

STATE OF NEW YORK

8221

2021-2022 Regular Sessions

IN ASSEMBLY

August 25, 2021

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

AN ACT to amend the tax law, in relation to the effectiveness and fairness of the top personal income tax rate

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

1 Section 1. The opening paragraph of subsection (d) of section 601 of
2 the tax law, as amended by section 1 of part R of chapter 63 of the laws
3 of 2003, is amended to read as follows:

4 For taxable years beginning after nineteen hundred ninety and before
5 January first, two thousand twenty-two, there is hereby imposed a
6 supplemental tax in addition to the tax imposed under subsections (a),
7 (b) and (c) of this section for the purpose of recapturing the benefit
8 of the tax tables contained in such subsections or section six hundred
9 ninety-nine of this article, as the case may be. The supplemental tax
10 shall be an amount equal to the sum of the tax table benefits in para-
11 graphs one, two and three of this subsection multiplied by their respec-
12 tive fractions in such paragraphs provided, however, that paragraph two
13 of this subsection shall not apply to taxpayers that are not subject to
14 the second highest rate of tax.

15 § 2. The opening paragraph of subsection (d-1) of section 601 of the
16 tax law, as amended by section 4 of part TT of chapter 60 of the laws of
17 2016, is amended to read as follows:

18 Notwithstanding the provisions of subsection (d) of this section, for
19 taxable years beginning after two thousand eleven and before January
20 first, two thousand twenty-two, there is hereby imposed a supplemental
21 tax in addition to the tax imposed under subsections (a), (b) and (c) of
22 this section for the purpose of recapturing the benefit of the tax
23 tables contained in such subsections. During these taxable years, any
24 reference in this chapter to subsection (d) of this section shall be
25 read as a reference to this subsection.

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

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§ 3. Subparagraph (D) of paragraph 1 of subsection (d-1) of section 601 of the tax law, as amended by section 4 of part A of chapter 59 of the laws of 2021, is amended to read as follows:

(D) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in 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 paragraph one of subsection (a) of this section less the sum of the 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 two million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and before January first, two thousand twenty-one and for tax years beginning on or after January first, two thousand ~~twenty-eight~~ twenty-two.

§ 4. Subparagraph (C) of paragraph 2 of subsection (d-1) of section 601 of the tax law, as amended by section 5 of part A of chapter 59 of the laws of 2021, is amended to read as follows:

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (b) 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 paragraph one of subsection (b) of this section less the sum of the 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 one million five hundred thousand dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and before January first, two thousand twenty-one and for tax years beginning on or after January first, two thousand ~~twenty-eight~~ twenty-two.

§ 5. Subparagraph (C) of paragraph 3 of subsection (d-1) of section 601 of the tax law, as amended by section 6 of part A of chapter 59 of the laws of 2021, is amended to read as follows:

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (c) 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 paragraph one of subsection (c) of this section less the sum of the 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 one million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and before January first, two thousand twenty-one and for tax years beginning on or after January first, two thousand ~~twenty-eight~~ twenty-two.

§ 6. This act shall take effect immediately.