



# Summary of Tax Provisions in SFY 2013-14 Budget



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# Summary of SFY 2013-14 Tax Provisions

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## Tax Credits

Empire State Film  
Production and Post  
Production Tax Credits

Part B of Chapter 59 of the Laws of 2013 made several significant changes to the Empire State film production and post production tax credits.

*Credit allocation extended and modified*

Part B awards the Governor's Office of Motion Picture and Television Development (MP/TV) an additional \$2.1 billion in tax credits to allocate in installments of \$420 million per year in 2015 through 2019. Also starting in 2015, the amount of the allocation dedicated to the post production credit increases from \$7 million to \$25 million annually.

*Upstate credit enhancement*

In 2015 through 2019, film and post production projects are eligible for an additional credit equal to 10 percent of the wages or salaries of individuals employed by a qualified film or independent film production company for services performed in the following counties:

Allegany, Broome, Cattaraugus, Cayuga,  
Chautauqua, Chemung, Chenango, Clinton,  
Cortland, Delaware, Erie, Essex, Franklin, Fulton,  
Genesee, Hamilton, Herkimer, Jefferson, Lewis,  
Livingston, Madison, Monroe, Montgomery,  
Niagara, Oneida, Onondaga, Ontario, Orleans,  
Oswego, Otsego, Schoharie, Schuyler, Seneca, St.  
Lawrence, Steuben, Tioga, Tompkins, Wayne,  
Wyoming, and Yates.

Individuals employed as writers, directors, music directors, producers, and performers are not eligible for the credit. Also, qualified films must have a minimum budget of \$500,000. For post production work to be eligible, the post production facility must be located in one of the above counties.

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The additional credit is funded from the annual film credit and post production credit allocations, respectively. However, the combined aggregate amount of credit is capped at \$5 million.

*Credit extended to relocated talk or variety shows*

Part B expands the definition of *qualified film* to include a relocated television production, which is a talk or variety show that filmed at least five seasons outside New York prior to its first relocated season in the state, is filmed in front of a studio audience of 200 or more people, and incurs at least \$30 million in annual production costs or at least \$10 million in capital expenditures at a qualified production facility in the state.

*Visual effects and animation incentive*

Part B lowers the post production credit eligibility threshold for visual effects and animation (VFX) in order to attract more VFX work to New York State. A taxpayer must incur at least \$3 million or 20 percent of its total VFX post production costs at a qualified post production facility in New York to be eligible for credit on VFX work. The eligibility threshold for non-VFX post production work remains 75 percent.

*Increased data reporting*

Part B requires additional information to be included in the mandated quarterly reports produced by MP/TV for distribution to the Director of the Division of the Budget and the chairs of the Legislative fiscal committees. New items include: credit eligible man-hours and related total wages by project; names and location information of taxpayers allocated credit and the corresponding credit amounts; and project identifying information.

Part B also directs MP/TV to file a new biennial report prepared by an independent third party auditor within 15 days after the close of a calendar year. The report will review the administration of the film and post production credit programs for their efficiency of operation, reliability of financial reporting, and compliance with the relevant laws and regulations. The auditor will also conduct an economic impact study of the credits. The first report will cover a two year period that began on January 1, 2013.

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Rehabilitation of Historic Properties Credit

Part F of Chapter 59 of the Laws of 2013 extends the enhanced credit for the rehabilitation of historic properties for an additional five years, providing a credit equal to 100 percent of the federal credit, up to a maximum of \$5 million, through the end of tax year 2019. For tax years beginning on or after January 1, 2020, the credit reverts to an equivalent of 30 percent of the federal credit, up to a maximum of \$100,000. Previously a nonrefundable credit, the credit is now fully refundable.

Additionally, technical corrections require the use of American Community Survey data to determine census tracts at or below the state median family income and eliminate obsolete references to federal targeted area residences.

This part is effective immediately and applies to taxable years beginning on or after January 1, 2013. However, the credit is only refundable for qualified rehabilitations placed in service on or after January 1, 2015.

Historic Homeownership Rehabilitation Credit

Part V of Chapter 59 of the Laws of 2013 extends enhancements to the historic homeownership rehabilitation credit, which increased the maximum credit from \$25,000 to \$50,000 per residence. The credit will now be refundable for taxpayers with New York adjusted gross income of \$60,000 or less. These provisions, which were scheduled to expire on or after January 1, 2015, are extended for five years through tax year 2019.

