

1 RENTAL VALUE, AS THE CASE MAY BE, OF A VESSEL PURCHASED BY A RESIDENT OF
2 NEW YORK STATE OUTSIDE OF THIS STATE FOR USE OUTSIDE OF THIS STATE THAT
3 SUBSEQUENTLY BECOMES SUBJECT TO THE COMPENSATING USE TAX IMPOSED UNDER
4 THIS ARTICLE SHALL BE DEEMED NOT TO EXCEED TWO HUNDRED THIRTY THOUSAND
5 DOLLARS.

6 (3) FOR PURPOSES OF SUBDIVISION (I) OF SECTION ELEVEN HUNDRED ELEVEN
7 OF THIS ARTICLE, RECEIPTS FROM, OR CONSIDERATION GIVEN OR CONTRACTED TO
8 BE GIVEN FOR, THE LEASE OF A VESSEL THAT IS SUBJECT TO SUCH SUBDIVISION
9 (I) IN EXCESS OF TWO HUNDRED THIRTY THOUSAND DOLLARS SHALL BE EXEMPT
10 FROM THE CALCULATION OF TAX DUE UNDER SUCH SUBDIVISION (I).

11 (4) FOR PURPOSES OF PARAGRAPH ONE OF SUBDIVISION (Q) OF SECTION ELEVEN
12 HUNDRED ELEVEN OF THIS ARTICLE, THE LIMITATIONS ON EXCLUSIONS FROM THE
13 DEFINITION OF RETAIL SALE IN PARAGRAPH ONE OF SUCH SUBDIVISION SHALL
14 APPLY ONLY TO THE FIRST TWO HUNDRED THIRTY THOUSAND DOLLARS OF RECEIPTS
15 FROM EVERY SALE OF, OR CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN
16 FOR, OR FOR THE USE OF, A VESSEL.

17 (5) FOR PURPOSES OF PARAGRAPH TWO OF SUBDIVISION (Q) OF SECTION ELEVEN
18 HUNDRED ELEVEN OF THIS ARTICLE, THE PURCHASE PRICE OR MARKET VALUE, AS
19 THE CASE MAY BE, OF A VESSEL SUBJECT TO TAX UNDER PARAGRAPH TWO OF SUCH
20 SUBDIVISION (Q) SHALL BE DEEMED NOT TO EXCEED TWO HUNDRED THIRTY THOU-
21 SAND DOLLARS.

22 (6) FOR PURPOSES OF SUBDIVISION TWO OF SECTION ELEVEN HUNDRED EIGHTEEN
23 OF THIS ARTICLE, THE LIMITATION ON THE EXCLUSION FROM COMPENSATING USE
24 TAX IN SUCH SUBDIVISION TWO WITH RESPECT TO QUALIFIED PROPERTY, AS
25 DEFINED IN SUCH SUBDIVISION, SHALL APPLY ONLY TO THE FIRST TWO HUNDRED
26 THIRTY THOUSAND DOLLARS OF CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN
27 FOR, OR FOR THE USE OF, A VESSEL.

28 (7) FOR PURPOSES OF PARAGRAPH (A) OF SUBDIVISION SEVEN OF SECTION
29 ELEVEN HUNDRED EIGHTEEN OF THIS ARTICLE, THE REFUND OR CREDIT ALLOWABLE
30 UNDER PARAGRAPH (A) OF SUCH SUBDIVISION SEVEN SHALL BE COMPUTED ONLY
31 WITH REGARD TO TAX LEGALLY DUE AND PAID TO ANOTHER STATE ON THE FIRST
32 TWO HUNDRED THIRTY THOUSAND DOLLARS OF THE PURCHASE PRICE.

33 (8) EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS SUBDIVISION SHALL NOT BE
34 DEEMED TO LIMIT ANY OTHER EXEMPTION, EXCLUSION OR CREDIT IN THIS ARTICLE
35 RELATING TO A VESSEL.

