## 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:

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

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.
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IF THE NEW YORK TAXABLE INCOME IS: NOT OVER \$16,000
OVER \$16,000 BUT NOT OVER \$22,000
OVER $\$ 22,000$ BUT NOT OVER $\$ 26,000$
OVER \$26,000 BUT NOT OVER \$40,000

OVER \$40,000 BUT NOT OVER \$1,000,000

OVER \$1,000,000

THE TAX IS:
4\% OF THE NEW YORK TAXABLE INCOME \$640 PLUS 4.5\% OF EXCESS OVER \$16,000
\$910 PLUS 5.25\% OF EXCESS OVER \$22,000
\$1,120 PLUS 5.9\% OF EXCESS OVER \$26,000
\$1,946 PLUS 6.85\% OF EXCESS OVER \$40,000
\$67,706 PLUS 8.97\% OF EXCESS
OVER \$1,000,000
(2) For taxable years beginning after two thousand eight and before two thousand twelve:

If the New York taxable income is:
Not over \$16,000

Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$ but not over $\$ 26,000$

Over $\$ 26,000$ but not over $\$ 40,000$
Over $\$ 40,000$ but not over $\$ 300,000$
Over $\$ 300,000$ but not over $\$ 500,000$
Over $\$ 500,000$
[(2)] (3) For taxable years beginning after two thousand five and before two thousand nine and after two thousand [eleven] TWELVE:

If the New York taxable income is: The tax is:
Not over \$16,000

Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$ but not over $\$ 26,000$
Over $\$ 26,000$ but not over $\$ 40,000$

Over $\$ 40,000$
4\% of the New York taxable income
\$640 plus 4.5\% of excess over \$16,000
$\$ 910$ plus 5.25\% of excess over \$22,000
$\$ 1,120$ plus $5.9 \%$ of excess over \$26,000
$\$ 1,946$ plus $6.85 \%$ of excess over $\$ 40,000$
[(3)] (4) For taxable years beginning in two thousand five:
If the New York taxable income is: The tax is:
Not over \$16,000
Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$ but not over $\$ 26,000$

4\% of the New York taxable income
\$640 plus 4.5\% of excess over \$16,000
$\$ 910$ plus $5.25 \%$ of excess over

Over $\$ 26,000$ but not over $\$ 40,000$
Over $\$ 40,000$ but not over $\$ 150,000$
Over $\$ 150,000$ but not over $\$ 500,000$

Over $\$ 500,000$
[(4)] (5) For taxable years beginning in two thousand four:

If the New York taxable income is:
Not over \$16,000
Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$ but not over $\$ 26,000$

Over $\$ 26,000$ but not over $\$ 40,000$
Over $\$ 40,000$ but not over $\$ 150,000$

Over $\$ 150,000$ but not over $\$ 500,000$

Over $\$ 500,000$
[(5)] (6) For taxable years beginning in two thousand three:
If the New York taxable income is: The tax is:
Not over $\$ 16,000$

Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$ but not over $\$ 26,000$

Over $\$ 26,000$ but not over $\$ 40,000$

Over $\$ 40,000$ but not over $\$ 150,000$
Over $\$ 150,000$ but not over $\$ 500,000$
Over $\$ 500,000$
4\% of the New York taxable income
$\$ 640$ plus $4.5 \%$ of excess over \$16,000
$\$ 910$ plus 5.25\% of excess over \$22,000
$\$ 1,120$ plus $5.9 \%$ of excess over \$26,000
$\$ 1,946$ plus $6.85 \%$ of excess over \$40,000
$\$ 9,481$ plus 7.5\% of excess over $\$ 150,000$
$\$ 35,731$ plus $7.7 \%$ of excess over $\$ 500,000$
[(6)] (7) For taxable years beginning after nineteen hundred ninetysix and before two thousand three:

If the New York taxable income is:
Not over \$16,000

Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$ but not over $\$ 26,000$

The tax is:
4\% of the New York taxable income
\$640 plus 4.5\% of excess over \$16,000
$\$ 910$ plus 5.25\% of excess over

Over $\$ 26,000$ but not over $\$ 40,000$
Over $\$ 40,000$
[(7)] (8) For taxable years beginning in nineteen hundred ninety-six:
If the New York taxable income is: The tax is:
Not over \$11,000
Over $\$ 11,000$ but not over $\$ 16,000$
Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$
[(8)] (9) For taxable years beginning in nineteen hundred ninety-five:
If the New York taxable income is: The tax is:
Not over \$13,000
Over $\$ 13,000$ but not over $\$ 19,000$
Over $\$ 19,000$ but not over $\$ 25,000$
Over \$25,000
[(9)] (10) For taxable years beginning after nineteen hundred eightynine and before nineteen hundred ninety-five:

If the New York taxable income is: The tax is:
Not over \$11,000
Over $\$ 11,000$ but not over $\$ 16,000$
Over $\$ 16,000$ but not over $\$ 22,000$
Over $\$ 22,000$ but not over $\$ 26,000$
Over $\$ 26,000$
(b) Resident heads of households. There is hereby imposed for each taxable year on the New York taxable income of every resident head of a household a tax determined in accordance with the following tables:
(1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE TWO THOUSAND THIRTEEN:

IF THE NEW YORK TAXABLE INCOME IS:
NOT OVER \$11,000
OVER \$11,000 BUT NOT OVER \$15,000
OVER \$15,000 BUT NOT OVER \$17,000

THE TAX IS:
4\% OF THE NEW YORK TAXABLE INCOME
$\$ 440$ PLUS $4.5 \%$ OF EXCESS OVER \$11, 000
$\$ 620$ PLUS 5.25\% OF EXCESS OVER

OVER \$17,000 BUT NOT OVER $\$ 30,000$
OVER \$30,000 BUT NOT OVER \$1,000,000
OVER \$1,000,000
\$15,000
\$725 PLUS 5.9\% OF EXCESS OVER \$17,000
\$1,492 PLUS 6.85\% OF EXCESS OVER \$30,000
\$67,937 PLUS 8.97\% OF EXCESS OVER \$1,000,000
(2) For taxable years beginning after two thousand eight and before two thousand twelve:

If the New York taxable income is: The tax is:
Not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$ but not over $\$ 17,000$
Over $\$ 17,000$ but not over $\$ 30,000$
Over $\$ 30,000$ but not over $\$ 250,000$
Over $\$ 250,000$ but not over $\$ 500,000$
Over $\$ 500,000$
[(2)] (3) For taxable years beginning after two thousand five and before two thousand nine and after two thousand [eleven] TWELVE:

If the New York taxable income is: The tax is:
Not over \$11,000
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$ but not over $\$ 17,000$
Over $\$ 17,000$ but not over $\$ 30,000$
Over $\$ 30,000$
4\% of the New York taxable income
$\$ 440$ plus $4.5 \%$ of excess over \$11,000
$\$ 620$ plus $5.25 \%$ of excess over \$15,000
\$725 plus 5.9\% of excess over \$17,000
$\$ 1,492$ plus 6.85\% of excess over \$30,000
[(3)] (4) For taxable years beginning in two thousand five:
If the New York taxable income is: The tax is:
Not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$ but not over $\$ 17,000$
Over $\$ 17,000$ but not over $\$ 30,000$
Over $\$ 30,000$ but not over $\$ 125,000$
Over $\$ 125,000$ but not over $\$ 500,000$

4\% of the New York taxable income
$\$ 440$ plus $4.5 \%$ of excess over \$11,000
$\$ 620$ plus 5.25\% of excess over \$15,000
$\$ 725$ plus 5.9\% of excess over \$17,000
$\$ 1,492$ plus 6.85\% of excess over \$30,000
$\$ 8,000$ plus $7.25 \%$ of excess over

Over $\$ 500,000$
\$125,000

If the New York taxable income is: The tax is:
Not over \$11,000
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$ but not over $\$ 17,000$
Over $\$ 17,000$ but not over $\$ 30,000$
Over $\$ 30,000$ but not over $\$ 125,000$
Over $\$ 125,000$ but not over $\$ 500,000$
Over $\$ 500,000$
[(5)] (6) For taxable years beginning in two thousand three:
If the New York taxable income is: The tax is:
Not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$ but not over $\$ 17,000$
Over $\$ 17,000$ but not over $\$ 30,000$
Over $\$ 30,000$ but not over $\$ 125,000$
Over $\$ 125,000$ but not over $\$ 500,000$
Over $\$ 500,000$
$4 \%$ of the New York taxable income
$\$ 440$ plus $4.5 \%$ of excess over \$11,000
$\$ 620$ plus $5.25 \%$ of excess over \$15,000
$\$ 725$ plus 5.9\% of excess over \$17,000
$\$ 1,492$ plus $6.85 \%$ of excess over \$30,000
$\$ 8,000$ plus 7.5\% of excess over \$125,000
$\$ 36,125$ plus $7.7 \%$ of excess over \$500,000
[(6)] (7) For taxable years beginning after nineteen hundred ninetysix and before two thousand three:

If the New York taxable income is: The tax is:
Not over \$11,000
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$ but not over $\$ 17,000$
Over $\$ 17,000$ but not over $\$ 30,000$
Over $\$ 30,000$
$4 \%$ of the New York taxable
income
$\$ 440$ plus $4.5 \%$ of excess over
$\$ 11,000$
$\$ 620$ plus $5.25 \%$ of excess over
$\$ 15,000$
$\$ 725$ plus $5.9 \%$ of excess over
$\$ 17,000$
$\$ 1,492$ plus $6.85 \%$ of excess over
$\$ 30,000$
[(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

If the New York taxable income is:
Not over \$7,500
Over $\$ 7,500$ but not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$
[(8)] (9) For taxable years beginning in nineteen hundred ninety-five:
If the New York taxable income is:
Not over \$9,000
Over $\$ 9,000$ but not over $\$ 14,000$
Over $\$ 14,000$ but not over $\$ 19,000$
Over \$19,000

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The tax is:
4.55% of the New York taxableincome
$410 plus 5.55% of excess over
$9,000
$687 plus 6.55% of excess over
$14,000
$1,015 plus 7.5% of excess over
$19,000
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[(9)] (10) For taxable years beginning after nineteen hundred eightynine and before nineteen hundred ninety-five:

If the New York taxable income is: The tax is:
Not over \$7,500
Over $\$ 7,500$ but not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 15,000$
Over $\$ 15,000$ but not over $\$ 17,000$
Over \$17,000
4\% of the New York taxable income
$\$ 300$ plus 5\% of excess over \$7,500
$\$ 475$ plus 6\% of excess over \$11,000
$\$ 715$ plus $7 \%$ of excess over \$15,000
\$855 plus 7.875\% of excess over \$17,000
(c) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. There is hereby imposed for each taxable year on the New York taxable income of every resident individual who is not a married individual who makes a single return jointly with his spouse under subsection (b) of section six hundred fifty-one or a resident head of a household or a resident surviving spouse, and on the New York taxable income of every resident estate and trust a tax determined in accordance with the following tables:
(1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE TWO THOUSAND THIRTEEN:

IF THE NEW YORK TAXABLE INCOME IS: THE TAX IS:
NOT OVER $\$ 8,000$
OVER \$8,000 BUT NOT OVER \$11,000
OVER \$11,000 BUT NOT OVER \$13,000

4\% OF THE NEW YORK TAXABLE INCOME
\$320 PLUS 4.5\% OF EXCESS OVER
\$8,000
\$455 PLUS 5.25\% OF EXCESS OVER

OVER \$13,000 BUT NOT OVER \$20,000
OVER $\$ 20,000$ BUT NOT OVER $\$ 1,000,000$
OVER \$1,000,000
\$11,000
\$560 PLUS 5.9\% OF EXCESS OVER \$13,000
$\$ 973$ PLUS 6.85\% OF EXCESS OVER \$20,000
$\$ 68,103$ PLUS 8.97\% OF EXCESS OVER \$1,000,000
(2) For taxable years beginning after two thousand eight and before two thousand twelve:

If the New York taxable income is: The tax is:
Not over \$8,000

Over $\$ 8,000$ but not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 13,000$
Over $\$ 13,000$ but not over $\$ 20,000$

Over $\$ 20,000$ but not over $\$ 200,000$

Over $\$ 200,000$ but not over $\$ 500,000$

Over $\$ 500,000$
[(2)] (3) For taxable years beginning after two thousand five and before two thousand nine and after two thousand [eleven] TWELVE:

If the New York taxable income is: The tax is:
Not over \$8,000

Over $\$ 8,000$ but not over $\$ 11,000$

Over $\$ 11,000$ but not over $\$ 13,000$
Over $\$ 13,000$ but not over $\$ 20,000$
Over $\$ 20,000$
$4 \%$ of the New York taxable income
$\$ 320$ plus $4.5 \%$ of excess over \$8,000
$\$ 455$ plus 5.25\% of excess over \$11,000
$\$ 560$ plus $5.9 \%$ of excess over \$13,000
$\$ 973$ plus 6.85\% of excess over \$20,000
[(3)] (4) For taxable years beginning in two thousand five:
If the New York taxable income is: The tax is:
Not over \$8,000