Hire A Vet Credit

Part AA of Chapter 59 of the Laws of 2013 creates a nonrefundable tax credit for the hiring and employing of a qualified veteran. The veteran must be employed for not less than one year and for not less than 35 hours each week with the taxpayer claiming the credit in the year in which the qualified veteran completes one year of employment with the taxpayer. The credit is equal to 10 percent of the total amount of wages paid to the qualified veteran during the veteran's first full year of employment. The amount is increased to 15 percent of the total wages paid if the qualified veteran is disabled. The credit is capped at \$5,000 per veteran or \$15,000 per disabled veteran. Any unused credit may be carried forward to the following three years.

The credit is effective immediately and allowed for taxable years beginning after January 1, 2015 and before January 1, 2017.

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Youth Works Credit  
Extension and Expansion

Part DD of Chapter 59 of the Laws of 2013 expands and extends the existing New York Youth Works tax credit. Previously, to qualify for the credit a qualifying employee had to reside in a city with a population of 62,000 or more or a town with a population of 480,000 or more. This legislation reduces the city population threshold to 55,000.

Also, the original Youth Works credit had been capped at \$25 million and limited to employment beginning during the 2012 calendar year. Part DD expands the credit to incorporate five separate programs with independent credit allocation caps:

Youth Works Program	Total Credit Allocation	Employee Hiring Dates
Program 1	\$25 million	1/1/12 – 12/31/12
Program 2	\$6 million	1/1/14 – 12/31/14
Program 3	\$6 million	1/1/15 – 12/31/15
Program 4	\$6 million	1/1/16 – 12/31/16
Program 5	\$6 million	1/1/17 – 12/31/17

Employers are required to apply to the Department of Labor between January 1 and November 30 of the year pertaining to the particular program to receive credit.

Minimum Wage  
Reimbursement Credit

Part EE of Chapter 59 of the Laws of 2013 establishes the minimum wage reimbursement credit. The credit may be claimed by eligible employers subject to tax under Articles 9, 9-A, 22, 32 or 33 for wages paid to eligible employees in tax years beginning on or after January 1, 2014 and before January 1, 2019.

Eligible employers are C-corporations, S-corporations, sole proprietorships, limited liability companies, and partnerships. Eligible employees must be:

- Employed by an eligible employer in New York;
- Paid at the minimum wage rate;
- Between the ages of 16 and 19; and
- A student.



Eligible employers will receive a refundable credit equal to the number of hours worked by eligible employees multiplied by the credit rate. The credit rate increases according to the following schedule:

Tax Year	Credit Rate
Tax years beginning on/after January 1, 2014 and before January 1, 2015	\$0.75
Tax years beginning on/after January 1, 2015 and before January 1, 2016	\$1.31
Tax years beginning on/after January 1, 2016 and before January 1, 2019	\$1.35

In the event that the federal minimum wage is increased to more than 85 percent of New York’s minimum wage, the credit rates will be reduced to the difference between New York’s minimum wage and the federal minimum wage. The reduction will be effective on the first day that the eligible employer is required to pay the increased federal minimum wage, if such an increase takes place.

Employers may not discharge an employee and replace that employee for the exclusive purpose of qualifying for the minimum wage reimbursement credit. Eligible employees may not be used as the basis for this credit while being used as the basis for any other credit under the Tax Law.

Alternative Fuels and  
Electric Vehicle  
Recharging Property Credit

Part G of Chapter 59 of the Laws of 2013 creates an alternative fuels and electric vehicle recharging property tax credit under Articles 9, 9-A, and 22 for tax years beginning on or after January 1, 2013 and before January 1, 2018. This credit replaces the alternative fuels credit that expired in 2010.

This nonrefundable credit is equal to the lesser of \$5,000 or 50 percent of the cost of alternative fuel vehicle refueling property or electric vehicle recharging property located in New York for which none of the costs have been paid from the proceeds of grants. *Alternative fuel vehicle refueling property* is defined as equipment needed to dispense any fuel at least 85 percent of the volume of which consists of one or more of the following: natural gas, liquefied natural gas, liquefied petroleum, or hydrogen. *Electric vehicle recharging property* is defined as all equipment needed to convey electric power from the electric grid or another power source to an onboard vehicle energy storage system.

