

7340

2009-2010 Regular Sessions

I N A S S E M B L Y

March 31, 2009

Introduced by M. of A. BRODSKY -- 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

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraphs 2, 3, 4, 5, 6, 7 and 8 of subsection (a) of
2 section 601 of the tax law are renumbered paragraphs 3, 4, 5, 6, 7, 8
3 and 9.

4 S 2. Paragraph 1 of subsection (a) of section 601 of the tax law, as
5 amended by section 1 of part Y3 of chapter 62 of the laws of 2003, is
6 amended to read as follows:

7 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND EIGHT:

8	IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
9	NOT OVER \$16,000	4% OF THE NEW YORK TAXABLE
10		INCOME
11	OVER \$16,000 BUT NOT OVER \$22,000	\$640 PLUS 4.5% OF EXCESS OVER
12		\$16,000
13	OVER \$22,000 BUT NOT OVER \$26,000	\$910 PLUS 5.25% OF EXCESS OVER
14		\$22,000
15	OVER \$26,000 BUT NOT OVER \$40,000	\$1,120 PLUS 5.9% OF EXCESS OVER
16		\$26,000
17	OVER \$40,000 BUT NOT OVER \$500,000	\$1,946 PLUS 6.85% OF EXCESS OVER
18		\$40,000
19	OVER \$500,000 BUT NOT OVER	\$33,456 PLUS 7.7% OF EXCESS OVER
20	\$1,000,000	\$500,000
21	OVER \$1,000,000 BUT NOT OVER	\$71,956 PLUS 8.97% OF EXCESS OVER
22	\$3,000,000	\$1,000,000

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

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1 OVER \$3,000,000 \$251,356 PLUS 10.3% OF EXCESS OVER
 2 \$3,000,000

3 (2) For taxable years beginning after two thousand five AND BEFORE TWO
 4 THOUSAND NINE:

5	If the New York taxable income is:	The tax is:
6	Not over \$16,000	4% of the New York taxable
7		income
8	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
9		\$16,000
10	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
11		\$22,000
12	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
13		\$26,000
14	Over \$40,000	\$1,946 plus 6.85% of excess over
15		\$40,000

16 S 3. Paragraphs 2, 3, 4, 5, 6, 7 and 8 of subsection (b) of section
 17 601 of the tax law are renumbered paragraphs 3, 4, 5, 6, 7, 8 and 9.

18 S 4. Paragraph 1 of subsection (b) of section 601 of the tax law, as
 19 amended by section 1 of part Y3 of chapter 62 of the laws of 2003, is
 20 amended to read as follows:

21 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND EIGHT:

22	IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
23	NOT OVER \$11,000	4% OF THE NEW YORK TAXABLE
24		INCOME
25	OVER \$11,000 BUT NOT OVER \$15,000	\$440 PLUS 4.5% OF EXCESS OVER
26		\$11,000
27	OVER \$15,000 BUT NOT OVER \$17,000	\$620 PLUS 5.25% OF EXCESS OVER
28		\$15,000
29	OVER \$17,000 BUT NOT OVER \$30,000	\$725 PLUS 5.9% OF EXCESS OVER
30		\$17,000
31	OVER \$30,000 BUT NOT OVER	\$1,492 PLUS 6.85% OF EXCESS OVER
32	\$500,000	\$30,000
33	OVER \$500,000 BUT NOT OVER	\$33,687 PLUS 7.7% OF EXCESS OVER
34	\$1,000,000	\$500,000
35	OVER \$1,000,000 BUT NOT OVER	\$72,187 PLUS 8.97% OF EXCESS OVER
36	\$3,000,000	\$1,000,000
37	OVER \$3,000,000	\$251,587 PLUS 10.3% OF EXCESS OVER
38		\$3,000,000

39 (2) For taxable years beginning after two thousand five AND BEFORE TWO
 40 THOUSAND NINE:

41	If the New York taxable income is:	The tax is:
42	Not over \$11,000	4% of the New York taxable
43		income
44	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
45		\$11,000
46	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
47		\$15,000
48	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
49		\$17,000
50	Over \$30,000	\$1,492 plus 6.85% of excess over
51		\$30,000

1 S 5. Paragraphs 2, 3, 4, 5, 6, 7 and 8 of subsection (c) of section
2 601 of the tax law are renumbered paragraphs 3, 4, 5, 6, 7, 8 and 9.

