shall receive one per centum from regular and multiple bets and two [per centum] percent from exotic bets, and the thoroughbred track conducting racing within such district shall receive four and three-quarters [per centum] percent from regular and multiple bets, and five and three-quarters [per centum] percent from exotic bets.

5. a. One percent of daily pools derived from bets on harness races shall be paid to the agriculture and New York state breeding and development fund except that for super exotic betting pools such amount shall be three percent of such bets.

b. An amount equal to one-half of one percent of total daily off-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets on thoroughbred or steeplechase races shall be paid to the New York state thoroughbred breeding and development fund.

c. From the total breaks retained by a regional corporation, an amount equal to ten percent of the breaks derived from bets on out-of-state quarter horse races shall be paid to the New York state quarter horse breeding and development fund.

7. In addition to any other amount required by this section, of the portion of commissions retained by a regional corporation, an amount equal to one [per centum] percent of multiple pools derived from wagers on races conducted by a thoroughbred racing corporation, licensed by the board, other than a franchised corporation, shall be paid to such thoroughbred racing corporation and held by such corporation for its own use and purposes, except that an amount equal to one-half [per centum] percent shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes, awarded to horses in races conducted by such corporation. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments.

8. From the nineteen [per centum] percent of the total deposits in pools resulting from multiple bets on thoroughbred races outside this state, two [per centum] percent shall be paid to a franchised corporation to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments. Notwithstanding the provisions of section fifteen of chapter three hundred sixty-three



1 of the laws of nineteen hundred eighty-four, the provisions of this  
2 subdivision shall not expire.

3 § 7. Subdivisions 1, 3, 3-a and 6 of section 532 of the racing, pari-  
4 mutuel wagering and breeding law, subdivisions 1 and 3 as amended by  
5 chapter 243 of the laws of 2020, subparagraph (vi) of paragraph b of  
6 subdivision 3 as amended by chapter 526 of the laws of 2022, and subdi-  
7 visions 3-a and 6 as added by chapter 346 of the laws of 1990, are  
8 amended to read as follows:

9 1. Notwithstanding any other provision of law, each regional off-track  
10 betting corporation, or off-track betting operator, including the New  
11 York city off-track betting corporation, conducting off-track betting  
12 shall impose a surcharge of five percent on the portion of pari-mutuel  
13 wagering pools distributable to persons having placed bets at off-track  
14 betting facilities located within such region. The revenues derived from  
15 such surcharge[, plus the breaks,] shall be held separate and apart from  
16 any amounts otherwise authorized to be retained from pari-mutuel pools.  
17 Such surcharge is hereby levied subject to the conditions set forth in  
18 this subdivision and article ten of this chapter.

19 3. The revenues received from any surcharge imposed by subdivision one  
20 of this section[, plus the breaks,] shall be distributed monthly, as  
21 follows:

22 a. fifty percent to such city, or to the counties and cities entitled  
23 to receive revenues from the regional corporation pursuant to section  
24 five hundred sixteen of this chapter and in the same proportion as  
25 provided therein, or to an off-track betting operator; and

26 b. the balance as follows:

27 (i) where the track conducting the race on which the bet was placed is  
28 located within a city with a population in excess of one hundred thou-  
29 sand, to such city;

30 (ii) where the track conducting the race on which the bet was placed  
31 is not located within a city with a population in excess of one hundred  
32 thousand, to the county in which such track is located;

33 (iii) where the track conducting the race on which the bet was placed  
34 is located partially within a city with a population in excess of one  
35 million and partially within a county, twenty-five percent of such  
36 balance to the city and the remainder to the county;

37 (iv) where the track conducting the race on which the bet was placed  
38 is located outside the state, in the same manner as described in para-  
39 graph a of this subdivision;

40 (v) where the track conducting the race is located in a thoroughbred  
41 special betting district and is simulcasting pursuant to section one  
42 thousand eight of this chapter outside such special betting district,  
43 ninety percent to the off-track betting operator and ten percent to the  
44 county in which such track is located; and

45 (vi) for the period of September first, two thousand twenty-two until  
46 August thirty-first, two thousand twenty-seven and where the track  
47 conducting the race on which the bet was placed is a harness track  
48 located in the county of Erie, to such track.

49 3-a. Such five [per centum] percent surcharge herein provided is here-  
50 by increased by a supplemental one [per centum] percent surcharge on the  
51 portion of pari-mutuel wagering pools of multiple, exotic and super  
52 exotic bets distributable to persons having placed bets at off-track  
53 betting facilities to be distributed in accordance with the provisions  
54 of section five hundred nine-a or six hundred nine-a of this chapter,  
55 whichever may be applicable to the corporation with which such bets  
56 originated.



1 6. Notwithstanding any provision herein or in section one thousand  
2 nine of this chapter to the contrary where the track conducting the race  
3 is a thoroughbred track located in the Catskill region conducting a  
4 mixed meeting such surcharge shall be collected on all wagers placed in  
5 branch offices or simulcast theaters of a regional off-track betting  
6 corporation. The revenues received from any such surcharge imposed in  
7 accordance with this section [plus the breaks] shall be distributed  
8 monthly as follows:

9 a. one-fifth to the county in which such track is located;

10 b. three-fifths to a regional track located in the region in which the  
11 bet is placed in accordance with provisions of section five hundred  
12 twenty-seven of this article, one-half thereof to be used for purses at  
13 such regional track, except that in any region containing two or more  
14 regional tracks such tracks shall be entitled to an equal share;

15 c. one-fifth to be retained by the off-track betting operator with  
16 whom such bet originated as operating revenues.