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## Personal Income Taxes

### Three-year Personal Income Tax Extender

Part FF of Chapter 59 of the Laws of 2013 extends the temporary New York State income tax rates through tax year 2017. In addition, for tax years 2015, 2016, and 2017, the tax tables will continue to be indexed by a cost-of-living adjustment. For tax years beginning after 2017, the tax tables revert to the tables and tax rates in effect for tax years beginning after 2005 and before 2009 (i.e., the highest rate will be 6.85 percent). However, the dollar amounts in those tax tables will be indexed by the cost-of-living adjustments, if any, computed for tax years 2013 through 2017.

In addition, the tax benefit recapture provisions, which recapture the benefits of the lower tax rates, in effect through tax year 2014 are also extended and indexed through tax year 2017.

Lastly, for tax years 2015, 2016 and 2017, the New York standard deduction will continue to be indexed by the cost-of-living adjustment. For tax years 2018 and after, the standard deduction will be fixed at the amount allowable for tax year 2017.

### Family Tax Relief Credit

Part CC of Chapter 59 of the Laws of 2013 creates the family tax relief credit effective for tax years 2014 through 2016. The credit is equal to \$350 and is refundable. The Commissioner will determine whether taxpayers meet the eligibility for the credit on or before October 15 of each year utilizing information filed by the taxpayer two years earlier. Upon determining eligibility, the Commissioner will make an advance payment of the credit to the taxpayer of \$350.

Eligible taxpayers are taxpayers who were residents, claimed one or more dependents who were under the age of 17 on the last day of the tax year, had New York adjusted gross income of at least \$40,000 but no greater than \$300,000, and had tax less other credits greater than or equal to zero.

### Limitation on Itemized Deductions

Part D of Chapter 59 of the Laws of 2013 extends for three years the current 25 percent New York State itemized deduction limitation for taxpayers who have New York adjusted gross income (NYAGI) over \$10 million. Because the New York City income tax conforms to the State tax base, conforming amendments are also made to the New York City Administrative Code.

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This part is effective for taxable years beginning on or after January 1, 2013 and ends after tax year 2015.

Small Business  
Modification

Part Y of Chapter 59 of the Laws of 2013 creates a subtraction modification for residents with small business and/or farm income. The modification equals 3 percent of the net items of income, gain, loss and deduction attributable to a business or farm included in federal adjusted gross income (but not less than zero) for tax year 2014. This is increased to 3.75 percent in tax year 2015 and 5 percent for tax year 2016 and after. *Small business* is defined as a sole proprietor or a farm business employing one or more persons during the taxable year that has net business income or net farm income of less than \$250,000.

Remembrance of Veteran  
Check-off Box

Part W of Chapter 57 of the Laws of 2013 creates a new tax donation “check-off” on personal income tax returns known as the Gift for Honor and Remembrance of Veterans. Taxpayers may donate any whole dollar amount to be used for the veterans’ remembrance and cemetery maintenance and operation fund. Donations do not reduce the amount of State tax owed by the taxpayer.

This provision is effective for tax years commencing on or after January 1, 2013.

Teen Health Check-off  
Box

Part GG of Chapter 59 of the Laws of 2013 creates a new tax donation “check-off” on personal income tax returns known as the Gift for New York State Teen Health Education Fund. Taxpayers may donate any whole dollar amount to be used to supplement educational programs for health and awareness of health issues facing teens. Donations do not reduce the amount of State tax owed by the taxpayer.

This provision takes effect immediately.

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## Real Property Taxes

### Eliminating Improper STAR Exemptions

Part J of Chapter 57 of the Laws of 2013 provides for creation of a new STAR registration program by the Department of Taxation and Finance. The Department is required to establish, by April 1, 2014 and with at least 60 days notice of the new requirements to basic STAR beneficiaries, a process through which they can register, providing essential information that can be used in determining their eligibility. Taxpayers have up to one year to register. Following an eligibility determination by the Department (which is subject to two levels of administrative appeal as well as judicial review), and appropriate notification of the taxpayers, (who have 45 days to respond), assessors will be notified to remove any unwarranted exemptions from assessment rolls. The legislation also requires that program's data be kept up to date annually through use of income tax returns and other such data available to the Department, and that any subsequent re-registrations be undertaken no more frequently than once every three years.

