

7802

2011-2012 Regular Sessions

I N A S S E M B L Y

May 17, 2011

Introduced by M. of A. SILVER, FARRELL -- Multi-Sponsored by -- M. of A. ABBATE, ARROYO, AUBRY, BARRON, BENEDETTO, BOYLAND, BRENNAN, BRONSON, BROOK-KRASNY, CAHILL, CANESTRARI, CASTRO, COLTON, COOK, CRESPO, CYMBROWITZ, DINOWITZ, ENGLEBRIGHT, GIBSON, GLICK, GOTTFRIED, GUNTHER, HEASTIE, JAFFEE, LANCMAN, LAVINE, LENTOL, LIFTON, LINARES, LUPARDO, MAGEE, McENENY, MENG, M. MILLER, MILLMAN, MOYA, NOLAN, O'DONNELL, PERRY, PRETLOW, RAMOS, ROBERTS, ROBINSON, RODRIGUEZ, ROSENTHAL, RUSSELL, SCARBOROUGH, SCHIMEL, SWEENEY, THIELE, TITUS, WEINSTEIN, WEPRIN, WRIGHT -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to the modification and extension of a tax rate on income in excess of one million dollars and to amend the state finance law, in relation to the creation of an educational assistance fund

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

1 Section 1. Subsections (a), (b), and (c) of section 601 of the tax  
2 law, as amended by section 1 of part Z-1 of chapter 57 of the laws of  
3 2009, are amended to read as follows:  
4 (a) Resident married individuals filing joint returns and resident  
5 surviving spouses. There is hereby imposed for each taxable year on the  
6 New York taxable income of every resident married individual who makes a  
7 single return jointly with his spouse under subsection (b) of section  
8 six hundred fifty-one and on the New York taxable income of every resi-  
9 dent surviving spouse a tax determined in accordance with the following  
10 tables:  
11 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE  
12 TWO THOUSAND THIRTEEN:

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

LBD10065-05-1

1	IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
2	NOT OVER \$16,000	4% OF THE NEW YORK TAXABLE INCOME
3	OVER \$16,000 BUT NOT OVER \$22,000	\$640 PLUS 4.5% OF EXCESS OVER
4		\$16,000
5	OVER \$22,000 BUT NOT OVER \$26,000	\$910 PLUS 5.25% OF EXCESS OVER
6		\$22,000
7	OVER \$26,000 BUT NOT OVER \$40,000	\$1,120 PLUS 5.9% OF EXCESS OVER
8		\$26,000
9	OVER \$40,000 BUT NOT OVER \$1,000,000	\$1,946 PLUS 6.85% OF EXCESS OVER
10		\$40,000
11	OVER \$1,000,000	\$67,706 PLUS 8.97% OF EXCESS
12		OVER \$1,000,000

13 (2) For taxable years beginning after two thousand eight and before  
14 two thousand twelve:

15	If the New York taxable income is:	The tax is:
16	Not over \$16,000	4% of the New York taxable
17		income
18	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
19		\$16,000
20	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
21		\$22,000
22	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
23		\$26,000
24	Over \$40,000 but not over \$300,000	\$1,946 plus 6.85% of excess over
25		\$40,000
26	Over \$300,000 but not over \$500,000	\$19,756 plus 7.85% of excess over
27		\$300,000
28	Over \$500,000	\$35,456 plus 8.97% of excess over
29		\$500,000

30 [(2)] (3) For taxable years beginning after two thousand five and  
31 before two thousand nine and after two thousand [eleven] TWELVE:

32	If the New York taxable income is:	The tax is:
33	Not over \$16,000	4% of the New York taxable
34		income
35	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
36		\$16,000
37	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
38		\$22,000
39	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
40		\$26,000
41	Over \$40,000	\$1,946 plus 6.85% of excess over
42		\$40,000

43 [(3)] (4) For taxable years beginning in two thousand five:

44	If the New York taxable income is:	The tax is:
45	Not over \$16,000	4% of the New York taxable
46		income
47	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
48		\$16,000
49	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over

1		\$22,000
2	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
3		\$26,000
4	Over \$40,000 but not over \$150,000	\$1,946 plus 6.85% of excess over
5		\$40,000
6	Over \$150,000 but not over \$500,000	\$9,481 plus 7.25% of excess over
7		\$150,000
8	Over \$500,000	\$34,856 plus 7.7% of excess over
9		\$500,000