3 S 6. Paragraph 1 of subsection (c) of section 601 of the tax law, as
4 amended by section 1 of part Y3 of chapter 62 of the laws of 2003, is
5 amended to read as follows:

6 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND EIGHT:

7	IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
8	NOT OVER \$8,000	4% OF THE NEW YORK TAXABLE
9		INCOME
10	OVER \$8,000 BUT NOT OVER \$11,000	\$320 PLUS 4.5% OF EXCESS OVER
11		\$8,000
12	OVER \$11,000 BUT NOT OVER \$13,000	\$455 PLUS 5.25% OF EXCESS OVER
13		\$11,000
14	OVER \$13,000 BUT NOT OVER \$20,000	\$560 PLUS 5.9% OF EXCESS OVER
15		\$13,000
16	OVER \$20,000 BUT NOT OVER \$500,000	\$973 PLUS 6.85% OF EXCESS OVER
17		\$20,000
18	OVER \$500,000 BUT NOT OVER	\$33,853 PLUS 7.7% OF EXCESS OVER
19	\$1,000,000	\$500,000
20	OVER \$1,000,000 BUT NOT OVER	\$72,353 PLUS 8.97% OF EXCESS OVER
21	\$3,000,000	\$1,000,000
22	OVER \$3,000,000	\$251,753 PLUS 10.3% OF EXCESS OVER
23		\$3,000,000

24 (2) For taxable years beginning after two thousand five AND BEFORE TWO
25 THOUSAND NINE:

26	If the New York taxable income is:	The tax is:
27	Not over \$8,000	4% of the New York taxable
28		income
29	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
30		\$8,000
31	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
32		\$11,000
33	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
34		\$13,000
35	Over \$20,000	\$973 plus 6.85% of excess over
36		\$20,000

37 S 7. Paragraph 1 of subsection (d) of section 601 of the tax law, as
38 amended by section 1 of part R of chapter 63 of the laws of 2003, is
39 amended to read as follows:

40 (1) Resident married individuals filing joint returns, resident
41 surviving spouses, resident heads of households, resident unmarried
42 individuals, resident married individuals filing separate returns and
43 resident estates and trusts. (A) The tax table benefit is the difference
44 between (i) the amount of taxable income set forth in the tax table in
45 subsection (a), (b) or (c), of this section, as the case may be, or in
46 section six hundred ninety-nine, as the case may be, not subject to the
47 6.85 percent rate of tax for the taxable year multiplied by such rate
48 and (ii) the dollar denominated tax for such amount of taxable income
49 set forth in the tax table applicable to the taxable year in subsection
50 (a), (b) or (c) of this section, as the case may be, or section six
51 hundred ninety-nine, as the case may be.

52 (B) The fraction is computed as follows: the numerator is the lesser
53 of fifty thousand dollars or the excess of New York adjusted gross

1 income for the taxable year over one hundred FIFTY thousand dollars and
2 the denominator is fifty thousand dollars.

3 S 8. Subsection (d) of section 601 of the tax law is amended by adding
4 two new paragraphs 4 and 5 to read as follows:

5 (4) RESIDENT MARRIED INDIVIDUALS FILING JOINT RETURNS, RESIDENT
6 SURVIVING SPOUSES, RESIDENT HEADS OF HOUSEHOLDS, RESIDENT UNMARRIED
7 INDIVIDUALS, RESIDENT MARRIED INDIVIDUALS FILING SEPARATE RETURNS AND
8 RESIDENT ESTATES AND TRUSTS. (A) THE TAX TABLE BENEFIT IS THE DIFFERENCE
9 BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN
10 SUBSECTION (A), (B) OR (C) OF THIS SECTION, AS THE CASE MAY BE, NOT
11 SUBJECT TO THE 7.7 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED
12 BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF
13 TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR
14 IN SUBSECTION (A), (B) OR (C) OF THIS SECTION, AS THE CASE MAY BE, LESS
15 THE TAX TABLE BENEFIT IN PARAGRAPH ONE OF THIS SUBSECTION.

16 (B) THE FRACTION IS COMPUTED AS FOLLOWS: THE NUMERATOR IS THE LESSER
17 OF FIFTY THOUSAND DOLLARS OR THE EXCESS OF NEW YORK ADJUSTED GROSS
18 INCOME FOR THE TAXABLE YEAR OVER FIVE HUNDRED THOUSAND DOLLARS AND THE
19 DENOMINATOR IS FIFTY THOUSAND DOLLARS.