17 § 8. Paragraph c of subdivision 1 of section 904 of the racing, pari-  
18 mutuel wagering and breeding law, as amended by chapter 243 of the laws  
19 of 2020, is amended to read as follows:

20 c. Every association and corporation shall distribute all sums depos-  
21 ited in any pari-mutuel pool to the holders of winning tickets therein,  
22 providing such tickets be presented for payment before April first of  
23 the year following the year of their purchase, less an amount that it  
24 shall retain at the same rate established by the sending track [plus the  
25 breaks].

26 § 9. Paragraph c of subdivision 2 and subdivision 4 of section 905 of  
27 the racing, pari-mutuel wagering and breeding law, paragraph c of subdi-  
28 vision 2 as amended by chapter 243 of the laws of 2020, subdivision 4 as  
29 amended by section 15 of part F3 of chapter 62 of the laws of 2003 and  
30 such section as renumbered by chapter 18 of the laws of 2008, are  
31 amended to read as follows:

32 c. If different retention or breakage rates than those prevailing at  
33 the site of the New York interface are prescribed by the laws governing  
34 such out-of-state or foreign betting operator, and the commission is  
35 satisfied that it would not be contrary to the public interest to accept  
36 such wagers for combination with New York wagers, calculations of the  
37 current odds and final pay-off prices shall be made as follows:

38 (i) All New York state and out-of-state and foreign wagers of the same  
39 type shall be combined into single pools for calculation.

40 (ii) As many tentative payout prices as there are different retention  
41 and breakage rates applicable (including the prevailing New York  
42 retention rate) shall be calculated on the basis of returning the appro-  
43 priate rate of return, less breaks after imposition of each such rate of  
44 retention and breaks.

45 (iii) To each such out-of-state or foreign operator shall be allocated  
46 an amount sufficient for it to pay the appropriate pay-off to holders of  
47 winning wagers placed with it together with the applicable retention  
48 amount on its total wagers.

49 (iv) To each New York operator shall be allocated an amount sufficient  
50 for it to pay the appropriate pay-off to holders of winning wagers  
51 placed with it together with the applicable New York retention amount on  
52 its total wagers.

53 (v) The total amount of the combined pool less the combined total of  
54 all allocations as determined in subparagraphs (iii) and (iv) of this  
55 paragraph shall be credited to a special breakage account. The amount in  
56 such account giving appropriate weight to rates established for breakage

1 shall be allocated as breaks among all operators in the combined pool in  
2 accordance with the rules and regulations of the commission. Should a  
3 minus pool eventuate in which the total combined pool is insufficient to  
4 reimburse each operator for the allocation due to it then the allocation  
5 due to each such operator shall be reduced as may be appropriate and  
6 such operator shall be responsible for satisfying its liability from its  
7 own operating capital.

8 4. In those instances in which the retention rates of the out-of-state  
9 track are different from the retention rates authorized in this section,  
10 distribution to each of the entities entitled to receive payment under  
11 section five hundred twenty-seven or article ten of this chapter after  
12 payment of state taxes and regulatory fees shall be adjusted proportion-  
13 ately in an appropriate manner to account for higher or lower retention  
14 rates. For purposes of determining payment on out-of-state wagers the  
15 retention rate shall be the amount sufficient to pay holders of winning  
16 wagers plus any payments required to be made to the out-of-state track  
17 which exceeds two [per centum] percent of handle.

18 § 10. Paragraph a of subdivision 3 of section 1007 of the racing,  
19 pari-mutuel wagering and breeding law, as amended by chapter 243 of the  
20 laws of 2020, is amended to read as follows:

21 a. Of the sums retained by the receiving track from simulcast pools  
22 the pari-mutuel tax shall be levied at the [lower of the pari-mutuel  
23 tax] rate [in effect on December thirty-first, nineteen hundred ninety-  
24 three at the receiving track, plus ten percent of the breaks or the  
25 following rates: two percent of simulcast pools generated by regular  
26 wagers, two and one-half percent of simulcast pools generated by multi-  
27 ple wagers, and seven percent of simulcast pools generated by exotic and  
28 super exotic wagers, plus ten percent of the breaks] set forth in subdi-  
29 vision one of section one hundred thirty-six of this chapter.

30 § 11. Paragraph a of subdivision 4 of section 1009 of the racing,  
31 pari-mutuel wagering and breeding law, as amended by chapter 243 of the  
32 laws of 2020, is amended to read as follows:

33 a. Of the sums retained by the operator as provided in this subdivi-  
34 sion, the pari-mutuel tax shall be levied at the [following rates plus  
35 twenty percent of the breaks: from wagers on thoroughbred races, eight-  
36 tenths of one percent of pools generated from regular wagers; one and  
37 three-tenths percent of pools generated from multiple wagers; two and  
38 eight-tenths percent of pools generated from exotic wagers; and three  
39 and one-half percent of pools generated from super exotic wagers; and  
40 from wagers on harness races, one-half of one percent of pools generated  
41 from regular wagers; one percent of pools generated from multiple  
42 wagers; two and one-half percent of pools generated from exotic wagers  
43 and three percent of pools generated from super exotic wagers] rate set  
44 forth in subdivision one of section one hundred thirty-six of this chap-  
45 ter.