10 [(4)] (5) For taxable years beginning in two thousand four:

11	If the New York taxable income is:	The tax is:
12	Not over \$16,000	4% of the New York taxable
13		income
14	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
15		\$16,000
16	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
17		\$22,000
18	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
19		\$26,000
20	Over \$40,000 but not over \$150,000	\$1,946 plus 6.85% of excess over
21		\$40,000
22	Over \$150,000 but not over \$500,000	\$9,481 plus 7.375% of excess over
23		\$150,000
24	Over \$500,000	\$35,294 plus 7.7% of excess over
25		\$500,000

26 [(5)] (6) For taxable years beginning in two thousand three:

27	If the New York taxable income is:	The tax is:
28	Not over \$16,000	4% of the New York taxable
29		income
30	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
31		\$16,000
32	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
33		\$22,000
34	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
35		\$26,000
36	Over \$40,000 but not over \$150,000	\$1,946 plus 6.85% of excess over
37		\$40,000
38	Over \$150,000 but not over \$500,000	\$9,481 plus 7.5% of excess over
39		\$150,000
40	Over \$500,000	\$35,731 plus 7.7% of excess over
41		\$500,000

42 [(6)] (7) For taxable years beginning after nineteen hundred ninety-  
43 six and before two thousand three:

44	If the New York taxable income is:	The tax is:
45	Not over \$16,000	4% of the New York taxable
46		income
47	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
48		\$16,000
49	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over

1		\$22,000
2	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
3		\$26,000
4	Over \$40,000	\$1,946 plus 6.85% of excess over
5		\$40,000

6 [(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

7	If the New York taxable income is:	The tax is:
8	Not over \$11,000	4% of the New York taxable
9		income
10	Over \$11,000 but not over \$16,000	\$440 plus 5% of excess over
11		\$11,000
12	Over \$16,000 but not over \$22,000	\$690 plus 6% of excess over
13		\$16,000
14	Over \$22,000	\$1,050 plus 7% of excess over
15		\$22,000

16 [(8)] (9) For taxable years beginning in nineteen hundred ninety-five:

17	If the New York taxable income is:	The tax is:
18	Not over \$13,000	4.55% of the New York taxable
19		income
20	Over \$13,000 but not over \$19,000	\$592 plus 5.55% of excess over
21		\$13,000
22	Over \$19,000 but not over \$25,000	\$925 plus 6.55% of excess over
23		\$19,000
24	Over \$25,000	\$1,318 plus 7.5% of excess over
25		\$25,000

26 [(9)] (10) For taxable years beginning after nineteen hundred eighty-  
27 nine and before nineteen hundred ninety-five:

28	If the New York taxable income is:	The tax is:
29	Not over \$11,000	4% of the New York taxable
30		income
31	Over \$11,000 but not over \$16,000	\$440 plus 5% of excess over
32		\$11,000
33	Over \$16,000 but not over \$22,000	\$690 plus 6% of excess over
34		\$16,000
35	Over \$22,000 but not over \$26,000	\$1,050 plus 7% of excess over
36		\$22,000
37	Over \$26,000	\$1,330 plus 7.875% of excess over
38		\$26,000

39 (b) Resident heads of households. There is hereby imposed for each  
40 taxable year on the New York taxable income of every resident head of a  
41 household a tax determined in accordance with the following tables:

42 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE  
43 TWO THOUSAND THIRTEEN:

44	IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
45	NOT OVER \$11,000	4% OF THE NEW YORK TAXABLE
46		INCOME
47	OVER \$11,000 BUT NOT OVER \$15,000	\$440 PLUS 4.5% OF EXCESS OVER
48		\$11,000
49	OVER \$15,000 BUT NOT OVER \$17,000	\$620 PLUS 5.25% OF EXCESS OVER

1		\$15,000
2	OVER \$17,000 BUT NOT OVER \$30,000	\$725 PLUS 5.9% OF EXCESS OVER
3		\$17,000
4	OVER \$30,000 BUT NOT OVER \$1,000,000	\$1,492 PLUS 6.85% OF EXCESS OVER
5		\$30,000
6	OVER \$1,000,000	\$67,937 PLUS 8.97% OF EXCESS OVER
7		\$1,000,000