Revenues from \$500 processing fees (2013 and thereafter) that are charged to the recipients of improper exemptions in question are provided to local governments in order to offset the administrative costs they will experience in removing such exemptions. In addition, penalties ranging \$100 to \$2,500 are provided in cases where there has been a “material misstatement” of facts by the exemption applicant, and the revenues from such penalties also go to local governments (2013 and thereafter). The language further provides for retroactive recapture of prior-year STAR benefits by the State in such instances, up to a maximum of six years but not extending to years earlier than 2010 assessment rolls, and disqualification for up to 6 future years..

The Legislation is effective on April 1, 2013.

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## Sales Taxes

### Industrial Development Agency Reforms

Part J of Chapter 59 of the Laws of 2013 amends the General Municipal Law and the Public Authorities Law to make several reforms to how Industrial Development Agencies (IDAs) provide sales and use tax exemption benefits. The bill requires each IDA to recapture State sales tax benefits that were provided to a project operator, agent or other person, in cases where the benefits were: not entitled or authorized to be taken; in excess of the amounts authorized; for unauthorized property or services; or where the project operator or agent failed to use the property or services in

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accordance with the terms of their agreement with the IDA. IDAs must remit the recaptured State sales tax amounts to the Department of Taxation and Finance within 30 days of receipt. In addition, each IDA must file with the Tax Department an annual compliance report describing its actions with respect to these requirements.

The legislation also includes several other reforms. It places restrictions on the extent to which an IDA may provide financial assistance to facilities that are primarily used to make retail sales. Additional recordkeeping and reporting provisions are also added for IDAs regarding the amount of sales and use tax benefits provided to each project. Finally, the bill also requires an IDA to send a notice to the Tax Department when the IDA's appointment of an agent or project operator has expired or been revoked.

This part takes effect immediately.

Compressed Natural  
Gas—Sales Tax  
Exemption—Technical Fix

Part K of Chapter 59 of the Laws of 2013 modifies the current sales and use tax exemption, under section 1115(a)(42) of the Tax Law, to exempt natural gas that is purchased in an uncompressed state and converted into compressed natural gas (CNG), but only if the CNG will be used or sold for use or consumption in the engine of a motor vehicle.

This provision takes effect on June 1, 2013.

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## Corporate Taxes

Qualified Manufacturer Tax  
Reduction

Part Z of Chapter 59 of the Laws of 2013 amends the Tax Law to phase-in a tax reduction for qualified New York manufacturers.

This part reduces the tax rates applicable to the entire net income (ENI), capital, and alternative minimum tax (AMT) bases, and also reduces each of the fixed-dollar minimum amounts. The reduction applies to the rates or the amounts, in the case of the fixed-dollar minimum tax, as they are in effect for tax years beginning on or after January 1, 2013 and before January 1, 2014. The rate or the amount is reduced in accordance with the following schedule:

Tax Year Beginning Between:	Rate or Amount Reduction on Each Tax Base
January 1, 2014 and December 31, 2014	9.2%
January 1, 2015 and December 31, 2015	12.3%
January 1, 2016 and December 31, 2017	15.4%
January 1, 2018 and onward	25.0%

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For the AMT and fixed-dollar minimum bases, the definition of a qualified manufacturer is identical to that which determines eligibility for the reduced tax rate on ENI. The definition of a qualified manufacturer for the capital base reductions is identical to that which determines the lower capital base liability cap for manufacturers.

New York State Business  
Incubator and Innovation  
Hot Spot Support Act

Part C of Chapter 59 of the Laws of 2013 creates the New York State Business Incubator and Innovation Hot Spot Support Act to support the growth of companies in the early stages of development.

The Act authorizes the Empire State Development Corporation (ESDC) to designate five “New York State innovation hot spots” in SFY 2013-14 and an additional five in SFY 2014-15. Entities designated as innovation hot spots must demonstrate an affiliation with and the support of at least one college, university, or independent research institution, and offer programs consistent with regional economic development strategies.