46 § 12. Paragraph i of subdivision 1 of section 1014 of the racing,  
47 pari-mutuel wagering and breeding law, as amended by chapter 243 of the  
48 laws of 2020, is amended to read as follows:

49 i. Any facility authorized to accept wagers on out-of-state tracks  
50 shall distribute all sums deposited in any pari-mutuel pool to the hold-  
51 ers of winning tickets therein, provided such tickets are presented for  
52 payment prior to April first of the year following the year of their  
53 purchase less eighteen percent of the total deposits in pools resulting  
54 from regular bets, less twenty-one percent of the total deposits in  
55 pools resulting from multiple bets, less twenty-six percent of the total  
56 deposits in pools resulting from exotic bets, less thirty-six percent of



1 the total deposits in pools resulting from super exotic bets [plus the  
2 breaks as defined in section two hundred thirty-six of this chapter]  
3 except that the retention rates and breaks shall be as prescribed by  
4 another state or country if such wagers are combined with those in the  
5 other state or country pursuant to section nine hundred five of this  
6 chapter.

7 (1) Of the sum so retained, the applicable tax rate shall be [one and  
8 one-half percent of all such wagers plus fifty percent of the breaks;  
9 provided, however, fifty percent of the breaks accruing from off-track  
10 betting corporations licensed in accordance with section one thousand  
11 eight of this article and from simulcast theaters licensed in accordance  
12 with section one thousand nine of this article, shall be paid to the  
13 agriculture and New York state horse breeding and development fund and  
14 to the thoroughbred breeding and development fund, the total of such  
15 payments to be apportioned fifty percent to each such fund] rate set  
16 forth in subdivision one of section one hundred thirty-six of this chap-  
17 ter.

18 (2) Of the sums so retained, one-half of one percent of all wagers  
19 shall be paid to the New York state thoroughbred breeding and develop-  
20 ment fund, except that of the sums so retained on such wagers at  
21 licensed harness tracks, one-half of one percent shall be paid to the  
22 agricultural and New York State horse breeding and development fund.

23 (3) Of the sum so retained, two percent of all wagers shall be paid to  
24 a franchised corporation to be used exclusively for the purpose of  
25 increasing purses, including stakes, premiums and prizes, provided  
26 further that such amount shall not exceed the amount paid to such non-  
27 profit racing association in nineteen hundred ninety-three from wagers  
28 placed on out-of-state tracks on a day when no racing was being  
29 conducted by the non-profit racing association and a racing program was  
30 being conducted by a thoroughbred racing corporation located in the  
31 state. The excess, if any, shall be paid to a thoroughbred racing corpo-  
32 ration located in the state until August thirty-first, nineteen hundred  
33 ninety-five and on and after July nineteen, nineteen hundred ninety-six  
34 to be used exclusively for the purpose of increasing purses, including  
35 stakes, premiums and prizes.

36 (4) Any thoroughbred racing corporation or harness racing association  
37 or corporation or off-track betting corporation authorized pursuant to  
38 this section shall pay to the commission as a regulatory fee, which fee  
39 is hereby levied, six-tenths of one percent of all wagering pools.

40 § 13. The opening paragraph of subdivision 3 of section 1015 of the  
41 racing, pari-mutuel wagering and breeding law, as amended by chapter 243  
42 of the laws of 2020, is amended to read as follows:

43 Any facility authorized to accept wagers on out-of-state tracks shall  
44 distribute all sums deposited in any pari-mutuel pool to the holders of  
45 any tickets therein provided such tickets are presented for payment  
46 prior to April first of the year following the year of their purchase  
47 less nineteen percent of total deposits in pools resulting from regular  
48 bets, less twenty-one percent of total deposits of pools resulting from  
49 multiple bets, less twenty-seven percent of total deposits of pools  
50 resulting from exotic bets, less thirty-six percent of total deposits of  
51 pools resulting from super exotic bets [plus the breaks as defined in  
52 section three hundred eighteen of this chapter] except that the  
53 retention rates and breaks shall be as prescribed by another state or  
54 country if such wagers are combined with those in the other state or  
55 country pursuant to section nine hundred five of this chapter.



§ 14. Paragraph a, the opening paragraph of paragraph b, subparagraph 1 of paragraph b, clauses (A) and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of paragraph b, and clauses (A) and (B) of subparagraph 6 of paragraph b of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, paragraph a, clauses (A) and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of paragraph b, clauses (A) and (B) of subparagraph 6 of paragraph b as amended by chapter 18 of the laws of 2008, the opening paragraph and subparagraph 1 of paragraph b as amended by chapter 243 of the laws of 2020, are amended to read as follows:

a. Each off-track betting branch office accepting wagers on an out-of-state track shall accept wagers on races run at all in-state thoroughbred tracks [which] that are conducting racing programs and every simulcasting facility licensed in accordance with sections one thousand eight and one thousand nine of this article [which] that is accepting wagers and displaying the simulcast signal from an out-of-state track shall similarly accept wagers and display the signal from all in-state thoroughbred tracks conducting racing programs.

Any facility authorized to accept wagers on out-of-state tracks shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets are presented for payment prior to April first of the year following the year of their purchase less eighteen percent of the total deposits in pools resulting from regular bets, less twenty-one percent of the total deposits in pools resulting from multiple bets, less twenty-six percent of the total deposits in pools resulting from exotic bets, and less twenty-seven percent of the total deposits in pools resulting from super exotic bets, [plus the breaks as defined in section two hundred thirty-six of this chapter] may be required by another jurisdiction except that the retention rates and breaks shall be as prescribed by another state or country if such wagers are combined with those in the other state or country pursuant to section nine hundred five of this chapter.