36 S 2. Section 1118 of the tax law is amended by adding new subdivision
37 13 to read as follows:

38 (13) IN RESPECT TO THE USE WITHIN THE STATE OF A VESSEL, AS DEFINED IN
39 SECTION TWENTY-TWO HUNDRED FIFTY OF THE VEHICLE AND TRAFFIC LAW, UNTIL
40 THE FIRST OF THE FOLLOWING EVENTS OCCUR:

41 (A) THE USE OF SUCH VESSEL WITHIN THIS STATE BY THE PURCHASER THEREOF
42 FOR A PERIOD IN EXCESS OF NINETY CONSECUTIVE DAYS;

43 (B) THE DATE UPON WHICH SUCH VESSEL IS FIRST REQUIRED TO BE REGISTERED
44 PURSUANT TO SECTION TWENTY-TWO HUNDRED FIFTY-ONE OF THE VEHICLE AND
45 TRAFFIC LAW; OR

46 (C) THE DATE UPON WHICH SUCH VESSEL IS SO REGISTERED.

47 S 3. This act shall take effect June 1, 2015 and shall apply in
48 accordance with the applicable transitional provisions in sections 1106
49 and 1217 of the tax law.

50

PART TT

51 Section 1. Paragraph (A) of subdivision (i) of section 1111 of the tax
52 law, as amended by chapter 20 of the laws of 1992, is amended to read as
53 follows:

1 (A) Notwithstanding any contrary provisions of this article or other
2 law, with respect to any lease for a term of one year or more of (1) a
3 motor vehicle, as defined in section one hundred twenty-five of the
4 vehicle and traffic law, with a gross vehicle weight of ten thousand
5 pounds or less, OR (2) a vessel, as defined in section twenty-two
6 hundred fifty of such law (including any inboard or outboard motor and
7 any trailer, as defined in section one hundred fifty-six of such law,
8 leased in conjunction with such a vessel) [and (3) noncommercial
9 aircraft having a seating capacity of less than twenty passengers and a
10 maximum payload capacity of less than six thousand pounds], or an option
11 to renew such a lease or a similar contractual provision, all receipts
12 due or consideration given or contracted to be given for such property
13 under and for the entire period of such lease, option to renew or simi-
14 lar provision, or combination of them, shall be deemed to have been paid
15 or given and shall be subject to tax, and any such tax due shall be
16 collected, as of the date of first payment under such lease, option to
17 renew or similar provision, or combination of them, or as of the date of
18 registration of such property with the commissioner of motor vehicles,
19 whichever is earlier. Notwithstanding any inconsistent provisions of
20 subdivision (b) of this section or of section eleven hundred seventeen
21 of this article or of other law, for purposes of such a lease, option to
22 renew or similar provision originally entered into outside this state,
23 by a lessee (1) who was a resident of this state, and leased such prop-
24 erty for use outside the state and who subsequently brings such property
25 into this state for use here or (2) who was a nonresident and subse-
26 quently becomes a resident and brings the property into this state for
27 use here, any remaining receipts due or consideration to be given after
28 such lessee brings such property into this state shall be subject to tax
29 as if the lessee had entered into or exercised such lease, option to
30 renew or similar provision, or combination thereof, for the first time
31 in this state and the relevant provisions of sections eleven hundred ten
32 concerning imposition and computation of tax, eleven hundred eighteen
33 concerning exemption from use tax for tax paid to another jurisdiction,
34 eleven hundred thirty-two concerning presumption of taxability and
35 conditions for registration and eleven hundred thirty-nine concerning
36 refunds, of this article, shall be applicable to any sales or compensat-
37 ing use tax paid by the lessee before the lessee brought the property
38 into this state, except to the extent that any such provision is incon-
39 sistent with a provision of this subdivision. For purposes of this
40 subdivision, (1) a lease for a term of one year or more shall include
41 any lease for a shorter term which includes an option to renew or other
42 like provision (or more than one of such option or other provision)
43 where the cumulative period that the lease, with or without such option
44 or provision, may be in effect upon exercise of such option or provision
45 is one year or more and (2) receipts due and consideration given or
46 contracted to be given under any such lease or other provision for
47 excess mileage charges shall be subject to tax as and when paid or due.

