

STATE OF NEW YORK

8532

2019-2020 Regular Sessions

IN ASSEMBLY

August 9, 2019

Introduced by M. of A. EPSTEIN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to personal income tax rates and in relation to directing revenue generated from certain taxes to be deposited to the credit of the New York city housing authority and the division of housing and community renewal

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

Section 1. Subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law is amended by adding a new clause (ix) to read as follows:

(ix) For taxable years beginning after two thousand nineteen, the following rates shall apply:

If the New York taxable income is:

Over \$1,000,000 but not over

\$5,000,000

Over \$5,000,000 but not over

\$10,000,000

Over \$10,000,000 but not over

\$100,000,000

Over \$100,000,000

The tax is:

\$66,578 plus 8.82% of excess over

\$1,000,000

\$419,378 plus 9.32% of excess over

\$5,000,000

\$885,378 plus 9.82% of excess over

\$10,000,000

\$9,723,378 plus 10.32% of excess
over \$100,000,000

§ 2. Subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law is amended by adding a new clause (ix) to read as follows:

(ix) For taxable years beginning after two thousand nineteen, the following rates shall apply:

If the New York taxable income is:

Over \$1,000,000 but not over

The tax is:

\$67,017 plus 8.82% of excess over

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

LBD09982-04-9

<u>\$5,000,000</u>	<u>\$1,000,000</u>
<u>Over \$5,000,000 but not over</u>	<u>\$419,817 plus 9.32% of excess over</u>
<u>\$10,000,000</u>	<u>\$5,000,000</u>
<u>Over \$10,000,000 but not over</u>	<u>\$885,817 plus 9.82% of excess over</u>
<u>\$100,000,000</u>	<u>\$10,000,000</u>
<u>Over \$100,000,000</u>	<u>\$9,723,817 plus 10.32% of excess</u>
	<u>over \$100,000,000</u>

§ 3. Subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law is amended by adding a new clause (ix) to read as follows:

(ix) For taxable years beginning after two thousand nineteen, the following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Over \$1,000,000 but not over</u>	<u>\$67,391 plus 8.82% of excess over</u>
<u>\$5,000,000</u>	<u>\$1,000,000</u>
<u>Over \$5,000,000 but not over</u>	<u>\$420,191 plus 9.32% of excess over</u>
<u>\$10,000,000</u>	<u>\$5,000,000</u>
<u>Over \$10,000,000</u>	<u>\$886,191 plus 9.82% of excess over</u>
	<u>\$10,000,000</u>
<u>Over \$100,000,000</u>	<u>\$9,724,191 plus 10.32% of excess</u>
	<u>over \$100,000,000</u>

§ 4. Section 601 of the tax law is amended by adding a new subsection (d-2) to read as follows:

(d-2) Alternative tax table benefit recapture. For taxable years beginning after two thousand nineteen for a taxpayer whose New York taxable income is over \$1,000,000, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b) and (c) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d) of this section shall be read as a reference to this subsection.

(1) For resident married individuals filing joint returns and resident surviving spouses, the supplemental tax shall be an amount equal to the sum of the tax table benefits described in subparagraphs (A), (B), (C) and (D) of this paragraph multiplied by their respective fractions in such subparagraphs.

(A) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in clause (ii) of subparagraph (B) of paragraph one of subsection (a) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in clause (ii) of subparagraph (B) of paragraph one of subsection (a) of this section less the sum of tax table benefits in subparagraphs (A), (B) and (C) of paragraph one of subsection (d-1) of this section. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million dollars and the denominator is fifty thousand dollars.

(B) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in clause (ii) of subparagraph (B) of paragraph one of subsection (a) of this section not subject to the 9.32 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in

1 clause (ii) of subparagraph (B) of paragraph one of subsection (a) of
2 this section less the sum of the tax table benefits in subparagraphs
3 (A), (B) and (C) of paragraph one of subsection (d-1) of this section
4 and such tax table benefit in subparagraph (A) of this paragraph. The
5 fraction for this subparagraph is computed as follows: the numerator is
6 the lesser of fifty thousand dollars or the excess of New York adjusted
7 gross income for the taxable year over five million dollars and the
8 denominator is fifty thousand dollars. Provided, however, this subpara-
9 graph shall not apply to taxpayers who are not subject to the 9.32
10 percent tax rate.