20 (C) THIS PARAGRAPH SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER TWO
21 THOUSAND EIGHT.

22 (5) RESIDENT MARRIED INDIVIDUALS FILING JOINT RETURNS, RESIDENT
23 SURVIVING SPOUSES, RESIDENT HEADS OF HOUSEHOLDS, RESIDENT UNMARRIED
24 INDIVIDUALS, RESIDENT MARRIED INDIVIDUALS FILING SEPARATE RETURNS AND
25 RESIDENT ESTATES AND TRUSTS. (A) THE TAX TABLE BENEFIT IS THE DIFFERENCE
26 BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN
27 SUBSECTION (A), (B) OR (C) OF THIS SECTION, AS THE CASE MAY BE, NOT
28 SUBJECT TO THE 8.9 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED
29 BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF
30 TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR
31 IN SUBSECTION (A), (B) OR (C) OF THIS SECTION, AS THE CASE MAY BE, LESS
32 THE SUM OF THE TAX TABLE BENEFITS IN PARAGRAPHS ONE AND FOUR OF THIS
33 SUBSECTION.

34 (B) THE FRACTION IS COMPUTED AS FOLLOWS: THE NUMERATOR IS THE LESSER
35 OF FIFTY THOUSAND DOLLARS OR THE EXCESS OF NEW YORK ADJUSTED GROSS
36 INCOME FOR THE TAXABLE YEAR OVER ONE MILLION DOLLARS AND THE DENOMINATOR
37 IS FIFTY THOUSAND DOLLARS.

38 (C) THIS PARAGRAPH SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER TWO
39 THOUSAND EIGHT.

40 S 9. Section 606 of the tax law is amended by adding a new subsection
41 (qq) to read as follows:

42 (QQ) MAXIMUM RESIDENTIAL REAL PROPERTY TAX CREDIT. (1) DEFINITIONS.
43 FOR THE PURPOSES OF THIS SUBSECTION:

44 (A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL OF THE STATE WHO
45 OWNS THE RESIDENTIAL REAL PROPERTY IN WHICH HE OR SHE RESIDES.

46 (B) "HOUSEHOLD" MEANS THE TAXPAYER OR TAXPAYERS AND ALL OTHER PERSONS,
47 NOT NECESSARILY RELATED, WHO ALL RESIDE IN THE RESIDENTIAL REAL PROPERTY
48 OWNED BY THE TAXPAYER OR TAXPAYERS, AND SHARE ITS FURNISHINGS, FACILI-
49 TIES AND ACCOMMODATIONS; PROVIDED THAT NO PERSON MAY BE A MEMBER OF MORE
50 THAN ONE HOUSEHOLD AT ONE TIME.

51 (C) "HOUSEHOLD GROSS INCOME" MEANS THE AGGREGATE ADJUSTED GROSS INCOME
52 OF ALL MEMBERS OF THE HOUSEHOLD FOR THE TAXABLE YEAR AS REPORTED FOR
53 FEDERAL INCOME TAX PURPOSES, OR WHICH WOULD BE REPORTED AS ADJUSTED
54 GROSS INCOME IF A FEDERAL INCOME TAX RETURN WERE REQUIRED TO BE FILED,
55 WITH THE MODIFICATIONS IN SUBSECTION (B) OF SECTION SIX HUNDRED TWELVE
56 OF THIS ARTICLE BUT WITHOUT THE MODIFICATIONS IN SUBSECTION (C) OF SUCH