Qualified entities in innovation hot spots are eligible for the tax benefits listed below for five taxable years, beginning with the year the entity becomes a tenant in or part of an innovation hot spot:

- Qualified entities taxable under Article 9-A located completely within the hot spot are only liable for the fixed-dollar minimum tax.
- Qualified entities located within and without the hot spot and corporate partners of qualified entities are allowed a deduction for the amount of income or gain attributable to operations in the hot spot.
- Individuals who are sole proprietors of a qualified entity, or are partners/members/shareholders of a partnership, limited liability company, or New York S corporation, respectively, that is a qualified entity are allowed a deduction for the amount of income or gain attributable to operations at the hot spot (this benefit is also available under the New York City personal income tax on residents).
- Qualified entities are also eligible for a credit or refund of sales and use tax imposed on the retail sale of tangible personal property or services.

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Taxpayers claiming the above tax benefits are not eligible for any other New York State exemptions, deductions, credits, or refunds to the extent the exemption, deduction, credit, or refund is attributable to the business operations in the innovation hot spot.

Royalty Income Loophole  
Closer

Part E of Chapter 59 of the Laws of 2013 enacts technical changes to address a loophole in the related member expense add-back statute. In 2003, New York adopted legislation to combat the common intangible holding company tax avoidance strategy. Taxpayers who made royalty payments to related affiliates were required to add-back the amount of the payments to taxable income if they were deducted when calculating federal taxable income (i.e., the starting point for New York taxable income). To avoid double taxation if the royalty recipient was also a New York taxpayer, the statute allowed the recipient to exclude the royalty income if the related member added back the deduction for the royalty payment expense.

However, taxpayers since uncovered a new technique that undermined the legislation. They would establish a royalty payor in New York with a low business allocation percentage to satisfy the add-back prong of the transaction. This would then allow the royalty recipient with the high allocation percentage to receive the full income exclusion. The difference between the two allocation percentages resulted in an inequitable amount of income being attributed to New York for tax purposes.

Part E closes this loophole by repealing the income exclusion. In its place, it creates four exceptions to the add-back requirement:

- If the taxpayer's related member paid significant taxes on the royalty payment in other jurisdictions;
- If the related member paid all or part of the royalty payment it received to a third party for a valid business purpose;
- If the related member is organized under the laws of a foreign country that has a tax treaty with the United States;
- or
- If the taxpayer and the Tax Department agree to alternative adjustments that more appropriately reflect the taxpayer's income.

Finally, Part E resolves any ambiguity over the term *related member* by linking it to the definition in Internal Revenue Code Sec. 465(b)(3)(c), but substituting 50 percent for the 10 percent ownership threshold.

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MTA Surcharge

Part A of Chapter 59 of the Laws of 2013 extends the MTA surcharge imposed on business taxpayers to tax years ending before December 31, 2018. The provisions had previously been set to sunset for tax years ending after December 31, 2013.

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Fuel Taxes

Petroleum Business Tax (PBT) Reimbursement for Volunteer Ambulance Services and Volunteer Fire Departments

Part L of Chapter 59 of the Laws of 2013 provides volunteer ambulance services, as defined in section 3001 of the Public Health Law, a fire company or volunteer fire department, as defined in section three of the Volunteer Firefighters' Benefit Law and volunteer rescue squads with a reimbursement of the PBT paid on motor fuel and diesel motor fuel purchased for use in their vehicles. The reimbursement is restricted to fuels used in vehicles owned and operated by these entities and used exclusively for the entity's purposes.

This provision takes effect on the first day of the first month next occurring 60 days after enactment.

Change in Highway Diesel Motor Fuel Taxation— Allow Tax-free Inter-Distributor Sales

Part W of Chapter 59 of the Laws of 2013 changes the current taxing structure on diesel motor fuel from a tax on first sale in the State to a tax on the removal of highway diesel motor fuel from a registered terminal other than by pipeline, barge, tanker, or other vessel. Exemption provisions under the excise tax, petroleum business tax and sales tax are amended to allow clear undyed diesel motor fuel to be sold in the State tax-free between registered distributors. These interdistributor sales are permitted where: (A) the highway diesel fuel is delivered by pipeline, railcar, barge, tanker or other vessel; or (B) within a registered diesel fuel terminal.

Under these provisions, terminal operators in the State receiving, storing and dispensing diesel fuel would be required to register with the Department as a terminal operator and file monthly activity returns. Additional record keeping may also be required. Diesel motor fuel sales from the terminal rack would follow current law with respect to the taxability of highway and non-highway diesel fuel.