11 (C) The tax table benefit is the difference between (i) the amount of
12 taxable income set forth in the tax table in clause (ii) of subparagraph
13 (B) of paragraph one of subsection (a) of this section not subject to
14 the 9.82 percent rate of tax for the taxable year multiplied by such
15 rate and (ii) the dollar denominated tax for such amount of taxable
16 income set forth in the tax table applicable to the taxable year in
17 clause (ii) of paragraph (B) of paragraph one of subsection (a) of this
18 section less the sum of the tax table benefits in subparagraphs (A), (B)
19 and (C) of paragraph one of subsection (d-1) of this section and such
20 tax table benefits in subparagraphs (A) and (B) of this paragraph. The
21 fraction for this subparagraph is computed as follows: the numerator is
22 the lesser of fifty thousand dollars or the excess of New York adjusted
23 gross income for the taxable year over ten million dollars and the
24 denominator is fifty thousand dollars. Provided, however, this subpara-
25 graph shall not apply to taxpayers who are not subject to the 9.82
26 percent tax rate.

27 (D) The tax table benefit is the difference between (i) the amount of
28 taxable income set forth in the tax table in clause (ii) of subparagraph
29 (B) of paragraph one of subsection (a) of this section not subject to
30 the 10.32 percent rate of tax for the taxable year multiplied by such
31 rate and (ii) the dollar denominated tax for such amount of taxable
32 income set forth in the tax table applicable to the taxable year in
33 clause (ii) of subparagraph (B) of paragraph one of subsection (a) of
34 this section less the sum of the tax table benefits in subparagraphs
35 (A), (B) and (C) of paragraph one of subsection (d-1) of this section
36 and such tax table benefits in subparagraphs (A), (B) and (C) of this
37 paragraph. The fraction for this subparagraph is computed as follows:
38 the numerator is the lesser of fifty thousand dollars or the excess of
39 New York adjusted gross income for the taxable year over one hundred
40 million dollars and the denominator is fifty thousand dollars.

41 (E) Provided, however, the total tax prior to the application of any
42 tax credits shall not exceed the highest rate of tax set forth in the
43 tax tables in subsection (a) of this section multiplied by the taxpay-
44 er's taxable income.

45 (2) For resident heads of households, the supplemental tax shall be an
46 amount equal to the sum of the tax table benefits described in subpara-
47 graphs (A), (B), (C) and (D) of this paragraph multiplied by their
48 respective fractions in such subparagraphs.

49 (A) The tax table benefit is the difference between (i) the amount of
50 taxable income set forth in the tax table in clause (ii) of subparagraph
51 (B) of paragraph one of subsection (b) of this section not subject to
52 the 8.82 percent rate of tax for the taxable year multiplied by such
53 rate and (ii) the dollar denominated tax for such amount of taxable
54 income set forth in the tax table applicable to the taxable year in
55 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of
56 this section less the sum of the tax table benefits in subparagraphs (A)

1 and (B) of paragraph two of subsection (d-1) of this section. The frac-
2 tion for this subparagraph is computed as follows: the numerator is the
3 lesser of fifty thousand dollars or the excess of New York adjusted
4 gross income for the taxable year over one million dollars and the
5 denominator is fifty thousand dollars.

6 (B) The tax table benefit is the difference between (i) the amount of
7 taxable income set forth in the tax table in clause (ii) of subparagraph
8 (B) of paragraph one of subsection (b) of this section not subject to
9 the 9.32 percent rate of tax for the taxable year multiplied by such
10 rate and (ii) the dollar denominated tax for such amount of taxable
11 income set forth in the tax table applicable to the taxable year in
12 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of
13 this section less the sum of the tax table benefits in subparagraphs (A)
14 and (B) of paragraph two of subsection (d-1) of this section and such
15 tax table benefit in subparagraph (A) of this paragraph. The fraction
16 for this subparagraph is computed as follows: the numerator is the less-
17 er of fifty thousand dollars or the excess of New York adjusted gross
18 income for the taxable year over five million dollars and the denomina-
19 tor is fifty thousand dollars. Provided, however, this subparagraph
20 shall not apply to taxpayers who are not subject to the 9.32 percent tax
21 rate.