1 SECTION, PLUS ANY PORTION OF THE GAIN FROM THE SALE OR EXCHANGE OF PROP-
 2 ERTY OTHERWISE EXCLUDED FROM SUCH AMOUNT; EARNED INCOME FROM SOURCES
 3 WITHOUT THE UNITED STATES EXCLUDABLE FROM FEDERAL GROSS INCOME BY
 4 SECTION NINE HUNDRED ELEVEN OF THE INTERNAL REVENUE CODE; SUPPORT MONEY
 5 NOT INCLUDED IN ADJUSTED GROSS INCOME; NONTAXABLE STRIKE BENEFITS;
 6 SUPPLEMENTAL SECURITY INCOME PAYMENTS; THE GROSS AMOUNT OF ANY PENSION
 7 OR ANNUITY BENEFITS TO THE EXTENT NOT INCLUDED IN SUCH ADJUSTED GROSS
 8 INCOME (INCLUDING, BUT NOT LIMITED TO, RAILROAD RETIREMENT BENEFITS AND
 9 ALL PAYMENTS RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT AND VETER-
 10 ANS' DISABILITY PENSIONS); NONTAXABLE INTEREST RECEIVED FROM THE STATE
 11 OF NEW YORK, ITS AGENCIES, INSTRUMENTALITIES, PUBLIC CORPORATIONS, OR
 12 POLITICAL SUBDIVISIONS (INCLUDING A PUBLIC CORPORATION CREATED PURSUANT
 13 TO AGREEMENT OR COMPACT WITH ANOTHER STATE OR CANADA); WORKERS' COMPEN-
 14 SATION; THE GROSS AMOUNT OF "LOSS-OF-TIME" INSURANCE; AND THE AMOUNT OF
 15 CASH PUBLIC ASSISTANCE AND RELIEF, OTHER THAN MEDICAL ASSISTANCE FOR THE
 16 NEEDY, PAID TO OR FOR THE BENEFIT OF THE QUALIFIED TAXPAYER OR MEMBERS
 17 OF HIS OR HER HOUSEHOLD. HOUSEHOLD GROSS INCOME SHALL NOT INCLUDE
 18 SURPLUS FOODS OR OTHER RELIEF IN KIND OR PAYMENTS MADE TO INDIVIDUALS
 19 BECAUSE OF THEIR STATUS AS VICTIMS OF NAZI PERSECUTION AS DEFINED IN
 20 PUBLIC LAW 103-286. PROVIDED, FURTHER, HOUSEHOLD GROSS INCOME SHALL ONLY
 21 INCLUDE ALL SUCH INCOME RECEIVED BY ALL MEMBERS OF THE HOUSEHOLD WHILE
 22 MEMBERS OF SUCH HOUSEHOLD. FOR FARM FAMILIES EARNING AT LEAST FIFTY
 23 PERCENT OF THEIR INCOME FROM FARMING, "ADJUSTED GROSS INCOME" SHALL BE
 24 REPLACED WITH "MODIFIED ADJUSTED GROSS INCOME" FOR FEDERAL TAX PURPOSES
 25 AS REPORTED ON THE APPLICANT'S FEDERAL AND STATE INCOME TAX RETURNS FOR
 26 THE APPLICABLE INCOME TAX YEAR.

27 (D) "NET REAL PROPERTY TAX" MEANS THE REAL PROPERTY TAXES ASSESSED ON
 28 THE RESIDENTIAL REAL PROPERTY OWNED AND OCCUPIED BY THE TAXPAYER OR
 29 TAXPAYERS AFTER ANY EXEMPTION OR ABATEMENT RECEIVED PURSUANT TO THE REAL
 30 PROPERTY TAX LAW. SUCH NET REAL PROPERTY TAX SHALL INCLUDE ANY REAL
 31 PROPERTY TAXES ASSESSED ON FARM DWELLINGS NOT OWNED BY THE RESIDENT IF
 32 THE LEGAL TITLE TO SUCH DWELLING IS HELD BY A PARTNERSHIP AND THE DWELL-
 33 ING SERVES AS THE PRIMARY RESIDENCE OF ONE OR MORE OF THE PARTNERS, OR
 34 IF LEGAL TITLE TO SUCH DWELLING IS HELD BY AN S-CORPORATION OR BY A
 35 C-CORPORATION AND THE DWELLING SERVES AS THE PRIMARY RESIDENCE OF A
 36 SHAREHOLDER OF SUCH CORPORATION.

