

STATE OF NEW YORK

4275

2017-2018 Regular Sessions

IN SENATE

February 7, 2017

Introduced by Sen. TEDISCO -- 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 a limit upon personal income tax levy by the state of New York

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The tax law is amended by adding a new section 608 to read
2 as follows:

3 § 608. Limit upon personal income tax levy by the state of New York.

4 1. Unless otherwise provided by law, the amount of personal income taxes
5 that may be levied by or on behalf of the state of New York shall not
6 exceed the tax levy limit established pursuant to this section.

7 2. When used in this section:

8 (a) "Allowable levy growth factor" for all fiscal years that begin
9 after two thousand eighteen shall be the higher of: (i) one and two
10 one-hundredths; or (ii) the sum of one plus the inflation factor. For
11 the fiscal year that begins in two thousand eighteen the allowable levy
12 growth factor shall be one.

13 (b) "Available carryover" means the amount by which the tax levy for
14 the prior fiscal year was below the tax levy limit for such fiscal year,
15 if any, but no more than an amount that equals one and one-half percent
16 of the tax levy limit for such fiscal year, except that there shall be
17 no available carryover added to the tax levy limit for fiscal years
18 beginning before two thousand twenty.

19 (c) "Coming fiscal year" means the fiscal year of the state government
20 for which a tax levy limit shall be determined pursuant to this section.

21 (d) "Inflation factor" means the quotient of: (i) the average of the
22 national consumer price indexes determined by the United States depart-
23 ment of labor for the twelve-month period ending six months prior to the
24 start of the coming fiscal year minus the average of the national

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

LBD06373-01-7

1 consumer price indexes determined by the United States department of
2 labor for the twelve-month period ending six months prior to the start
3 of the prior fiscal year, divided by: (ii) the average of the national
4 consumer price indexes determined by the United States department of
5 labor for the twelve-month period ending six months prior to the start
6 of the prior fiscal year, with the result expressed as a decimal to four
7 places.

8 (e) "Prior fiscal year" means the fiscal year of the state immediately
9 preceding the coming fiscal year.

10 (f) "Tax levy limit" means the amount of taxes authorized to be levied
11 by or on behalf of the state pursuant to this section for fiscal years
12 beginning after two thousand seventeen.

13 (g) "Tax" or "taxes" means personal income taxes levied by or on
14 behalf of the state.

15 3. (a) Subject to the provisions of subdivision five of this section,
16 beginning with the fiscal year that begins in two thousand eighteen, the
17 state shall not adopt a budget that requires a tax levy that is greater
18 than the tax levy limit for the coming fiscal year.

19 (b) The state shall calculate the tax levy limit applicable to the
20 coming fiscal year which shall be determined as follows:

21 (i) Ascertain the total amount of taxes levied for the prior fiscal
22 year.

23 (ii) Multiply the result by the allowable levy growth factor.

24 (iii) Add the available carryover, if any.

25 4. In the event the state's actual tax levy for a given fiscal year
26 exceeds the tax levy limit by more than one percent of the tax levy
27 limit, the state shall rebate the total amount that the actual tax levy
28 exceeds the tax levy limit so that each individual filer receives a
29 rebate of equal amount rounded down to the nearest cent, provided that
30 no individual shall receive a rebate of a greater amount than the income
31 taxes paid during the same fiscal year. These rebates shall be mailed in
32 the forms of checks payable to the filing individual no later than the
33 first of September following the end of each fiscal year.

34 5. In the event the state's actual tax levy for a given fiscal year
35 exceeds the tax levy limit as established pursuant to this section by
36 less than one percent of the tax levy limit, the state shall place the
37 excess amount of the levy in reserve in accordance with such require-
38 ments as the state comptroller may prescribe, and shall use such funds
39 and any interest earned thereon to offset the tax levy for the ensuing
40 fiscal year.

41 § 2. This act shall take effect immediately.