This provision takes effect on August 1, 2013.



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## Miscellaneous Provisions

### E-file Mandate

Part H of Chapter 59 of the Laws of 2013 extends certain tax modernization provisions related to improved electronic filing and payment mandates and the sales tax segregated accounts. Legislation in 2011 reduced the threshold trigger for the preparer e-file requirement from preparation of more than 100 tax documents to preparation of more than five tax documents. In 2012, these requirements were changed for those who first became subject to the e-filing requirements after January 1, 2012 to a tax preparer that prepares authorized tax documents for more than 10 different taxpayers. Absent extension of these provisions, the law would have reverted back to the previous more than 100 return threshold. These provisions were extended for a three-year period through December 31, 2016.

The 2011 legislation allowed the Commissioner to require vendors that failed to collect, truthfully account for, or pay over sales tax monies, or to file returns as required by law, to set up separate bank account into which only sales tax moneys are deposited at least weekly, and which the vendor authorizes the Department to debit that account. The segregated account provisions were set to expire December 31, 2013 and this legislation extends them to now expire December 31, 2016.

### Warrantless Wage Garnishments

Part Q of Chapter 59 of the Laws of 2013 authorizes the Commissioner of Taxation and Finance to serve income executions (wage garnishments) on individual tax debtors and, if necessary, on their employers without filing a warrant in the appropriate County Clerk's office and in the Department of State, as was previously required. The Commissioner can file an income execution if the taxpayer fails to pay within 21 calendar days after a notice and demand is issued (10 business days if the amount equals or exceeds \$100,000). Income executions must be served within six years of the date a warrant could first be filed. The income execution must specify the name and address of the person from whom the taxpayer is receiving or will receive money, the amount of the money, the frequency of payments and amount of installments to be collected therefrom, and must contain a notice to the taxpayer that they must commence payments of installments specified in the notice within no less than 21 days after the notice is mailed and that upon default the execution will be served upon the person from whom the taxpayer is receiving or will receive money. The income execution continues in effect until the liability is satisfied or until 20 years from the first date a warrant could be filed.

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The Commissioner must periodically, but not less than quarterly, electronically file with the Department of State a list of taxpayers served with such income executions during the period and the names of taxpayers whose income executions are cancelled or discharged during the period.

These provisions take effect immediately upon enactment and expire on or after April 1, 2015.

Suspension of Drivers' Licenses of Persons Delinquent in the Payment of Past-due Tax Liabilities

Part P of Chapter 59 of the Laws of 2013 allows for suspending the New York State drivers' licenses of certain taxpayers who owe past-due tax liabilities equal to or in excess of \$10,000 and who fail to pay the past due amount or enter into a payment agreement with the Department. The Department will be required to provide at least 60 days notice to the taxpayers that their license is subject to suspension and to provide information about how the taxpayer can avoid suspension by fully satisfying their debts or entering into a payment arrangement with the Department.

This provision takes effect immediately. The Tax Department and the Department of Motor Vehicles must enter into a written agreement to administer this provision within six months of enactment of this bill.

Unstamped Cigarette Penalty Increase

Part O of Chapter 59 of the Laws of 2013 increases the penalty for possession of unstamped or unlawfully stamped cigarettes from \$150 to \$600 per carton.

This provision takes effect immediately.

Update Farming Vehicle Exemption—Highway Use Tax

Part X of Chapter 59 of the Laws of 2013 amends the current highway use tax (HUT) exemption for farm vehicles to extend the exemption to include a person that is related to the farmer, related corporate and partnership entities, and other similar related entities. Prior law restricted the HUT exemption solely to vehicles owned and operated exclusively by the farmer. The provisions also amend the farm vehicle exemption restrictions to allow vehicles that are leased by the farmer or related entity to qualify for the HUT exemption.

This provision takes effect on first day of month next occurring 60 days after enactment.

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Waste Tire Management  
Fee—Extension

Part G of Chapter 58 of the Laws of 2013 extends the sunset date for the State waste tire management and recycling fee to December 31, 2016. This fee, imposed on all new tires sold at retail in the State under section 27-1913 of the Environmental Conservation Law, was scheduled to expire on December 31, 2013.