22 (C) The tax table benefit is the difference between (i) the amount of
23 taxable income set forth in the tax table in clause (ii) of subparagraph
24 (B) of paragraph one of subsection (b) of this section not subject to
25 the 9.82 percent rate of tax for the taxable year multiplied by such
26 rate and (ii) the dollar denominated tax for such amount of taxable
27 income set forth in the tax table applicable to the taxable year in
28 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of
29 this section less the sum of the tax table benefits in subparagraphs (A)
30 and (B) of paragraph two of subsection (d-1) of this section and such
31 tax table benefits in subparagraphs (A) and (B) of this paragraph. The
32 fraction for this subparagraph is computed as follows: the numerator is
33 the lesser of fifty thousand dollars or the excess of New York adjusted
34 gross income for the taxable year over ten million dollars and the
35 denominator is fifty thousand dollars.

36 (D) The tax table benefit is the difference between (i) the amount of
37 taxable income set forth in the tax table in clause (ii) of subparagraph
38 (B) of paragraph one of subsection (b) of this section not subject to
39 the 10.32 percent rate of tax for the taxable year multiplied by such
40 rate and (ii) the dollar denominated tax for such amount of taxable
41 income set forth in the tax table applicable to the taxable year in
42 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of
43 this section less the sum of the tax table benefits in subparagraphs (A)
44 and (B) of paragraph two of subsection (d-1) of this section and such
45 tax table benefits in subparagraphs (A), (B) and (C) of this paragraph.
46 The fraction for this subparagraph is computed as follows: the numerator
47 is the lesser of fifty thousand dollars or the excess of New York
48 adjusted gross income for the taxable year over one hundred million
49 dollars and the denominator is fifty thousand dollars.

50 (E) Provided, however, the total tax prior to the application of any
51 tax credits shall not exceed the highest rate of tax set forth in the
52 tax tables in subsection (b) of this section multiplied by the taxpay-
53 er's taxable income.

54 (3) For resident unmarried individuals, resident married individuals
55 filing separate returns and resident estates and trusts, the supple-
56 mental tax shall be an amount equal to the sum of the tax table benefits

1 described in subparagraphs (A), (B), (C) and (D) of this paragraph
2 multiplied by their respective fractions in such subparagraphs.

3 (A) The tax table benefit is the difference between (i) the amount of
4 taxable income set forth in the tax table in clause (ii) of subparagraph
5 (B) of paragraph one of subsection (c) of this section not subject to
6 the 8.82 percent rate of tax for the taxable year multiplied by such
7 rate and (ii) the dollar denominated tax for such amount of taxable
8 income set forth in the tax table applicable to the taxable year in
9 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of
10 this section less the sum of tax table benefits in subparagraphs (A) and
11 (B) of paragraph three of subsection (d-1) of this section. The frac-
12 tion is computed as follows: the numerator is the lesser of fifty thou-
13 sand dollars or the excess of New York adjusted gross income for the
14 taxable year over one million dollars and the denominator is fifty thou-
15 sand dollars.

16 (B) The tax table benefit is the difference between (i) the amount of
17 taxable income set forth in the tax table in clause (ii) of subparagraph
18 (B) of paragraph one of subsection (c) of this section not subject to
19 the 9.32 percent rate of tax for the taxable year multiplied by such
20 rate and (ii) the dollar denominated tax for such amount of taxable
21 income set forth in the tax table applicable to the taxable year in
22 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of
23 this section less the sum of the tax table benefits in subparagraphs (A)
24 and (B) of paragraph three of subsection (d-1) of this section and such
25 tax table benefit in subparagraph (A) of this paragraph. The fraction
26 for this subparagraph is computed as follows: the numerator is the less-
27 er of fifty thousand dollars or the excess of New York adjusted gross
28 income for the taxable year over five million dollars and the denomina-
29 tor is fifty thousand dollars. Provided, however, this subparagraph
30 shall not apply to taxpayers who are not subject to the 9.32 percent tax
31 rate.