8 (2) For taxable years beginning after two thousand eight and before  
9 two thousand twelve:

10	If the New York taxable income is:	The tax is:
11	Not over \$11,000	4% of the New York taxable
12		income
13	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
14		\$11,000
15	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
16		\$15,000
17	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
18		\$17,000
19	Over \$30,000 but not over \$250,000	\$1,492 plus 6.85% of excess over
20		\$30,000
21	Over \$250,000 but not over \$500,000	\$16,562 plus 7.85% of excess over
22		\$250,000
23	Over \$500,000	\$36,187 plus 8.97% of excess over
24		\$500,000

25 [(2)] (3) For taxable years beginning after two thousand five and  
26 before two thousand nine and after two thousand [eleven] TWELVE:

27	If the New York taxable income is:	The tax is:
28	Not over \$11,000	4% of the New York taxable
29		income
30	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
31		\$11,000
32	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
33		\$15,000
34	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
35		\$17,000
36	Over \$30,000	\$1,492 plus 6.85% of excess over
37		\$30,000

38 [(3)] (4) For taxable years beginning in two thousand five:

39	If the New York taxable income is:	The tax is:
40	Not over \$11,000	4% of the New York taxable
41		income
42	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
43		\$11,000
44	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
45		\$15,000
46	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
47		\$17,000
48	Over \$30,000 but not over \$125,000	\$1,492 plus 6.85% of excess over
49		\$30,000
50	Over \$125,000 but not over \$500,000	\$8,000 plus 7.25% of excess over

1 \$125,000  
 2 Over \$500,000 \$35,187 plus 7.7% of excess over  
 3 \$500,000

4 [(4)] (5) For taxable years beginning in two thousand four:

5	If the New York taxable income is:	The tax is:
6	Not over \$11,000	4% of the New York taxable income
7		
8	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over \$11,000
9		
10	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over \$15,000
11		
12	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over \$17,000
13		
14	Over \$30,000 but not over \$125,000	\$1,492 plus 6.85% of excess over \$30,000
15		
16	Over \$125,000 but not over \$500,000	\$8,000 plus 7.375% of excess over \$125,000
17		
18	Over \$500,000	\$35,656 plus 7.7% of excess over \$500,000
19		

20 [(5)] (6) For taxable years beginning in two thousand three:

21	If the New York taxable income is:	The tax is:
22	Not over \$11,000	4% of the New York taxable income
23		
24	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over \$11,000
25		
26	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over \$15,000
27		
28	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over \$17,000
29		
30	Over \$30,000 but not over \$125,000	\$1,492 plus 6.85% of excess over \$30,000
31		
32	Over \$125,000 but not over \$500,000	\$8,000 plus 7.5% of excess over \$125,000
33		
34	Over \$500,000	\$36,125 plus 7.7% of excess over \$500,000
35		

36 [(6)] (7) For taxable years beginning after nineteen hundred ninety-  
 37 six and before two thousand three:

38	If the New York taxable income is:	The tax is:
39	Not over \$11,000	4% of the New York taxable income
40		
41	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over \$11,000
42		
43	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over \$15,000
44		
45	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over \$17,000
46		
47	Over \$30,000	\$1,492 plus 6.85% of excess over \$30,000
48		

49 [(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

1	If the New York taxable income is:	The tax is:
2	Not over \$7,500	4% of the New York taxable
3		income
4	Over \$7,500 but not over \$11,000	\$300 plus 5% of excess over
5		\$7,500
6	Over \$11,000 but not over \$15,000	\$475 plus 6% of excess over
7		\$11,000
8	Over \$15,000	\$ 715 plus 7% of excess over
9		\$15,000

10 [(8)] (9) For taxable years beginning in nineteen hundred ninety-five:

11	If the New York taxable income is:	The tax is:
12	Not over \$9,000	4.55% of the New York taxable
13		income
14	Over \$9,000 but not over \$14,000	\$410 plus 5.55% of excess over
15		\$9,000
16	Over \$14,000 but not over \$19,000	\$687 plus 6.55% of excess over
17		\$14,000
18	Over \$19,000	\$1,015 plus 7.5% of excess over
19		\$19,000

20 [(9)] (10) For taxable years beginning after nineteen hundred eighty-  
21 nine and before nineteen hundred ninety-five:

22	If the New York taxable income is:	The tax is:
23	Not over \$7,500	4% of the New York taxable
24		income
25	Over \$7,500 but not over \$11,000	\$300 plus 5% of excess over
26		\$7,500
27	Over \$11,000 but not over \$15,000	\$475 plus 6% of excess over
28		\$11,000
29	Over \$15,000 but not over \$17,000	\$715 plus 7% of excess over
30		\$15,000
31	Over \$17,000	\$855 plus 7.875% of excess over
32		\$17,000

33 (c) Resident unmarried individuals, resident married individuals  
34 filing separate returns and resident estates and trusts. There is hereby  
35 imposed for each taxable year on the New York taxable income of every  
36 resident individual who is not a married individual who makes a single  
37 return jointly with his spouse under subsection (b) of section six  
38 hundred fifty-one or a resident head of a household or a resident  
39 surviving spouse, and on the New York taxable income of every resident  
40 estate and trust a tax determined in accordance with the following  
41 tables:

42 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE  
43 TWO THOUSAND THIRTEEN:

44	IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
45	NOT OVER \$8,000	4% OF THE NEW YORK TAXABLE
46		INCOME
47	OVER \$8,000 BUT NOT OVER \$11,000	\$320 PLUS 4.5% OF EXCESS OVER
48		\$8,000
49	OVER \$11,000 BUT NOT OVER \$13,000	\$455 PLUS 5.25% OF EXCESS OVER

1		\$11,000	
2	OVER \$13,000 BUT NOT OVER \$20,000	\$560 PLUS 5.9% OF EXCESS OVER	
3		\$13,000	
4	OVER \$20,000 BUT NOT OVER \$1,000,000	\$973 PLUS 6.85% OF EXCESS OVER	
5		\$20,000	
6	OVER \$1,000,000	\$68,103 PLUS 8.97% OF EXCESS OVER	
7		\$1,000,000	

8 (2) For taxable years beginning after two thousand eight and before  
9 two thousand twelve:

10	If the New York taxable income is:	The tax is:
11	Not over \$8,000	4% of the New York taxable
12		income
13	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
14		\$8,000
15	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
16		\$11,000
17	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
18		\$13,000
19	Over \$20,000 but not over \$200,000	\$973 plus 6.85% of excess over
20		\$20,000
21	Over \$200,000 but not over \$500,000	\$13,303 plus 7.85% of excess over
22		\$200,000
23	Over \$500,000	\$36,853 plus 8.97% of excess over
24		\$500,000

25 [(2)] (3) For taxable years beginning after two thousand five and  
26 before two thousand nine and after two thousand [eleven] TWELVE:

27	If the New York taxable income is:	The tax is:
28	Not over \$8,000	4% of the New York taxable
29		income
30	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
31		\$8,000
32	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
33		\$11,000
34	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
35		\$13,000
36	Over \$20,000	\$973 plus 6.85% of excess over
37		\$20,000

38 [(3)] (4) For taxable years beginning in two thousand five:

39	If the New York taxable income is:	The tax is:
40	Not over \$8,000	4% of the New York taxable
41		income
42	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
43		\$8,000
44	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
45		\$11,000
46	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
47		\$13,000
48	Over \$20,000 but not over \$100,000	\$973 plus 6.85% of excess over
49		\$20,000
50	Over \$100,000 but not over \$500,000	\$6,453 plus 7.25% of excess over



1 \$100,000  
 2 Over \$500,000 \$35,453 plus 7.7% of excess over  
 3 \$500,000

4 [(4)] (5) For taxable years beginning in two thousand four:

5	If the New York taxable income is:	The tax is:
6	Not over \$8,000	4% of the New York taxable income
7		
8	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over \$8,000
9		
10	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over \$11,000
11		
12	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over \$13,000
13		
14	Over \$20,000 but not over \$100,000	\$973 plus 6.85% of excess over \$20,000
15		
16	Over \$100,000 but not over \$500,000	\$6,453 plus 7.375% of excess over \$100,000
17		
18	Over \$500,000	\$35,953 plus 7.7% of excess over \$500,000
19		

20 [(5)] (6) For taxable years beginning in two thousand three:

21	If the New York taxable income is:	The tax is:
22	Not over \$8,000	4% of the New York taxable income
23		
24	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over \$8,000
25		
26	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over \$11,000
27		
28	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over \$13,000
29		
30	Over \$20,000 but not over \$100,000	\$973 plus 6.85% of excess over \$20,000
31		
32	Over \$100,000 but not over \$500,000	\$6,453 plus 7.5% of excess over \$100,000
33		
34	Over \$500,000	\$36,453 plus 7.7% of excess over \$500,000
35		

36 [(6)] (7) For taxable years beginning after nineteen hundred ninety-  
 37 six and before two thousand three:

38	If the New York taxable income is:	The tax is:
39	Not over \$8,000	4% of the New York taxable income
40		
41	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over \$8,000
42		
43	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over \$11,000
44		
45	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over \$13,000
46		
47	Over \$20,000	\$973 plus 6.85% of excess over \$20,000
48		

49 [(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

1	If the New York taxable income is:	The tax is:
2	Not over \$5,500	4% of the New York taxable
3		income
4	Over \$5,500 but not over \$8,000	\$220 plus 5% of excess over
5		\$5,500
6	Over \$8,000 but not over \$11,000	\$345 plus 6% of excess over
7		\$8,000
8	Over \$11,000	\$525 plus 7% of excess over
9		\$11,000

10 [(8)] (9) For taxable years beginning in nineteen hundred ninety-five:

11	If the New York taxable income is:	The tax is:
12	Not over \$6,500	4.55% of the New York taxable
13		income
14	Over \$6,500 but not over \$9,500	\$296 plus 5.55% of excess over
15		\$6,500
16	Over \$9,500 but not over \$12,500	\$462 plus 6.55% of excess over
17		\$9,500
18	Over \$12,500	\$659 plus 7.5% of excess over
19		\$12,500

20 [(9)] (10) For taxable years beginning after nineteen hundred eighty-  
21 nine and before nineteen hundred ninety-five:

22	If the New York taxable	
23	income is:	The tax is:
24	Not over \$5,500	4% of the New York taxable
25		income
26	Over \$5,500 but not over \$8,000	\$220 plus 5% of excess over
27		\$5,500
28	Over \$8,000 but not over \$11,000	\$345 plus 6% of excess over
29		\$8,000
30	Over \$11,000 but not over \$13,000	\$525 plus 7% of excess over
31		\$11,000
32	Over \$13,000	\$665 plus 7.875% of excess over
33		\$13,000

34 S 2. Subparagraph (B) of paragraph 3 of subsection (d) of section 601  
35 of the tax law, as amended by section 3 of part Z-1 of chapter 57 of the  
36 laws of 2009, is amended to read as follows:

37 (B) For such taxpayers with adjusted gross income over five hundred  
38 thousand dollars, for taxable years beginning after two thousand eight  
39 and before two thousand twelve, the fraction is computed as follows: the  
40 numerator is the lesser of fifty thousand dollars or the excess of New  
41 York adjusted gross income for the taxable year over five hundred thou-  
42 sand dollars and the denominator is fifty thousand dollars. FOR TAXABLE  
43 YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE TWO THOUSAND THIR-  
44 TEEN, THE FRACTION IS COMPUTED AS FOLLOWS: THE NUMERATOR IS THE LESSER  
45 OF FIFTY THOUSAND DOLLARS OR THE EXCESS OF NEW YORK ADJUSTED GROSS  
46 INCOME FOR THE TAXABLE YEAR OVER ONE MILLION DOLLARS AND THE DENOMINATOR  
47 IS FIFTY THOUSAND DOLLARS. Provided, however, that the total tax prior  
48 to the application of any tax credits shall not exceed the highest rate  
49 of tax set forth in the tax table in subsection (a) of this section  
50 multiplied by the taxpayer's taxable income.

1 S 3. Clause (ii) of subparagraph (B) of paragraph 3 of subsection (c)  
2 of section 685 of the tax law is amended by adding a new undesignated  
3 paragraph to read as follows:

4 FURTHER PROVIDED THAT THE TAX SHOWN ON SUCH RETURN FOR TAXABLE YEAR  
5 BEGINNING IN TWO THOUSAND ELEVEN SHALL BE CALCULATED AS IF SUCH YEAR  
6 BEGAN IN TWO THOUSAND TWELVE.

