

5453

2011-2012 Regular Sessions

I N S E N A T E

May 24, 2011

Introduced by Sens. AVELLA, RIVERA, PARKER, PERALTA, STEWART-COUSINS --
read twice and ordered printed, and when printed to be committed to
the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to the modification and exten-
sion 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 educa-
tional assistance fund

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, 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:

13 IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
14 NOT OVER \$16,000	4% OF THE NEW YORK TAXABLE INCOME
15 OVER \$16,000 BUT NOT OVER \$22,000	\$640 PLUS 4.5% OF EXCESS OVER
16	\$16,000
17 OVER \$22,000 BUT NOT OVER \$26,000	\$910 PLUS 5.25% OF EXCESS OVER
18	\$22,000
19 OVER \$26,000 BUT NOT OVER \$40,000	\$1,120 PLUS 5.9% OF EXCESS OVER
20	\$26,000
21 OVER \$40,000 BUT NOT OVER \$1,000,000	\$1,946 PLUS 6.85% OF EXCESS OVER

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

LBD10065-05-1

1 \$40,000
 2 OVER \$1,000,000 \$67,706 PLUS 8.97% OF EXCESS
 3 OVER \$1,000,000

4 (2) For taxable years beginning after two thousand eight and before
 5 two thousand twelve:

6	If the New York taxable income is:	The tax is:
7	Not over \$16,000	4% of the New York taxable
8		income
9	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
10		\$16,000
11	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
12		\$22,000
13	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
14		\$26,000
15	Over \$40,000 but not over \$300,000	\$1,946 plus 6.85% of excess over
16		\$40,000
17	Over \$300,000 but not over \$500,000	\$19,756 plus 7.85% of excess over
18		\$300,000
19	Over \$500,000	\$35,456 plus 8.97% of excess over
20		\$500,000

21 [(2)] (3) For taxable years beginning after two thousand five and
 22 before two thousand nine and after two thousand [eleven] TWELVE:

23	If the New York taxable income is:	The tax is:
24	Not over \$16,000	4% of the New York taxable
25		income
26	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
27		\$16,000
28	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
29		\$22,000
30	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
31		\$26,000
32	Over \$40,000	\$1,946 plus 6.85% of excess over
33		\$40,000

34 [(3)] (4) For taxable years beginning in two thousand five:

35	If the New York taxable income is:	The tax is:
36	Not over \$16,000	4% of the New York taxable
37		income
38	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
39		\$16,000
40	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
41		\$22,000
42	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
43		\$26,000
44	Over \$40,000 but not over \$150,000	\$1,946 plus 6.85% of excess over
45		\$40,000
46	Over \$150,000 but not over \$500,000	\$9,481 plus 7.25% of excess over
47		\$150,000
48	Over \$500,000	\$34,856 plus 7.7% of excess over
49		\$500,000

1 [(4)] (5) For taxable years beginning in two thousand four:

2	If the New York taxable income is:	The tax is:
3	Not over \$16,000	4% of the New York taxable
4		income
5	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
6		\$16,000
7	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
8		\$22,000
9	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
10		\$26,000
11	Over \$40,000 but not over \$150,000	\$1,946 plus 6.85% of excess over
12		\$40,000
13	Over \$150,000 but not over \$500,000	\$9,481 plus 7.375% of excess over
14		\$150,000
15	Over \$500,000	\$35,294 plus 7.7% of excess over
16		\$500,000

17 [(5)] (6) For taxable years beginning in two thousand three:

18	If the New York taxable income is:	The tax is:
19	Not over \$16,000	4% of the New York taxable
20		income
21	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
22		\$16,000
23	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
24		\$22,000
25	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
26		\$26,000
27	Over \$40,000 but not over \$150,000	\$1,946 plus 6.85% of excess over
28		\$40,000
29	Over \$150,000 but not over \$500,000	\$9,481 plus 7.5% of excess over
30		\$150,000
31	Over \$500,000	\$35,731 plus 7.7% of excess over
32		\$500,000

33 [(6)] (7) For taxable years beginning after nineteen hundred ninety-
34 six and before two thousand three:

35	If the New York taxable income is:	The tax is:
36	Not over \$16,000	4% of the New York taxable
37		income
38	Over \$16,000 but not over \$22,000	\$640 plus 4.5% of excess over
39		\$16,000
40	Over \$22,000 but not over \$26,000	\$910 plus 5.25% of excess over
41		\$22,000
42	Over \$26,000 but not over \$40,000	\$1,120 plus 5.9% of excess over
43		\$26,000
44	Over \$40,000	\$1,946 plus 6.85% of excess over
45		\$40,000

46 [(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

47	If the New York taxable income is:	The tax is:
48	Not over \$11,000	4% of the New York taxable

1 income
2 Over \$11,000 but not over \$16,000 \$440 plus 5% of excess over
3 \$11,000
4 Over \$16,000 but not over \$22,000 \$690 plus 6% of excess over
5 \$16,000
6 Over \$22,000 \$1,050 plus 7% of excess over
7 \$22,000
8 [(8)] (9) For taxable years beginning in nineteen hundred ninety-five:

9 If the New York taxable income is: The tax is:
10 Not over \$13,000 4.55% of the New York taxable
11 income
12 Over \$13,000 but not over \$19,000 \$592 plus 5.55% of excess over
13 \$13,000
14 Over \$19,000 but not over \$25,000 \$925 plus 6.55% of excess over
15 \$19,000
16 Over \$25,000 \$1,318 plus 7.5% of excess over
17 \$25,000