(1) Of the sums so retained, the applicable tax rates shall be as [governed by clauses (A) and (B) of subparagraphs three, four, five and six of this paragraph plus fifty percent of the breaks; provided, however, fifty percent of the breaks accruing from off-track betting corporations licensed in accordance with section one thousand eight of this article and from simulcast theaters licensed in accordance with section one thousand nine of this article, shall be paid to the agriculture and New York State horse breeding and development fund and to the thoroughbred breeding and development fund, the total of such payments to be apportioned fifty percent to each such fund] as set forth in subdivision one of section one hundred thirty-six of this chapter.

(A) Of the sums so retained on days when a franchised corporation is not conducting a race meeting within the state and a thoroughbred racing corporation is conducting a race meeting

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
[State Tax	1.50	1.50	1.50	1.50]
Non-franchised				
Thoroughbred Racing				





	S. 9009	81			A. 10009
1	corporation	0.50	0.50	0.50	0.50
2	Non-franchised				
3	Thoroughbred Racing				
4	corporation payments to purses	1.50	2.00	1.50	2.00
5	Franchised corporation	0.50	0.50	0.50	0.50
6	Franchised corporation				
7	payments to purses	2.00	2.00	2.50	4.00
8	(B) Of the sums so retained on days when a franchised corporation is				
9	conducting a race meeting within the state				
10					Super-
11		Regular	Multiple	Exotic	exotic
12		bets	bets	bets	bets
13	[State Tax	1.00	1.00	1.00	1.00]
14	Non-franchised				
15	Thoroughbred Racing				
16	corporation	0.50	0.50	0.50	0.00
17	Non-franchised				
18	Thoroughbred Racing				
19	corporation payments to purses	0.50	0.50	0.50	0.50
20	Franchised corporation	2.00	1.50	1.50	2.00
21	Franchised corporation				
22	payments to purses	2.00	3.00	3.00	5.00
23	(A) Of the sums so retained on days when a franchised corporation is				
24	not conducting a race meeting within the state and a thoroughbred racing				
25	corporation is conducting a race meeting				
26					Super-
27		Regular	Multiple	Exotic	exotic
28		bets	bets	bets	bets
29	[State Tax	1.00	1.00	1.00	1.00]
30	Non-franchised				
31	Thoroughbred Racing	2.00	2.00	2.00	2.50
32	corporation payments to purses				
33	Franchised corporation	1.00	1.00	1.00	1.00
34	Franchised corporation				
35	payments to purses	2.00	2.00	2.50	4.00
36	(B) Of the sums so retained on days when a franchised corporation is				
37	conducting a race meeting within the state				
38					Super-
39		Regular	Multiple	Exotic	exotic
40		bets	bets	bets	bets

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1	[State Tax	0.50	0.50	0.50	0.50]
2	Non-franchised				
3	Thoroughbred racing	0.50	0.25	0.50	0.50
4	corporation				
5	Non-franchised				
6	Thoroughbred racing	0.50	0.25	0.50	0.50
7	corporation payments to purses				
8	Franchised corporation	2.25	2.25	2.00	2.50
9	Franchised corporation				
10	payments to purses	2.25	3.25	3.00	4.50
11	(A) Of the sums so retained on days when a franchised corporation is				
12	not conducting a race meeting within the state and a thoroughbred racing				
13	corporation is conducting a race meeting				
14					
15		Regular	Multiple	Exotic	Super-
16		bets	bets	bets	exotic
17	[State Tax	1.50	1.50	1.50	1.50]
18	Non-franchised				
19	Thoroughbred racing	0.25	0.25	0.25	0.50
20	corporation				
21	Non-franchised				
22	Thoroughbred racing	0.75	1.00	0.75	1.00
23	corporation payments to purses				
24	Franchised corporation	0.25	0.25	0.25	0.25
25	Franchised corporation				
26	payments to purses	1.00	1.00	2.25	2.00
27	(B) Of the sums so retained on days when a franchised corporation is				
28	conducting a race meeting within the state				
29					
30		Regular	Multiple	Exotic	Super-
31		bets	bets	bets	exotic
32	[State Tax	1.00	1.00	1.00	1.00]
33	Non-franchised				
34	Thoroughbred racing				
35	corporation	0.25	0.25	0.25	0.25
36	Non-franchised				
37	Thoroughbred racing				
38	corporation payments to purses	0.25	0.25	0.25	0.25
39	Franchised corporation	1.00	0.75	0.75	1.00
40	Franchised corporation				



1	payments to purses	1.00	1.50	1.50	2.50
---	--------------------	------	------	------	------

2 (D) For wagers placed at a thoroughbred racing corporation the state  
 3 tax shall be the amounts specified in [clauses (A) and (B) of this  
 4 subparagraph] subdivision one of section one hundred thirty-six of this  
 5 chapter and retention thereafter shall be identical to sums retained for  
 6 each type of on-track wager.