Over $\$ 8,000$ but not over $\$ 11,000$

Over $\$ 11,000$ but not over $\$ 13,000$
Over $\$ 13,000$ but not over $\$ 20,000$
Over $\$ 20,000$ but not over $\$ 100,000$
Over $\$ 100,000$ but not over $\$ 500,000$

4\% of the New York taxable income
$\$ 320$ plus $4.5 \%$ of excess over \$8,000
$\$ 455$ plus 5.25\% of excess over \$11,000
$\$ 560$ plus $5.9 \%$ of excess over \$13,000
$\$ 973$ plus 6.85\% of excess over \$20,000
$\$ 6,453$ plus $7.25 \%$ of excess over

Over $\$ 500,000$
\$100, 000
$\$ 35,453$ plus $7.7 \%$ of excess over $\$ 500,000$
[(4)] (5) For taxable years beginning in two thousand four:
If the New York taxable income is: The tax is:
Not over $\$ 8,000$
4\% of the New York taxable income
$\$ 320$ plus $4.5 \%$ of excess over \$8,000
$\$ 455$ plus 5.25\% of excess over \$11,000
$\$ 560$ plus $5.9 \%$ of excess over \$13,000
Over $\$ 20,000$ but not over $\$ 100,000$
Over $\$ 100,000$ but not over $\$ 500,000$
Over $\$ 500,000$
$\$ 973$ plus $6.85 \%$ of excess over \$20,000
$\$ 6,453$ plus $7.375 \%$ of excess over $\$ 100,000$
$\$ 35,953$ plus $7.7 \%$ of excess over $\$ 500,000$
[(5)] (6) For taxable years beginning in two thousand three:
If the New York taxable income is: The tax is:
Not over $\$ 8,000$
Over $\$ 8,000$ but not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 13,000$
Over $\$ 13,000$ but not over $\$ 20,000$
Over $\$ 20,000$ but not over $\$ 100,000$
4\% of the New York taxable income
$\$ 320$ plus $4.5 \%$ of excess over \$8,000
$\$ 455$ plus $5.25 \%$ of excess over $\$ 11,000$
$\$ 560$ plus $5.9 \%$ of excess over \$13,000

Over $\$ 100,000$ but not over $\$ 500,000$
$\$ 973$ plus $6.85 \%$ of excess over \$20,000

Over $\$ 500,000$
$\$ 6,453$ plus $7.5 \%$ of excess over $\$ 100,000$
$\$ 36,453$ plus $7.7 \%$ of excess over $\$ 500,000$
[(6)] (7) For taxable years beginning after nineteen hundred ninetysix and before two thousand three:

If the New York taxable income is: The tax is:
Not over $\$ 8,000$
Over $\$ 8,000$ but not over $\$ 11,000$
Over $\$ 11,000$ but not over $\$ 13,000$
Over $\$ 13,000$ but not over $\$ 20,000$
Over $\$ 20,000$

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The tax is:
4% of the New York taxable
income
$320 plus 4.5% of excess over
$8,000
$455 plus 5.25% of excess over
$11,000
$560 plus 5.9% of excess over
$13,000
$973 plus 6.85% of excess over
$20,000
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[(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

If the New York taxable income is:
Not over \$5,500

Over $\$ 5,500$ but not over $\$ 8,000$
Over $\$ 8,000$ but not over $\$ 11,000$

Over \$11,000
[(8)] (9) For taxable years beginning in nineteen hundred ninety-five:

If the New York taxable income is:
Not over \$6,500

Over $\$ 6,500$ but not over $\$ 9,500$
Over $\$ 9,500$ but not over $\$ 12,500$

Over $\$ 12,500$
[(9)] (10) For taxable years beginning after nineteen hundred eightynine and before nineteen hundred ninety-five:

If the New York taxable
income is:
Not over \$5,500
Over $\$ 5,500$ but not over $\$ 8,000$
Over $\$ 8,000$ but not over $\$ 11,000$

Over $\$ 11,000$ but not over $\$ 13,000$
Over \$13,000

S 2. Subparagraph (B) of paragraph 3 of subsection (d) of section 601 of the tax law, as amended by section 3 of part $Z-1$ of chapter 57 of the laws of 2009, is amended to read as follows: (B) For such taxpayers with adjusted gross income over five hundred
thousand dollars, for taxable years beginning after two thousand eight (B) For such taxpayers with adjusted gross income over five hundred
thousand dollars, for taxable years beginning after two thousand eight and before two thousand twelve, the fraction 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 hundred thou-
sand dollars and the denominator is fifty thousand dollars. FOR TAXABLE York adjusted gross income for the taxable year over five hundred thou-
sand dollars and the denominator is fifty thousand dollars. FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE TWO THOUSAND THIRTEEN, THE FRACTION 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. Provided, however, that the total tax prior to the application of any tax credits shall not exceed the highest rate of tax set forth in the tax table in subsection (a) of this section multiplied by the taxpayer's taxable income.