7 S 4. Notwithstanding any provision of law to the contrary, the method  
8 of determining the amount to be deducted and withheld from wages on  
9 account of taxes imposed by or pursuant to the authority of article 22  
10 of the tax law in connection with the implementation of the provisions  
11 of this act shall be prescribed by regulations of the commissioner of  
12 taxation and finance with due consideration to the effect such withhold-  
13 ing tables and methods would have on the receipt and amount of revenue.  
14 The commissioner of taxation and finance shall adjust such withholding  
15 tables and methods in regard to taxable years beginning in 2011 and  
16 after in such manner as to result, so far as practicable, in withholding  
17 from an employee's wages an amount substantially equivalent to the tax  
18 reasonably estimated to be due for such taxable years as a result of the  
19 provisions of this act. Provided, however, for tax year 2011 the with-  
20 holding tables shall reflect as accurately as practicable the full  
21 amount of tax year 2011 liability so that such amount is withheld by  
22 December 31, 2011. Any such regulations to implement a change in with-  
23 holding tables and methods for tax year 2011 shall be adopted and effec-  
24 tive as soon as practicable and the commissioner of taxation and finance  
25 may adopt such regulations on an emergency basis notwithstanding  
26 anything to the contrary in section 202 of the state administrative  
27 procedure act. In carrying out his or her duties and responsibilities  
28 under this section, the commissioner of taxation and finance may accom-  
29 pany such a rule making procedure with a similar procedure with respect  
30 to the taxes required to be deducted and withheld by local laws imposing  
31 taxes pursuant to the authority of articles 30, 30-A and 30-B of the tax  
32 law, the provisions of any other law in relation to such a procedure to  
33 the contrary notwithstanding.

34 S 5. 1. Notwithstanding any provision of law to the contrary, no addi-  
35 tion to tax required shall be imposed for failure to pay the estimated  
36 tax in subsection (c) of section 685 of the tax law with respect to any  
37 underpayment of a required installment due prior to, or within thirty  
38 days of, the effective date of this act to the extent that such under-  
39 payment was created or increased by the amendments made by this act  
40 provided, however, that the taxpayer remits the amount of the underpay-  
41 ment with his or her next quarterly estimated tax payment.

42 2. The commissioner of taxation and finance shall take steps to publi-  
43 cize the necessary adjustments to estimated tax and, to the extent  
44 reasonably possible, to inform the taxpayer of the tax liability changes  
45 made by this act.

46 S 6. The state finance law is amended by adding a new section 97-kkkk  
47 to read as follows:

48 S 97-KKKK. EDUCATIONAL ASSISTANCE FUND. 1. THERE IS HEREBY ESTAB-  
49 LISHED IN THE JOINT CUSTODY OF THE COMPTROLLER AND THE COMMISSIONER OF  
50 TAXATION AND FINANCE OF THE MISCELLANEOUS STATE SPECIAL REVENUE FUND TO  
51 BE KNOWN AS THE EDUCATIONAL ASSISTANCE FUND.

52 2. SUCH ACCOUNT SHALL CONSIST OF THIRTY PERCENT OF RECEIPTS FROM THE  
53 IMPOSITION OF THE SURCHARGE OF PERSONAL INCOME TAXES PURSUANT TO ARTICLE  
54 TWENTY-TWO OF THE TAX LAW, ON NEW YORK TAXABLE INCOME WHEN SUCH INCOME  
55 IS TAXED AT A RATE GREATER THAN 6.85 PERCENT ON OR AFTER JANUARY FIRST,

1 TWO THOUSAND TWELVE. ANY MONEYS IN SUCH ACCOUNT MAY BE INVESTED BY THE  
2 COMPTROLLER PURSUANT TO SECTION NINETY-EIGHT-A OF THIS ARTICLE.

3 3. MONEYS IN THE ACCOUNT, FOLLOWING AN APPROPRIATION BY THE LEGISLA-  
4 TURE, SHALL BE USED ONLY FOR THE PAYMENT OF EDUCATION AID TO SCHOOL  
5 DISTRICTS AND BOARDS OF COOPERATIVE EDUCATIONAL SERVICES DURING THE  
6 CALENDAR QUARTER BEGINNING ON APRIL FIRST OF EACH YEAR IN ACCORDANCE  
7 WITH SECTION THIRTY-SIX HUNDRED NINE-A OF THE EDUCATION LAW, AS FROM  
8 TIME TO TIME AMENDED.

9 S 7. This act shall take effect immediately.