7 (A) Of the sums so retained on days when a franchised corporation is  
 8 not conducting a race meeting within the state and a thoroughbred racing  
 9 corporation is conducting a race meeting

10					Super-
11		Regular	Multiple	Exotic	exotic
12		bets	bets	bets	bets
13	[State Tax	1.00	1.00	1.00	1.00]
14	Non-franchised				
15	Thoroughbred Racing				
16	corporation payments to purses	1.00	1.00	1.00	1.25
17	Franchised corporation	0.50	0.50	0.50	0.50
18	Franchised corporation				
19	payments to purses	1.00	1.00	1.25	2.00

20 (B) Of the sums so retained on days when a franchised corporation is  
 21 conducting a race meeting within the state

22					Super-
23		Regular	Multiple	Exotic	exotic
24		bets	bets	bets	bets
25	[State Tax	0.50	0.50	0.50	0.50]
26	Non-franchised				
27	Thoroughbred Racing				
28	corporation	0.25	0.25	0.25	0.25
29	Non-franchised				
30	Thoroughbred Racing				
31	corporation payments to purses	0.25	0.25	0.25	0.25
32	Franchised corporation	1.25	1.25	1.00	1.25
33	Franchised corporation				
34	payments to purses	1.25	2.00	1.50	2.25

35 § 15. Subdivision 1 of section 1018 of the racing, pari-mutuel wager-  
 36 ing and breeding law, as amended by chapter 18 of the laws of 2008, is  
 37 amended to read as follows:

38 1. Of the sums so retained, the applicable tax rates shall be as set  
 39 forth in [this paragraph plus fifty percent of the breaks; provided,  
 40 however, fifty percent of the breaks accruing from an off-track betting  
 41 corporation licensed in accordance with section one thousand eight of  
 42 this article and from simulcast theatres licensed in accordance with  
 43 section one thousand nine of this article, shall be paid to the agricul-

1 ture and New York state horse breeding and development fund] subdivision  
2 one of section one hundred thirty-six of this chapter.  
3 § 16. This act shall take effect immediately.

4 PART X

5 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel  
6 wagering and breeding law, as amended by section 1 of part HH of chapter  
7 59 of the laws of 2025, is amended to read as follows:

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

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

29 c. Notwithstanding any other provision of law or regulation to the  
30 contrary, from April first, two thousand twenty-three to March thirty-  
31 first, two thousand twenty-four, twenty-three percent of the funds, not  
32 to exceed two and one-half million dollars, in the Catskill off-track  
33 betting corporation's capital acquisition fund established pursuant to  
34 this section, and one million dollars in the Capital off-track betting  
35 corporation's capital acquisition fund established pursuant to this  
36 section, shall be available to such off-track betting corporation for  
37 the purposes of expenditures necessary to accept authorized wagers; past  
38 due statutory obligations to New York licensed or franchised racing  
39 corporations or associations; past due contractual obligations due to  
40 other racing associations or organizations for the costs of acquiring a  
41 simulcast signal; past due statutory payment obligations due to the New  
42 York state thoroughbred breeding and development fund corporation, agri-  
43 culture and New York state horse breeding development fund, and the  
44 Harry M. Zweig memorial fund for equine research; and past due obli-  
45 gations due the state.

46 d. Notwithstanding any other provision of law or regulation to the  
47 contrary, from April first, two thousand twenty-four to March thirty-  
48 first, two thousand twenty-five, twenty-three percent of the funds, not  
49 to exceed two and one-half million dollars, in the Catskill off-track  
50 betting corporation's capital acquisition fund established pursuant to  
51 this section, and one million dollars in the Capital off-track betting  
52 corporation's capital acquisition fund established pursuant to this  
53 section, shall be available to such off-track betting corporation for  
54 the purposes of expenditures necessary to accept authorized wagers; past

1 due statutory obligations to New York licensed or franchised racing  
2 corporations or associations; past due contractual obligations due to  
3 other racing associations or organizations for the costs of acquiring a  
4 simulcast signal; past due statutory payment obligations due to the New  
5 York state thoroughbred breeding and development fund corporation, agri-  
6 culture and New York state horse breeding development fund, and the  
7 Harry M. Zweig memorial fund for equine research; and past due obli-  
8 gations due the state.

9 e. Notwithstanding any other provision of law or regulation to the  
10 contrary, from April first, two thousand twenty-five to March thirty-  
11 first, two thousand twenty-six, one million dollars in the Capital off-  
12 track betting corporation's capital acquisition fund established pursu-  
13 ant to this section shall be available to such off-track betting  
14 corporation for the purposes of expenditures necessary to accept author-  
15 ized wagers; past due statutory obligations to New York licensed or  
16 franchised racing corporations or associations; past due contractual  
17 obligations due to other racing associations or organizations for the  
18 cost of acquiring a simulcast signal; past due statutory payment obli-  
19 gations due to the New York state thoroughbred breeding and development  
20 fund corporation, agriculture and New York state horse breeding develop-  
21 ment fund, and the Harry M. Zweig memorial fund for equine research; and  
22 past due obligations due the state.

23 f. Notwithstanding any other provision of law or regulation to the  
24 contrary, from April first, two thousand twenty-six to March thirty-  
25 first, two thousand twenty-seven, one million dollars in the Capital  
26 off-track betting corporation's capital acquisition fund established  
27 pursuant to this section, shall be available to such off-track betting  
28 corporation for the purposes of expenditures necessary to accept author-  
29 ized wagers; past due statutory obligations to New York licensed or  
30 franchised racing corporations or associations; past due contractual  
31 obligations due to other racing associations or organizations for the  
32 cost of acquiring a simulcast signal; past due statutory payment obli-  
33 gations due to the New York state thoroughbred breeding and development  
34 fund corporation, agriculture and New York state horse breeding develop-  
35 ment fund, and the Harry M. Zweig memorial fund for equine research; and  
36 past due obligations due the state.