The tax is:
4\% of the New York taxable income
$\$ 220$ plus $5 \%$ of excess over \$5,500
$\$ 345$ plus 6\% of excess over \$8,000
$\$ 525$ plus 7\% of excess over \$11,000
$\$ 665$ plus 7.875\% of excess over \$13,000 -

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

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

S 4. Notwithstanding any provision of law to the contrary, the method of determining the amount to be deducted and withheld from wages on account of taxes imposed by or pursuant to the authority of article 22 of the tax law in connection with the implementation of the provisions of this act shall be prescribed by regulations of the commissioner of taxation and finance with due consideration to the effect such withholding tables and methods would have on the receipt and amount of revenue. The commissioner of taxation and finance shall adjust such withholding tables and methods in regard to taxable years beginning in 2011 and after in such manner as to result, so far as practicable, in withholding from an employee's wages an amount substantially equivalent to the tax reasonably estimated to be due for such taxable years as a result of the provisions of this act. Provided, however, for tax year 2011 the withholding tables shall reflect as accurately as practicable the full amount of tax year 2011 liability so that such amount is withheld by December 31, 2011. Any such regulations to implement a change in withholding tables and methods for tax year 2011 shall be adopted and effective as soon as practicable and the commissioner of taxation and finance may adopt such regulations on an emergency basis notwithstanding anything to the contrary in section 202 of the state administrative procedure act. In carrying out his or her duties and responsibilities under this section, the commissioner of taxation and finance may accompany such a rule making procedure with a similar procedure with respect to the taxes required to be deducted and withheld by local laws imposing taxes pursuant to the authority of articles $30,30-\mathrm{A}$ and $30-\mathrm{B}$ of the tax law, the provisions of any other law in relation to such a procedure to the contrary notwithstanding.

S 5. 1. Notwithstanding any provision of law to the contrary, no addition to tax required shall be imposed for failure to pay the estimated tax in subsection (c) of section 685 of the tax law with respect to any underpayment of a required installment due prior to, or within thirty days of, the effective date of this act to the extent that such underpayment was created or increased by the amendments made by this act provided, however, that the taxpayer remits the amount of the underpayment with his or her next quarterly estimated tax payment.
2. The commissioner of taxation and finance shall take steps to publicize the necessary adjustments to estimated tax and, to the extent reasonably possible, to inform the taxpayer of the tax liability changes made by this act.

S 6. The state finance law is amended by adding a new section $97-\mathrm{kk} k \mathrm{k}$ to read as follows:

S 97-KKKK. EDUCATIONAL ASSISTANCE FUND. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE OF THE MISCELLANEOUS STATE SPECIAL REVENUE FUND TO BE KNOWN AS THE EDUCATIONAL ASSISTANCE FUND.
2. SUCH ACCOUNT SHALL CONSIST OF THIRTY PERCENT OF RECEIPTS FROM THE IMPOSITION OF THE SURCHARGE OF PERSONAL INCOME TAXES PURSUANT TO ARTICLE TWENTY-TWO OF THE TAX LAW, ON NEW YORK TAXABLE INCOME WHEN SUCH INCOME IS TAXED AT A RATE GREATER THAN 6.85 PERCENT ON OR AFTER JANUARY FIRST,

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TWO THOUSAND TWELVE. ANY MONEYS IN SUCH ACCOUNT MAY BE INVESTED BY THE COMPTROLLER PURSUANT TO SECTION NINETY-EIGHT-A OF THIS ARTICLE.
3. MONEYS IN THE ACCOUNT, FOLLOWING AN APPROPRIATION BY THE LEGISLATURE, SHALL BE USED ONLY FOR THE PAYMENT OF EDUCATION AID TO SCHOOL DISTRICTS AND BOARDS OF COOPERATIVE EDUCATIONAL SERVICES DURING THE CALENDAR QUARTER BEGINNING ON APRIL FIRST OF EACH YEAR IN ACCORDANCE WITH SECTION THIRTY-SIX HUNDRED NINE-A OF THE EDUCATION LAW, AS FROM TIME TO TIME AMENDED.

S 7. This act shall take effect immediately.

