

STATE OF NEW YORK

4511

2019-2020 Regular Sessions

IN SENATE

March 13, 2019

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

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

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:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Over \$1,000,000 but not over</u>	<u>\$66,578 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>\$419,378 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>\$885,378 plus 9.82% of excess over</u>
<u>\$100,000,000</u>	<u>\$10,000,000</u>
<u>Over \$100,000,000</u>	<u>\$9,723,378 plus 10.32% of excess</u>
	<u>over \$100,000,000</u>

§ 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:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Over \$1,000,000 but not over</u>	<u>\$67,017 plus 8.82% of excess over</u>
<u>\$5,000,000</u>	<u>\$1,000,000</u>

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

LBD09982-02-9

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

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

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

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

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

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

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

36 (A) 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 (a) of this section not subject to
39 the 8.82 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 (a) of
43 this section less the sum of tax table benefits in subparagraphs (A),
44 (B) and (C) of paragraph one of subsection (d-1) of this section. The
45 fraction for this subparagraph is computed as follows: the numerator is
46 the lesser of fifty thousand dollars or the excess of New York adjusted
47 gross income for the taxable year over one million dollars and the
48 denominator is fifty thousand dollars.

49 (B) 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 (a) of this section not subject to
52 the 9.32 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 (a) of

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

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

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

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

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

48 (A) The tax table benefit is the difference between (i) the amount of
49 taxable income set forth in the tax table in clause (ii) of subparagraph
50 (B) of paragraph one of subsection (b) of this section not subject to
51 the 8.82 percent rate of tax for the taxable year multiplied by such
52 rate and (ii) the dollar denominated tax for such amount of taxable
53 income set forth in the tax table applicable to the taxable year in
54 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of
55 this section less the sum of the tax table benefits in subparagraphs (A)
56 and (B) of paragraph two of subsection (d-1) of this section. The frac-

tion 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 (b) 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 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of paragraph two of subsection (d-1) of this section and such tax table benefit in subparagraph (A) of this paragraph. 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 five million dollars and the denominator is fifty thousand dollars. Provided, however, this subparagraph shall not apply to taxpayers who are not subject to the 9.32 percent tax rate.

(C) 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 (b) of this section not subject to the 9.82 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 (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of paragraph two of subsection (d-1) of this section and such tax table benefits in subparagraphs (A) and (B) of this paragraph. 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 ten million dollars and the denominator is fifty thousand dollars.

(D) 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 (b) of this section not subject to the 10.32 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 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of paragraph two of subsection (d-1) of this section and such tax table benefits in subparagraphs (A), (B) and (C) of this paragraph. 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 hundred million dollars and the denominator is fifty thousand dollars.

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

(3) For resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts, the supplemental 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 to the credit of the New York city housing
27 authority, as such taxes are received. The amount for administrative
28 costs shall be determined by the commissioner to represent reasonable
29 costs of the department of taxation and finance in administering,
30 collecting, determining and distributing such taxes. Of the total reven-
31 ue collected or received under such sections of this chapter, the comp-
32 troller shall retain in his hands such amount as the commissioner may
33 determine to be necessary for refunds or reimbursements under such
34 clauses of such section of this chapter out of which amount the comp-
35 troller shall pay any refunds or reimbursements to which taxpayers shall
36 be entitled under provisions of such sections. The commissioner and the
37 comptroller shall maintain a system of accounts showing the amount of
38 revenue collected or received from each of the taxes imposed by such
39 sections.

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