37 g. Prior to a corporation being able to utilize the funds authorized  
38 by paragraph c, d [or], e or f of this subdivision, the corporation must  
39 attest that the surcharge monies from section five hundred thirty-two of  
40 this chapter are being held separate and apart from any amounts other-  
41 wise authorized to be retained from pari-mutuel pools and all surcharge  
42 monies have been and will continue to be paid to the localities as  
43 prescribed in law. Once this condition is satisfied, the corporation  
44 must submit an expenditure plan to the gaming commission for review.  
45 Such plan shall include the corporation's outstanding liabilities,  
46 projected revenue for the upcoming year, a detailed explanation of how  
47 the funds will be used, and any other information necessary to detail  
48 such plan as determined by the commission. Upon review, the commission  
49 shall make a determination as to whether the requirements of this para-  
50 graph have been satisfied and notify the corporation of expenditure plan  
51 approval. In the event the commission determines the requirements of  
52 this paragraph have not been satisfied, the commission shall notify the  
53 corporation of all deficiencies necessary for approval. As a condition  
54 of such expenditure plan approval, the corporation shall provide a  
55 report to the commission no later than the last day of the calendar year  
56 for which the funds are requested, which shall include an accounting of



1 the use of such funds. At such time, the commission may cause an inde-  
2 pendent audit to be conducted of the corporation's books to ensure that  
3 all moneys were spent as indicated in such approved plan. The audit  
4 shall be paid for from money in the fund established by this section. If  
5 the audit determines that a corporation used the money authorized under  
6 this section for a purpose other than one listed in their expenditure  
7 plan, then the corporation shall reimburse the capital acquisition fund  
8 for the unauthorized amount.

9 § 2. This act shall take effect immediately.

10

## PART Y

11 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the  
12 racing, pari-mutuel wagering and breeding law, as amended by section 1  
13 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to  
14 read as follows:

15 (a) Any racing association or corporation or regional off-track  
16 betting corporation, authorized to conduct pari-mutuel wagering under  
17 this chapter, desiring to display the simulcast of horse races on which  
18 pari-mutuel betting shall be permitted in the manner and subject to the  
19 conditions provided for in this article may apply to the commission for  
20 a license so to do. Applications for licenses shall be in such form as  
21 may be prescribed by the commission and shall contain such information  
22 or other material or evidence as the commission may require. No license  
23 shall be issued by the commission authorizing the simulcast transmission  
24 of thoroughbred races from a track located in Suffolk county. The fee  
25 for such licenses shall be five hundred dollars per simulcast facility  
26 and for account wagering licensees that do not operate either a simul-  
27 cast facility that is open to the public within the state of New York or  
28 a licensed racetrack within the state, twenty thousand dollars per year  
29 payable by the licensee to the commission for deposit into the general  
30 fund. Except as provided in this section, the commission shall not  
31 approve any application to conduct simulcasting into individual or group  
32 residences, homes or other areas for the purposes of or in connection  
33 with pari-mutuel wagering. The commission may approve simulcasting into  
34 residences, homes or other areas to be conducted jointly by one or more  
35 regional off-track betting corporations and one or more of the follow-  
36 ing: a franchised corporation, thoroughbred racing corporation or a  
37 harness racing corporation or association; provided (i) the simulcasting  
38 consists only of those races on which pari-mutuel betting is authorized  
39 by this chapter at one or more simulcast facilities for each of the  
40 contracting off-track betting corporations which shall include wagers  
41 made in accordance with [section] sections one thousand fifteen, one  
42 thousand sixteen and one thousand seventeen of this article; provided  
43 further that the contract provisions or other simulcast arrangements for  
44 such simulcast facility shall be no less favorable than those in effect  
45 on January first, two thousand five; (ii) that each off-track betting  
46 corporation having within its geographic boundaries such residences,  
47 homes or other areas technically capable of receiving the simulcast  
48 signal shall be a contracting party; (iii) the distribution of revenues  
49 shall be subject to contractual agreement of the parties except that  
50 statutory payments to non-contracting parties, if any, may not be  
51 reduced; provided, however, that nothing herein to the contrary shall  
52 prevent a track from televising its races on an irregular basis primari-  
53 ly for promotional or marketing purposes as found by the commission. For  
54 purposes of this paragraph, the provisions of section one thousand thir-



1 teen of this article shall not apply. Any agreement authorizing an  
2 in-home simulcasting experiment commencing prior to May fifteenth, nine-  
3 teen hundred ninety-five, may, and all its terms, be extended [until  
4 June thirtieth, two thousand twenty-six]; provided, however, that any  
5 party to such agreement may elect to terminate such agreement upon  
6 conveying written notice to all other parties of such agreement at least  
7 forty-five days prior to the effective date of the termination, via  
8 registered mail. Any party to an agreement receiving such notice of an  
9 intent to terminate, may request the commission to mediate between the  
10 parties new terms and conditions in a replacement agreement between the  
11 parties as will permit continuation of an in-home experiment [until June  
12 thirtieth, two thousand twenty-six]; and (iv) no in-home simulcasting in  
13 the thoroughbred special betting district shall occur without the  
14 approval of the regional thoroughbred track.

