

5016

2011-2012 Regular Sessions

I N S E N A T E

May 2, 2011

Introduced by Sens. DeFRANCISCO, SKELOS -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to the imposition of personal income tax

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 601 of the tax law is amended by adding a new
2 subsection (c-1) to read as follows:
3 (C-1) COST OF LIVING ADJUSTMENT. FOR TAXABLE YEARS BEGINNING ON AND
4 AFTER JANUARY FIRST, TWO THOUSAND TWELVE, THE MINIMUM AND MAXIMUM DOLLAR
5 AMOUNT FOR EACH RATE BRACKET FOR WHICH A TAX IS IMPOSED UNDER
6 SUBSECTIONS (A), (B) AND (C) OF THIS SECTION SHALL BE INCREASED FOR THE
7 COST OF LIVING ADJUSTMENT. FOR THE PURPOSES OF THIS SUBPARAGRAPH, THE
8 COST OF LIVING ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE THE PERCENTAGE
9 (IF ANY) BY WHICH THE CPI FOR THE PRECEDING CALENDAR YEAR EXCEEDS THE
10 CPI FOR CALENDAR YEAR TWO THOUSAND TEN. THE CPI IS DEFINED AS THE AVER-
11 AGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE
12 UNITED STATES DEPARTMENT OF LABOR AS OF THE CLOSE OF THE TWELVE MONTH
13 PERIOD ENDING AUGUST THIRTY-FIRST OF SUCH CALENDAR YEAR. IF ANY INCREASE
14 DETERMINED UNDER THIS SUBPARAGRAPH IS NOT A MULTIPLE OF ONE HUNDRED
15 DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT HIGHEST MULTIPLE OF
16 ONE HUNDRED DOLLARS.
17 S 2. Subparagraph (B) of paragraph 1 of subsection (d) of section 601
18 of the tax law, as amended by section 1 of part R of chapter 63 of the
19 laws of 2003, is amended to read as follows:
20 (B) The fraction is computed as follows: (I) FOR TAXABLE YEARS BEGIN-
21 NING ON OR BEFORE TWO THOUSAND ELEVEN, the numerator is the lesser of
22 fifty thousand dollars or the excess of New York adjusted gross income
23 for the taxable year over one hundred thousand dollars and the denomina-
24 tor is fifty thousand dollars.

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

LBD10973-01-1

(II) IN THE CASE OF ANY TAXABLE YEAR BEGINNING AFTER TWO THOUSAND ELEVEN, THE NUMERATOR IS THE LESSER OF THE DIFFERENCE BETWEEN THE UPPER INCOME THRESHOLD AND THE LOWER INCOME THRESHOLD OR THE EXCESS OF NEW YORK ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR OVER THE LOWER INCOME THRESHOLD. THE DENOMINATOR SHALL BE THE DIFFERENCE BETWEEN THE UPPER INCOME THRESHOLD AND THE LOWER INCOME THRESHOLD.

(III) FOR THE PURPOSES OF THIS SUBPARAGRAPH, THE LOWER INCOME THRESHOLD SHALL BE THE PRODUCT OF ONE HUNDRED THOUSAND DOLLARS AND THE COST OF LIVING ADJUSTMENT AND THE UPPER INCOME THRESHOLD SHALL BE THE PRODUCT OF ONE HUNDRED FIFTY THOUSAND DOLLARS AND THE COST OF LIVING ADJUSTMENT.

(IV) FOR THE PURPOSES OF THIS SUBPARAGRAPH, THE COST OF LIVING ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE THE PERCENTAGE (IF ANY) BY WHICH THE CPI FOR THE PRECEDING CALENDAR YEAR EXCEEDS THE CPI FOR CALENDAR YEAR TWO THOUSAND TEN. THE CPI IS DEFINED AS THE AVERAGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR AS OF THE CLOSE OF THE TWELVE MONTH PERIOD ENDING AUGUST THIRTY-FIRST OF SUCH CALENDAR YEAR.

(V) IF ANY INCREASE DETERMINED UNDER THIS SUBPARAGRAPH IS NOT A MULTIPLE OF ONE HUNDRED DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT HIGHEST MULTIPLE OF ONE HUNDRED DOLLARS.

S 3. Section 614 of the tax law is amended by adding a new subsection (f) to read as follows:

(F) COST OF LIVING ADJUSTMENT. FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND TWELVE, EACH DOLLAR AMOUNT CONTAINED IN SUBSECTIONS (A), (B), (C), (D) AND (E) OF THIS SECTION SHALL BE INCREASED FOR THE COST OF LIVING ADJUSTMENT. FOR THE PURPOSES OF THIS SUBSECTION, THE COST OF LIVING ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE THE PERCENTAGE (IF ANY) BY WHICH THE CPI FOR THE PRECEDING CALENDAR YEAR EXCEEDS THE CPI FOR CALENDAR YEAR TWO THOUSAND TEN. THE CPI IS DEFINED AS THE AVERAGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR AS OF THE CLOSE OF THE TWELVE MONTH PERIOD ENDING AUGUST THIRTY-FIRST OF SUCH CALENDAR YEAR. IF ANY INCREASE DETERMINED UNDER THIS SUBPARAGRAPH IS NOT A MULTIPLE OF ONE HUNDRED DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT HIGHEST MULTIPLE OF ONE HUNDRED DOLLARS.

S 4. Section 616 of the tax law is amended by adding a new subsection (c) to read as follows:

(C) COST OF LIVING ADJUSTMENT. FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND TWELVE, EACH DOLLAR AMOUNT CONTAINED IN SUBSECTION (A) OF THIS SECTION SHALL BE INCREASED FOR THE COST OF LIVING ADJUSTMENT. FOR THE PURPOSES OF THIS SUBSECTION, THE COST OF LIVING ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE THE PERCENTAGE (IF ANY) BY WHICH THE CPI FOR THE PRECEDING CALENDAR YEAR EXCEEDS THE CPI FOR CALENDAR YEAR TWO THOUSAND TEN. THE CPI IS DEFINED AS THE AVERAGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR AS OF THE CLOSE OF THE TWELVE MONTH PERIOD ENDING AUGUST THIRTY-FIRST OF SUCH CALENDAR YEAR. IF ANY INCREASE DETERMINED UNDER THIS SUBPARAGRAPH IS NOT A MULTIPLE OF ONE HUNDRED DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT HIGHEST MULTIPLE OF ONE HUNDRED DOLLARS.

S 5. This act shall take effect immediately and shall apply to taxable years starting on or after January 1, 2012, provided, however, amendments to the withholding tables associated with the changes in this act shall not take effect until April 1, 2012.