48 S 2. Subdivision (q) of section 1111 of the tax law, as added by
49 section 3 of subpart B of part S of chapter 57 of the laws of 2010, is
50 amended to read as follows:

51 (q) (1) The exclusions from the definition of retail sale in subpara-
52 graph (iv) of paragraph four of subdivision (b) of section eleven
53 hundred one of this article shall not apply to transfers, distributions,
54 or contributions of [an aircraft or] A vessel, except where, in the case
55 of the exclusion in subclause (I) of clause (A) of such subparagraph
56 (iv), the two corporations to be merged or consolidated are not affil-

1 iated persons with respect to each other. For purposes of this subdivi-
2 sion, corporations are affiliated persons with respect to each other
3 where (i) more than five percent of their combined shares are owned by
4 members of the same family, as defined by paragraph four of subsection
5 (c) of section two hundred sixty-seven of the internal revenue code of
6 nineteen hundred eighty-six; (ii) one of the corporations has an owner-
7 ship interest of more than five percent, whether direct or indirect, in
8 the other; or (iii) another person or a group of other persons that are
9 affiliated persons with respect to each other hold an ownership interest
10 of more than five percent, whether direct or indirect, in each of the
11 corporations.

12 (2) Notwithstanding any contrary provision of law, in relation to any
13 transfer, distribution, or contribution of [an aircraft or] A vessel
14 that qualifies as a retail sale as a result of paragraph one of this
15 subdivision, the sales tax imposed by subdivision (a) of section eleven
16 hundred five of this part shall be computed based on the price at which
17 the seller purchased the tangible personal property, provided that where
18 the seller or purchaser affirmatively shows that the seller owned the
19 property for six months prior to making the transfer, distribution or
20 contribution covered by paragraph one of this subdivision, such
21 [aircraft or] vessel shall be taxed on the basis of the current market
22 value of the [aircraft or] vessel at the time of that transfer, distrib-
23 ution, or contribution. For the purposes of the prior sentence, "current
24 market value" shall not exceed the cost of the [aircraft or] vessel. See
25 subdivision (b) of this section for a similar rule on the computation of
26 any compensating use tax due under section eleven hundred ten of this
27 part on such transfers, distributions, or contributions.

28 (3) A purchaser of [an aircraft or] A vessel covered by paragraph one
29 of this subdivision will be entitled to a refund or credit against the
30 sales or compensating use tax due as a result of a transfer, distrib-
31 ution, or contribution of such [aircraft or] vessel in the amount of any
32 sales or use tax paid to this state or any other state on the seller's
33 purchase or use of the [aircraft or] vessel so transferred, distributed
34 or contributed, but not to exceed the tax due on the transfer, distrib-
35 ution, or contribution of the [aircraft or] vessel or on the purchaser's
36 use in the state of the [aircraft or] vessel so transferred, distributed
37 or contributed. An application for a refund or credit under this subdivi-
38 sion must be filed and shall be in such form as the commissioner may
39 prescribe. Where an application for credit has been filed, the applicant
40 may immediately take such credit on the return which is due coincident
41 with or immediately subsequent to the time the application for credit is
42 filed. However, the taking of the credit on the return shall be deemed
43 to be part of the application for credit. Provided that the commission-
44 er may, in his or her discretion and notwithstanding any other law,
45 waive the application requirement for any or all classes of persons
46 where the amount of the credit or refund is equal to the amount of the
47 tax due from the purchaser. The provisions of subdivisions (a), (b), and
48 (c) of section eleven hundred thirty-nine of this article shall apply to
49 applications for refund or credit under this subdivision. No interest
50 shall be allowed or paid on any refund made or credit allowed under this
51 subdivision. If a refund is granted or a credit allowed under this para-
52 graph, the seller or purchaser shall not be eligible for a refund or
53 credit pursuant to subdivision seven of section eleven hundred eighteen
54 of this article with regard to the same purchase or use.

55 S 3. Subdivision (a) of section 1115 of the tax law is amended by
56 adding a new paragraph 21-a to read as follows:

1 (21-A) GENERAL AVIATION AIRCRAFT, AND MACHINERY OR EQUIPMENT TO BE
2 INSTALLED ON SUCH AIRCRAFT. FOR PURPOSES OF THIS SUBDIVISION, "GENERAL
3 AVIATION AIRCRAFT" MEANS AN AIRCRAFT THAT IS USED IN CIVIL AVIATION,
4 THAT IS NOT A COMMERCIAL AIRCRAFT AS DEFINED IN PARAGRAPH SEVENTEEN OF
5 SUBDIVISION (B) OF SECTION ELEVEN HUNDRED ONE OF THIS ARTICLE, MILITARY
6 AIRCRAFT, UNMANNED AERIAL VEHICLE OR DRONE.