15 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
16 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
17 section 2 of subpart B of part FF of chapter 59 of the laws of 2025, is  
18 amended to read as follows:

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

31 § 3. The opening paragraph of subdivision 1 of section 1014 of the  
32 racing, pari-mutuel wagering and breeding law, as amended by section 3  
33 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to  
34 read as follows:

35 The provisions of this section shall govern the simulcasting of races  
36 conducted at thoroughbred tracks located in another state or country on  
37 any day during which a franchised corporation is conducting a race meet-  
38 ing in Saratoga county at Saratoga thoroughbred racetrack [until June  
39 thirtieth, two thousand twenty-six and on any day regardless of whether  
40 or not a franchised corporation is conducting a race meeting in Saratoga  
41 county at Saratoga thoroughbred racetrack after June thirtieth, two  
42 thousand twenty-six]. On any day on which a franchised corporation has  
43 not scheduled a racing program but a thoroughbred racing corporation  
44 located within the state is conducting racing, each off-track betting  
45 corporation branch office and each simulcasting facility licensed in  
46 accordance with section one thousand seven (that has entered into a  
47 written agreement with such facility's representative horsemen's organ-  
48 ization, as approved by the commission), one thousand eight, or one  
49 thousand nine of this article shall be authorized to accept wagers and  
50 display the live simulcast signal from thoroughbred tracks located in  
51 another state or foreign country subject to the following provisions:

52 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering  
53 and breeding law, as amended by section 4 of subpart B of part FF of  
54 chapter 59 of the laws of 2025, is amended to read as follows:

55 1. The provisions of this section shall govern the simulcasting of  
56 races conducted at harness tracks located in another state or country

1 [during] beginning with the period commencing July first, nineteen  
2 hundred ninety-four [through June thirtieth, two thousand twenty-six].  
3 This section shall supersede all inconsistent provisions of this chap-  
4 ter.

5 § 5. The opening paragraph of subdivision 1 of section 1016 of the  
6 racing, pari-mutuel wagering and breeding law, as amended by section 5  
7 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to  
8 read as follows:

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

26 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
27 wagering and breeding law, as amended by section 6 of subpart B of part  
28 FF of chapter 59 of the laws of 2025, is amended to read as follows:

29 Notwithstanding any other provision of this chapter, for the period  
30 commencing July twenty-fifth, two thousand one [through September  
31 eighth, two thousand twenty-five], when a franchised corporation is  
32 conducting a race meeting within the state at Saratoga Race Course,  
33 every off-track betting corporation branch office and every simulcasting  
34 facility licensed in accordance with section one thousand seven (that  
35 has entered into a written agreement with such facility's representative  
36 horsemen's organization as approved by the commission), one thousand  
37 eight or one thousand nine of this article shall be authorized to accept  
38 wagers and display the live simulcast signal from thoroughbred tracks  
39 located in another state, provided that such facility shall accept  
40 wagers on races run at all in-state thoroughbred tracks which are  
41 conducting racing programs subject to the following provisions;  
42 provided, however, no such written agreement shall be required of a  
43 franchised corporation licensed in accordance with section one thousand  
44 seven of this article.

45 § 7. Section 54 of chapter 346 of the laws of 1990, amending the  
46 racing, pari-mutuel wagering and breeding law and other laws relating to  
47 simulcasting and the imposition of certain taxes, as amended by section  
48 8 of subpart B of part FF of chapter 59 of the laws of 2025, is amended  
49 to read as follows:

50 § 54. This act shall take effect immediately; provided, however,  
51 sections three through twelve of this act shall take effect [on] January  
52 1, 1991[, and section 1013 of the racing, pari-mutuel wagering and  
53 breeding law, as added by section thirty-eight of this act, shall expire  
54 and be deemed repealed on July 1, 2026]; and section eighteen of this  
55 act shall take effect [on] July 1, 2008 and sections fifty-one and





1 fifty-two of this act shall take effect as of the same date as chapter  
2 772 of the laws of 1989 took effect.

3 § 8. Paragraph (a) of subdivision 1 of section 238 of the racing,  
4 pari-mutuel wagering and breeding law, as amended by section 9 of  
5 subpart B of part FF of chapter 59 of the laws of 2025, is amended to  
6 read as follows:

7 (a) The franchised corporation authorized under this chapter to  
8 conduct pari-mutuel betting at a race meeting or races run thereat shall  
9 distribute all sums deposited in any pari-mutuel pool to the holders of  
10 winning tickets therein, provided such tickets are presented for payment  
11 before April first of the year following the year of their purchase,  
12 less an amount that shall be established and retained by such franchised  
13 corporation of between twelve to seventeen percent of the total deposits  
14 in pools resulting from on-track regular bets, and fourteen to twenty-  
15 one percent of the total deposits in pools resulting from on-track  
16 multiple bets and fifteen to twenty-five percent of the total deposits  
17 in pools resulting from on-track exotic bets and fifteen to thirty-six  
18 percent of the total deposits in pools resulting from on-track super  
19 exotic bets[, plus the breaks]. The retention rate to be established is  
20 subject to the prior approval of the commission. Such rate may not be  
21 changed more than once per calendar quarter to be effective on the first  
22 day of the calendar quarter. "Exotic bets" and "multiple bets" shall  
23 have the meanings set forth in section five hundred nineteen of this  
24 chapter. "Super exotic bets" shall have the meaning set forth in section  
25 three hundred one of this chapter. For purposes of this section, a "pick  
26 six bet" shall mean a single bet or wager on the outcomes of six races.  
27 [The breaks are hereby defined as the odd cents over any multiple of  
28 five for payoffs greater than one dollar five cents but less than five  
29 dollars, over any multiple of ten for payoffs greater than five dollars  
30 but less than twenty-five dollars, over any multiple of twenty-five for  
31 payoffs greater than twenty-five dollars but less than two hundred fifty  
32 dollars, or over any multiple of fifty for payoffs over two hundred  
33 fifty dollars.] Out of the amount so retained there shall be paid by  
34 such franchised corporation to the commissioner of taxation and finance,  
35 as a reasonable tax by the state for the privilege of conducting pari-  
36 mutuel betting on the races run at the race meetings held by such fran-  
37 chised corporation, the following percentages of the total pool for  
38 regular and multiple bets five percent of regular bets and four percent  
39 of multiple bets plus twenty percent of the breaks; for exotic wagers  
40 seven and one-half percent plus twenty percent of the breaks, and for  
41 super exotic bets seven and one-half percent plus fifty percent of the  
42 breaks.