Extend the Lower Pari-  
Mutuel Tax Rates

Part U of Chapter 59 of the Laws of 2013 extends for one year the lower pari-mutuel tax rates that were re-authorized in 2012. In addition, it extends the authorization for account wagering and rules governing simulcasting and wagering on simulcast out-of-state thoroughbred and harness races for one year.

Video Lottery Terminal  
Vendor Fees Extension

Part T of Chapter 59 of the Laws of 2013 extends for one year the sunset date of portions of the New York State Lottery law pertaining to the vendor fee for video lottery terminal wagering at the Monticello Racetrack in Sullivan County. This provision was scheduled to expire on April 1, 2013.

# Appendix A:

## Index of SFY 2013-14 Tax Provisions

### Summary of Tax Provisions in SFY 2013-14 Budget

#### Chapter 59 of the Laws of 2013 (S.2609-D/A.3009-D) REVENUE BILL

Section(s)	Page(s)	Subject	Description	Effective Date
Part A	3-10	MTA Surcharge	Extends the MTA Surcharge for five years.	Immediately
Part B	10-15	Empire State Film Production and Post Production Tax Credits	Authorizes additional \$2.1 billion in credit; expands list of eligible films; increases post production credit allocation and modifies eligibility for visual effects and animation; creates an upstate incentive; creates new reporting requirements.	Immediately; provisions for post production credit and VFX effective for initial applications filed after date of chapter enactment
Part C	15-23	NYS Business Incubator and Innovation Hot Spot Support Act	Provides preferential tax treatment for qualified entities of innovation hot spots.	Immediately
Part D	23	Limitation on Itemized Deductions	Extends the current 25 percent itemized deduction limitation for taxpayers with NYAGI over \$10 million for an additional three years. (From tax year 2013 through 2015)	Immediately
Part E	23-45	Royalty Income Loophole Closer	Repeals related member income exclusion and replaces with statutory exceptions.	TYBOA 1/1/13
Part F	45-48	Rehabilitation of Historic Properties Credit	Extends the enhanced credit for an additional five years; makes the credit refundable for rehabilitations completed on or after 1/1/2015; makes technical corrections.	Immediately
Part G	48-53	Alternative Fuel and Electric Vehicle Recharging Property Credit	Creates a tax credit for alternative fuel and electric vehicle recharging property for TYBOA 1/1/13 and before 1/1/18.	Immediately
Part H	53-54	E-file Mandate	Extends, from tax year 2014 through 2017, certain tax modernization provisions related to improved electronic filing and payment mandates and the sales tax segregated accounts.	Immediately
Part J	54-61	Industrial Development Agency (IDA) Reforms	Requires IDAs to recapture certain State sales tax benefits, and makes various other reforms.	Immediately

Summary of Tax Provisions in SFY 2013-14 Budget				
Chapter 59 of the Laws of 2013 (S.2609-D/A.3009-D) REVENUE BILL				
Section(s)	Page(s)	Subject	Description	Effective Date
Part K	61	Compressed Natural Gas Technical Fix	Exempts from sales tax natural gas that is converted into compressed natural gas (CNG) for use in a motor vehicle.	June 1, 2013
Part L	61-62	Petroleum Business Tax (PBT) Reimbursements	Provides volunteer ambulance services and fire departments with a reimbursement of the PBT paid on motor fuel and diesel motor fuel used in their vehicles.	First day of month next occurring 60 days after enactment
Part O	63	Cigarette Penalties	Increases the penalty for possession of unstamped or unlawfully stamped cigarettes from \$150 to \$600 per carton.	Immediately
Part P	63-66	Enforcement	Allows suspending the New York State driver's licenses of certain taxpayers who owe past-due tax liabilities.	Immediately
Part Q	66-67	Warrantless Wage Garnishments	Authorizes the Commissioner to serve income executions on individual tax debtors and, if necessary, on their employers without filing a warrant. The Commissioner must also electronically file with the Department of State a list of taxpayers served with such income executions during the period and the names of taxpayers whose income executions are cancelled or discharged during the period. These provisions expire on or after 4/1/15.	Immediately
Part T	69	Video Lottery Terminal (VLT) Vendor Fee	Extends the sunset date of the VLT fee at the Monticello racetrack by one year.	April 1, 2013
Part U	69 - 79	Pari-Mutuel Tax	Extends current pari-mutuel tax rates and certain authorizations and rules by one year.	Immediately
Part V	72-73	Historic Homeownership Credit	Extends the enhanced credit for an additional five years (from tax year 2015 through 2019); makes the credit refundable for taxpayers with NYAGI of \$60,000 or less.	Immediately