32 (C) The tax table benefit is the difference between (i) the amount of
33 taxable income set forth in the tax table in clause (ii) of subparagraph
34 (B) of paragraph one of subsection (c) of this section not subject to
35 the 9.82 percent rate of tax for the taxable year multiplied by such
36 rate and (ii) the dollar denominated tax for such amount of taxable
37 income set forth in the tax table applicable to the taxable year in
38 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of
39 this section less the sum of the tax table benefits in subparagraphs (A)
40 and (B) of paragraph three of subsection (d-1) of this section and such
41 tax table benefits in subparagraphs (A) and (B) of this paragraph. The
42 fraction for this subparagraph is computed as follows: the numerator is
43 the lesser of fifty thousand dollars or the excess of New York adjusted
44 gross income for the taxable year over ten million dollars and the
45 denominator is fifty thousand dollars.

46 (D) The tax table benefit is the difference between (i) the amount of
47 taxable income set forth in the tax table in clause (ii) of subparagraph
48 (B) of paragraph one of subsection (c) of this section not subject to
49 the 10.32 percent rate of tax for the taxable year multiplied by such
50 rate and (ii) the dollar denominated tax for such amount of taxable
51 income set forth in the tax table applicable to the taxable year in
52 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of
53 this section less the sum of the tax table benefits in subparagraphs (A)
54 and (B) of paragraph three of subsection (d-1) of this section and such
55 tax table benefits in subparagraphs (A), (B) and (C) of this paragraph.
56 The fraction for this subparagraph is computed as follows: the numerator

1 is the lesser of fifty thousand dollars or the excess of New York
2 adjusted gross income for the taxable year over one hundred million
3 dollars and the denominator is fifty thousand dollars.

4 (E) Provided, however, the total tax prior to the application of any
5 tax credits shall not exceed the highest rate of tax set forth in the
6 tax tables in subsection (c) of this section multiplied by the taxpay-
7 er's taxable income.

8 § 5. Subsection (f) of section 614 of the tax law, as amended by
9 section 11 of part FF of chapter 59 of the laws of 2013, is amended to
10 read as follows:

11 (f) Adjusted standard deduction. For taxable years beginning after two
12 thousand [~~seventeen~~] nineteen, the standard deductions set forth in this
13 section shall be the amounts set forth in this section adjusted by the
14 cost of living adjustment prescribed in section six hundred one-a of
15 this part for tax years two thousand thirteen [~~through two thousand~~
16 ~~seventeen~~] and thereafter.

17 § 6. Section 171-a of the tax law, as separately amended by chapters
18 481 and 484 of the laws of 1981, is amended by adding a new subdivision
19 3 to read as follows:

20 3. Notwithstanding subdivision one of this section or any other
21 provision of law to the contrary, the taxes imposed pursuant to clause
22 (ix) of subparagraph (B) of paragraph one of subsection (a), clause (ix)
23 of subparagraph (B) of paragraph one of subsection (b), and clause (ix)
24 of subparagraph (B) of paragraph one of subsection (c) of section six
25 hundred one of this chapter, reduced by an amount for administrative
26 costs, shall be deposited, as such taxes are received, as follows: (a)
27 eighty percent of the revenue shall be deposited to the credit of the
28 New York city housing authority; and (b) twenty percent of the revenue
29 shall be deposited to the credit of the division of housing and communi-
30 ty renewal for the purposes of construction, improvement, and preserva-
31 tion of public housing authorities outside the city of New York. The
32 amount for administrative costs shall be determined by the commissioner
33 to represent reasonable costs of the department of taxation and finance
34 in administering, collecting, determining and distributing such taxes.
35 Of the total revenue collected or received under such sections of this
36 chapter, the comptroller shall retain in his hands such amount as the
37 commissioner may determine to be necessary for refunds or reimbursements
38 under such clauses of such section of this chapter out of which amount
39 the comptroller shall pay any refunds or reimbursements to which taxpay-
40 ers shall be entitled under provisions of such sections. The commis-
41 sioner and the comptroller shall maintain a system of accounts showing
42 the amount of revenue collected or received from each of the taxes
43 imposed by such sections.

44 § 7. This act shall take effect immediately and shall apply to taxable
45 years beginning on or after January 1, 2020.