43 For the period April first, two thousand one through December thirty-  
44 first, two thousand twenty-six, such tax on all wagers shall be one and  
45 six-tenths percent, plus, in each such period, twenty percent of the  
46 breaks. Payment to the New York state thoroughbred breeding and develop-  
47 ment fund by such franchised corporation shall be one-half of one  
48 percent of total daily on-track pari-mutuel pools resulting from regu-  
49 lar, multiple and exotic bets and three percent of super exotic bets and  
50 for the period commencing April first, two thousand one [through Decem-  
51 ber thirty-first, two thousand twenty-six], such payment shall be  
52 seven-tenths of one percent of regular, multiple and exotic pools.

53 § 9. This act shall take effect immediately.

54

PART Z



1 Section 1. Subdivision 1 of section 220 of the racing, pari-mutuel  
2 wagering and breeding law, as amended by section 2 of part NN of chapter  
3 59 of the laws of 2025, is amended to read as follows:

4 1. For the purpose of maintaining a proper control over race meetings  
5 conducted pursuant to sections two hundred five and two hundred six of  
6 this article, the commission shall license owners, which term shall be  
7 deemed to include part-owners and lessees, trainers, assistant trainers  
8 and jockeys, jockey agents, stable employees, non-publicly appointed  
9 members of the board of a franchised corporation, and such other persons  
10 as the commission may by rule prescribe at running races and at steeple-  
11 chases, provided, however, that no such license shall be required for  
12 seasonal employees hired solely to work for no longer than six weeks  
13 during the summer meet at Saratoga racetrack, and any such other times  
14 as race dates historically assigned to Belmont Park are conducted at the  
15 Saratoga racetrack in two thousand twenty-four [and] two thousand twen-  
16 ty-five and two thousand twenty-six as approved in writing by the  
17 commission. In the event that a proposed licensee is other than a  
18 natural person, the commission shall require by regulation disclosure of  
19 the names and addresses of all owners of an interest in such entity. The  
20 commission may retain, employ or appoint such officers, employees and  
21 agents, as it may deem necessary to receive, examine and make recommen-  
22 dations, for the consideration of the commission, in respect of applica-  
23 tions for such licenses; prescribe their duties in connection therewith,  
24 and fix their compensation therefor within the limitations prescribed by  
25 law. Each applicant for a license shall pay to the commission an annual  
26 license fee as follows: owner's license, if a renewal, fifty dollars,  
27 and if an original application, one hundred dollars; trainer's license,  
28 thirty dollars; assistant trainer's license, thirty dollars; jockey's  
29 license, fifty dollars; jockey agent's license, twenty dollars; and  
30 stable employee's license, five dollars. Each applicant may apply for a  
31 two-year or three-year license by payment to the commission of the  
32 appropriate multiple of the annual fee. The commission may by rule fix  
33 the license fees to be paid by other persons required to be licensed by  
34 the rules of the commission, not to exceed thirty dollars per category.  
35 The application for the license shall be in writing in such form as the  
36 commission may prescribe, and contain such information as the commission  
37 may require. The commission shall henceforth cause all applicants for  
38 licenses to be photographed and fingerprinted and may issue identifica-  
39 tion cards to licensees. Such fingerprints shall be submitted to the  
40 division of criminal justice services for a state criminal history  
41 record check, as defined in subdivision one of section three thousand  
42 thirty-five of the education law, and may be submitted to the federal  
43 bureau of investigation for a national criminal history record check. A  
44 fee equal to the actual cost of issuance shall be charged for the  
45 initial issuance of such identification cards. Each such license unless  
46 revoked for cause shall be for the period of no more than one, two or  
47 three years, determined by rule of the commission, expiring on the  
48 applicant's birth date. Licenses of non-publicly appointed members of  
49 the board of a franchised corporation shall be issued without fee and  
50 remain in effect for the duration of their board service. Licenses  
51 current on the effective date of this provision shall not be reduced in  
52 duration by this provision. An applicant who applies for a license that,  
53 if issued, would take effect less than six months prior to the appli-  
54 cant's birth date may, by payment of a fifty percent higher fee, receive  
55 a license which shall not expire until the applicant's second succeeding  
56 birth date. All receipts of the commission derived from the operation of



1 this section shall be paid by it into the state treasury on or before  
2 the tenth day of each month. All officials connected with the actual  
3 conduct of racing shall be subject to approval by the commission.

4 § 2. This act shall take effect immediately; provided, however, that  
5 the amendments to subdivision one of section 220 of the racing, pari-mu-  
6 tuel wagering and breeding law made by section one of this act shall not  
7 affect the expiration of such subdivision and shall expire and be deemed  
8 repealed therewith.

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

18 § 3. This act shall take effect immediately provided, however, that  
19 the applicable effective date of Parts A through Z of this act shall be  
20 as specifically set forth in the last section of such Parts.