Summary of Tax Provisions in SFY 2013-14 Budget				
Chapter 59 of the Laws of 2013 (S.2609-D/A.3009-D) REVENUE BILL				
Section(s)	Page(s)	Subject	Description	Effective Date
Part W	73-78	Changes in Highway Diesel Motor Fuel Taxation	Changes the taxing structure on diesel motor fuel to a tax on the removal of highway diesel motor fuel from a registered terminal other than by pipeline, barge, tanker, or other vessel.	August 1, 2013
Part X	78-79	Highway Use Tax Exemption for Farm Vehicles	Extends the existing exemption to include a person that is related to the farmer, related corporate and partnership entities, and other similar related entities.	First day of month next occurring 60 days after enactment
Part Y	79	Small Business Modification	Creates a subtraction modification for residents with small business and/or farm income. The modification equals 3 percent of the net items of income, gain, loss and deduction attributable to a business or farm included in federal adjusted gross income (but not less than zero) for tax year 2014. This is increased to 3.75 percent in 2015 and 5 percent in 2016 and after.	Immediately
Part Z	79-80	Qualified Manufacturer Tax Reduction	For qualified manufacturers, phases-in tax rate or tax amount reductions for each of the four corporate franchise tax bases.	Immediately
Part AA	80-84	Hire a Vet Credit	Creates a new non-refundable tax credit for the hiring and employing of a qualified veteran for tax years 2015 and 2016. The credit is equal to 10 percent (15 percent if a disabled veteran) of the total wages paid to a qualified veteran during the veteran's first full year of employment capped at \$5,000 per veteran (\$15,000 per disabled veteran).	Immediately
Part CC	86-87	Family Tax Relief Credit	Creates a new, \$350 refundable personal income tax credit for tax years 2014 through 2016. Eligible taxpayers will receive an advanced payment of the credit on or before October 15 of the tax year if they meet the eligibility criteria for the tax year two years prior.	Immediately

Summary of Tax Provisions in SFY 2013-14 Budget				
Chapter 59 of the Laws of 2013 (S.2609-D/A.3009-D) REVENUE BILL				
Section(s)	Page(s)	Subject	Description	Effective Date
Part DD	87-88	Youth Works Credit Extension and Expansion	Creates four new Youth Works credit programs, each with a cumulative cap of \$6 million. Each program covers a one-year hiring period between 2014 and 2017 with no overlap. Also expands credit eligibility.	Immediately
Part EE	88-91	Minimum Wage Reimbursement Credit	For five years, establishes a credit for New York businesses that pay students between the ages of 16 and 19 at the minimum wage rate. The credit value ranges between \$0.75 and \$1.35 per minimum wage rate hour worked by all eligible employees.	Immediately
Part FF	91-95	Three-year Personal Income Tax Extender	Extends the current personal income tax rates through tax year 2017. Also indexes the tax tables and standard deduction through 2017.	Immediately
Part GG	96	Teen Health Check-off Box	Creates a new tax donation "check-off" on personal income tax returns.	Immediately for TYBOA 1/1/13

Summary of Tax Provisions in SFY 2013-14 Budget				
Chapter 57 of the Laws of 2011 (S.2607D/A.----3007D) – EDUCATION, LABOR, HOUSING AND FAMILY ASSISTANCE BILL				
Section(s)	Page(s)	Subject	Description	Effective Date
Part J	52-56	Eliminating Improper STAR Exemptions	Provides for the creation of a new STAR registration program by the Department of Taxation and Finance.	April 1, 2013
Part W	84-93	Remembrance of Veteran Check-off Box	Creates a new donation "check-off" on personal income tax returns.	Immediately for TYBOA 1/1/13

Summary of Tax Provisions in SFY 2013-14 Budget				
Chapter 58 of the Laws of 2011 (S.2608-D/A.---3008-D) - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION BILL				
Section(s)	Page(s)	Subject	Description	Effective Date
Part G	15-17	Waste Tire Management Fee	Extends the sunset date for the State waste tire management and recycling fee to December 31, 2016.	Immediately

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