7 S 4. This act shall take effect September 1, 2015, and shall apply in
8 accordance with applicable transitional provisions of sections 1106 and
9 1217 of the tax law.

10 PART UU

11 Section 1. Section 1115 of the tax law is amended by adding a new
12 subdivision (jj) to read as follows:

13 (JJ) TANGIBLE PERSONAL PROPERTY OR SERVICES OTHERWISE TAXABLE UNDER
14 THIS ARTICLE SOLD TO A RELATED PERSON SHALL NOT BE SUBJECT TO THE TAXES
15 IMPOSED BY SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE OR THE COMPENSAT-
16 ING USE TAX IMPOSED UNDER SECTION ELEVEN HUNDRED TEN OF THIS ARTICLE
17 WHERE THE PURCHASER CAN SHOW THAT THE FOLLOWING CONDITIONS HAVE BEEN MET
18 TO THE EXTENT THEY ARE APPLICABLE: (1)(I) THE VENDOR AND THE PURCHASER
19 ARE REFERENCED AS EITHER A "COVERED COMPANY" AS DESCRIBED IN SECTION
20 243.2(F) OR A "MATERIAL ENTITY" AS DESCRIBED IN SECTION 243.2(L) OF THE
21 CODE OF FEDERAL REGULATIONS IN A RESOLUTION PLAN THAT HAS BEEN SUBMITTED
22 TO AN AGENCY OF THE UNITED STATES FOR THE PURPOSE OF SATISFYING SUBPARA-
23 GRAPH 1 OF PARAGRAPH (D) OF SECTION ONE HUNDRED SIXTY-FIVE OF THE DODD-
24 FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT (THE "ACT") OR ANY
25 SUCCESSOR LAW, OR (II) THE VENDOR AND THE PURCHASER ARE SEPARATE LEGAL
26 ENTITIES PURSUANT TO A DIVESTITURE DIRECTED PURSUANT TO SUBPARAGRAPH 5
27 OF PARAGRAPH (D) OF SECTION ONE HUNDRED SIXTY-FIVE OF SUCH ACT OR ANY
28 SUCCESSOR LAW; (2) THE SALE WOULD NOT HAVE OCCURRED BETWEEN SUCH RELATED
29 ENTITIES WERE IT NOT FOR SUCH RESOLUTION PLAN OR DIVESTITURE; AND (3) IN
30 ACQUIRING SUCH PROPERTY OR SERVICES, THE VENDOR DID NOT CLAIM AN
31 EXEMPTION FROM THE TAX IMPOSED BY THIS STATE OR ANOTHER STATE BASED ON
32 THE VENDOR'S INTENT TO RESELL SUCH SERVICES OR PROPERTY. A PERSON IS
33 RELATED TO ANOTHER PERSON FOR PURPOSES OF THIS SUBDIVISION IF THE PERSON
34 BEARS A RELATIONSHIP TO SUCH PERSON DESCRIBED IN SECTION TWO HUNDRED
35 SIXTY-SEVEN OF THE INTERNAL REVENUE CODE. THE EXEMPTION PROVIDED BY THIS
36 SUBDIVISION SHALL NOT APPLY TO SALES MADE, SERVICES RENDERED, OR USES
37 OCCURRING AFTER JUNE THIRTIETH, TWO THOUSAND NINETEEN, EXCEPT WITH
38 RESPECT TO SALES MADE, SERVICES RENDERED, OR USES OCCURRING PURSUANT TO
39 BINDING CONTRACTS ENTERED INTO ON OR BEFORE SUCH DATE; BUT IN NO CASE
40 SHALL SUCH EXEMPTION APPLY AFTER JUNE THIRTIETH, TWO THOUSAND
41 TWENTY-FOUR.

42 S 2. This act shall take effect on the first day of a sales tax quar-
43 terly period, as described in subdivision (b) of section 1136 of the tax
44 law, next commencing at least ninety days after the date this act shall
45 have become a law and shall apply in accordance with the applicable
46 transitional provisions of sections 1106 and 1217 of the tax law.

47 PART VV

48 Section 1. The opening paragraph of subdivision 7 of section 221 of
49 the racing, pari-mutuel wagering and breeding law, as amended by chapter
50 18 of the laws of 2008, is amended to read as follows:

51 In order to pay the costs of the insurance required by this section
52 and by the workers' compensation law and to carry out its other powers