

STATE OF NEW YORK

676

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. KIM, GONZALEZ-ROJAS, SHRESTHA, LEVENBERG, RAGA, MAMDANI, FORREST, R. CARROLL, ROSENTHAL, JACKSON, SIMONE, REYES, SEAWRIGHT, BICHOTTE HERMELYN, MEEKS, SAYEGH, SHIMSKY, EPSTEIN, DAVILA, KELLES -- Multi-Sponsored by -- M. of A. SIMON -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to imposing an additional tax on income attributable to long-term capital gain

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 601-b to
2 read as follows:

3 § 601-b. Additional tax on low-taxed investment income. (a) There is
4 hereby imposed, in addition to the tax imposed under section six hundred
5 one of this article, an additional tax on low-taxed investment income.

6 (b) As used in this section, low-taxed investment income shall mean
7 the amount of an individual's New York taxable income attributable to
8 long-term capital gain, dividends, or any other type of income taxed
9 under the rates of section 1(h) of the internal revenue code, or any
10 successor provision thereto.

11 (c) The additional tax imposed under this section shall be equal to:
12 (1) in the case of a resident married individual who makes a single
13 return jointly with the individual's spouse under subsection (b) of
14 section six hundred fifty-one of this article, and in the case of every
15 resident surviving spouse:

16 (A) if New York taxable income is over five hundred thousand dollars,
17 seven and one-half percent of New York taxable income from long-term
18 capital gain, which tax shall be phased in proportionally over the first
19 fifty thousand dollars of New York taxable income in excess of five
20 hundred thousand dollars; and

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

LBD00237-01-5

1 (B) if New York taxable income is over one million dollars, fifteen
2 percent of New York taxable income from long-term capital gain, which
3 tax shall be phased in proportionally, beginning with a phase-in frac-
4 tion of fifty percent, over the first one hundred thousand dollars of
5 New York taxable income in excess of one million dollars; and

6 (2) in the case of a resident head of household:

7 (A) if New York taxable income is over five hundred thousand dollars,
8 seven and one-half percent of New York taxable income from long-term
9 capital gain, which tax shall be phased in proportionally over the first
10 fifty thousand dollars of New York taxable income in excess of five
11 hundred thousand dollars; and

12 (B) if New York taxable income is over one million dollars, fifteen
13 percent of New York taxable income from long-term capital gain, which
14 tax shall be phased in proportionally, beginning with a phase-in frac-
15 tion of fifty percent, over the first one hundred thousand dollars of
16 New York taxable income in excess of one million dollars; and

17 (3) in the case of a residential individual who is not a married indi-
18 vidual or who makes a single return jointly with their spouse under
19 subsection (b) of section six hundred fifty-one of this article or a
20 resident head of household or a resident surviving spouse, and in the
21 case of a resident estate and trust:

22 (A) if New York taxable income is over four hundred thousand dollars,
23 seven and one-half percent of New York taxable income from long-term
24 capital gain, which tax shall be phased in proportionally over the first
25 fifty thousand dollars of New York taxable income in excess of four
26 hundred thousand dollars; and

27 (B) if New York taxable income is over eight hundred thousand dollars,
28 fifteen percent of New York taxable income from long-term capital gain,
29 which tax shall be phased in proportionally, beginning with a phase-in
30 fraction of fifty percent, over the first one hundred thousand dollars
31 of New York taxable income in excess of eight hundred thousand dollars.

32 (d) This section shall be administered, and penalties imposed, in the
33 same manner as the tax imposed under section six hundred one of this
34 article.

35 (e) The department may adopt rules and regulations as necessary to
36 implement the provisions of this section.

37 § 2. This act shall take effect immediately.