37 (2) CREDIT. A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE
 38 TAXES IMPOSED BY THIS ARTICLE, EQUAL TO SEVENTY PERCENT OF THE AMOUNT
 39 WHICH THE TAXPAYER'S NET REAL PROPERTY TAX EXCEEDS THE TAXPAYER'S MAXI-
 40 MUM REAL PROPERTY TAX, AS DETERMINED BY PARAGRAPH THREE OF THIS
 41 SUBSECTION. IF SUCH CREDIT EXCEEDS THE TAX FOR SUCH TAXABLE YEAR, AS
 42 REDUCED BY THE OTHER CREDITS PERMITTED BY THIS ARTICLE, THE QUALIFIED
 43 TAXPAYER MAY RECEIVE, AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF
 44 THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT, WITHOUT INTEREST, ANY
 45 EXCESS BETWEEN SUCH TAX AS SO REDUCED AND THE AMOUNT OF THE CREDIT. IF A
 46 QUALIFIED TAXPAYER IS NOT REQUIRED TO FILE A RETURN PURSUANT TO SECTION
 47 SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, A QUALIFIED TAXPAYER MAY NEVER-
 48 THELESS RECEIVE AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF THE
 49 DEPARTMENT, SHALL PAY AS AN OVERPAYMENT THE FULL AMOUNT OF THE CREDIT,
 50 WITHOUT INTEREST.

51 (3) MAXIMUM REAL PROPERTY TAX. (A) A QUALIFIED TAXPAYER'S MAXIMUM REAL
 52 PROPERTY TAX SHALL BE DETERMINED AS FOLLOWS:

53 (I) IN THE CITY OF NEW YORK, AND THE COUNTIES OF NASSAU, SUFFOLK,
 54 ROCKLAND, WESTCHESTER, PUTNAM, ORANGE AND DUTCHESS:

55 HOUSEHOLD GROSS INCOME

MAXIMUM REAL PROPERTY TAX

1	ONE HUNDRED TWENTY THOUSAND	SIX PERCENT OF THE
2	DOLLARS OR LESS	HOUSEHOLD GROSS INCOME
3	MORE THAN ONE HUNDRED	SEVEN PERCENT OF
4	TWENTY THOUSAND	THE HOUSEHOLD
5	DOLLARS, BUT	GROSS INCOME
6	LESS THAN OR EQUAL TO	
7	ONE HUNDRED SEVENTY-FIVE	
8	THOUSAND DOLLARS	
9	MORE THAN ONE HUNDRED	EIGHT PERCENT OF
10	SEVENTY-FIVE THOUSAND	THE HOUSEHOLD
11	DOLLARS, BUT LESS THAN	GROSS INCOME
12	OR EQUAL TO TWO HUNDRED	
13	FIFTY THOUSAND DOLLARS	
14	MORE THAN TWO HUNDRED	NO LIMITATION.
15	FIFTY THOUSAND	
16	DOLLARS	
17	(II) IN ALL OTHER COUNTIES IN THE STATE:	
18	HOUSEHOLD GROSS	MAXIMUM REAL
19	INCOME	PROPERTY TAX
20	NINETY THOUSAND	SIX PERCENT OF THE
21	DOLLARS OR LESS	HOUSEHOLD GROSS INCOME
22	MORE THAN NINETY	SEVEN PERCENT OF
23	THOUSAND DOLLARS, BUT	THE HOUSEHOLD
24	LESS THAN OR EQUAL TO	GROSS INCOME
25	ONE HUNDRED FIFTY	
26	THOUSAND DOLLARS	
27	MORE THAN ONE HUNDRED	EIGHT PERCENT OF
28	FIFTY THOUSAND DOLLARS,	THE HOUSEHOLD
29	BUT LESS THAN OR EQUAL	GROSS INCOME
30	TO TWO HUNDRED FIFTY THOUSAND	
31	DOLLARS	
32	MORE THAN TWO HUNDRED FIFTY	NO LIMITATION.
33	THOUSAND DOLLARS	
34	(B) THE THRESHOLDS OF HOUSEHOLD GROSS INCOME FOR ELIGIBILITY FOR THE	
35	MAXIMUM REAL PROPERTY TAX CREDIT, ESTABLISHED BY SUBPARAGRAPH (A) OF	
36	THIS PARAGRAPH, SHALL BE INDEXED FOR INFLATION.	
37	(4) EXCLUSIONS FROM ELIGIBILITY. NO CREDIT SHALL BE GRANTED UNDER THIS	
38	SUBSECTION IF THE QUALIFIED TAXPAYER CLAIMS THE REAL PROPERTY TAX	
39	CIRCUIT BREAKER CREDIT, PURSUANT TO SUBSECTION (E) OF THIS SECTION,	
40	DURING THE TAXABLE YEAR.	
41	S 10. This act shall take effect immediately.	