18 [(9)] (10) For taxable years beginning after nineteen hundred eighty-
19 nine and before nineteen hundred ninety-five:

20 If the New York taxable income is: The tax is:
21 Not over \$11,000 4% of the New York taxable
22 income
23 Over \$11,000 but not over \$16,000 \$440 plus 5% of excess over
24 \$11,000
25 Over \$16,000 but not over \$22,000 \$690 plus 6% of excess over
26 \$16,000
27 Over \$22,000 but not over \$26,000 \$1,050 plus 7% of excess over
28 \$22,000
29 Over \$26,000 \$1,330 plus 7.875% of excess over
30 \$26,000

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

34 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE
35 TWO THOUSAND THIRTEEN:

36 IF THE NEW YORK TAXABLE INCOME IS: THE TAX IS:
37 NOT OVER \$11,000 4% OF THE NEW YORK TAXABLE
38 INCOME
39 OVER \$11,000 BUT NOT OVER \$15,000 \$440 PLUS 4.5% OF EXCESS OVER
40 \$11,000
41 OVER \$15,000 BUT NOT OVER \$17,000 \$620 PLUS 5.25% OF EXCESS OVER
42 \$15,000
43 OVER \$17,000 BUT NOT OVER \$30,000 \$725 PLUS 5.9% OF EXCESS OVER
44 \$17,000
45 OVER \$30,000 BUT NOT OVER \$1,000,000 \$1,492 PLUS 6.85% OF EXCESS OVER
46 \$30,000
47 OVER \$1,000,000 \$67,937 PLUS 8.97% OF EXCESS OVER
48 \$1,000,000

49 (2) For taxable years beginning after two thousand eight and before
50 two thousand twelve:

1	If the New York taxable income is:	The tax is:
2	Not over \$11,000	4% of the New York taxable
3		income
4	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
5		\$11,000
6	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
7		\$15,000
8	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
9		\$17,000
10	Over \$30,000 but not over \$250,000	\$1,492 plus 6.85% of excess over
11		\$30,000
12	Over \$250,000 but not over \$500,000	\$16,562 plus 7.85% of excess over
13		\$250,000
14	Over \$500,000	\$36,187 plus 8.97% of excess over
15		\$500,000

16 [(2)] (3) For taxable years beginning after two thousand five and
 17 before two thousand nine and after two thousand [eleven] TWELVE:

18	If the New York taxable income is:	The tax is:
19	Not over \$11,000	4% of the New York taxable
20		income
21	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
22		\$11,000
23	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
24		\$15,000
25	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
26		\$17,000
27	Over \$30,000	\$1,492 plus 6.85% of excess over
28		\$30,000

29 [(3)] (4) For taxable years beginning in two thousand five:

30	If the New York taxable income is:	The tax is:
31	Not over \$11,000	4% of the New York taxable
32		income
33	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
34		\$11,000
35	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
36		\$15,000
37	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
38		\$17,000
39	Over \$30,000 but not over \$125,000	\$1,492 plus 6.85% of excess over
40		\$30,000
41	Over \$125,000 but not over \$500,000	\$8,000 plus 7.25% of excess over
42		\$125,000
43	Over \$500,000	\$35,187 plus 7.7% of excess over
44		\$500,000

45 [(4)] (5) For taxable years beginning in two thousand four:

46	If the New York taxable income is:	The tax is:
47	Not over \$11,000	4% of the New York taxable
48		income
49	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over

1		\$11,000
2	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
3		\$15,000
4	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
5		\$17,000
6	Over \$30,000 but not over \$125,000	\$1,492 plus 6.85% of excess over
7		\$30,000
8	Over \$125,000 but not over \$500,000	\$8,000 plus 7.375% of excess over
9		\$125,000
10	Over \$500,000	\$35,656 plus 7.7% of excess over
11		\$500,000

12 [(5)] (6) For taxable years beginning in two thousand three:

13	If the New York taxable income is:	The tax is:
14	Not over \$11,000	4% of the New York taxable
15		income
16	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
17		\$11,000
18	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
19		\$15,000
20	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
21		\$17,000
22	Over \$30,000 but not over \$125,000	\$1,492 plus 6.85% of excess over
23		\$30,000
24	Over \$125,000 but not over \$500,000	\$8,000 plus 7.5% of excess over
25		\$125,000
26	Over \$500,000	\$36,125 plus 7.7% of excess over
27		\$500,000

28 [(6)] (7) For taxable years beginning after nineteen hundred ninety-
29 six and before two thousand three:

30	If the New York taxable income is:	The tax is:
31	Not over \$11,000	4% of the New York taxable
32		income
33	Over \$11,000 but not over \$15,000	\$440 plus 4.5% of excess over
34		\$11,000
35	Over \$15,000 but not over \$17,000	\$620 plus 5.25% of excess over
36		\$15,000
37	Over \$17,000 but not over \$30,000	\$725 plus 5.9% of excess over
38		\$17,000
39	Over \$30,000	\$1,492 plus 6.85% of excess over
40		\$30,000

41 [(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

42	If the New York taxable income is:	The tax is:
43	Not over \$7,500	4% of the New York taxable
44		income
45	Over \$7,500 but not over \$11,000	\$300 plus 5% of excess over
46		\$7,500
47	Over \$11,000 but not over \$15,000	\$475 plus 6% of excess over
48		\$11,000
49	Over \$15,000	\$ 715 plus 7% of excess over
50		\$15,000

1 [(8)] (9) For taxable years beginning in nineteen hundred ninety-five:

2	If the New York taxable income is:	The tax is:
3	Not over \$9,000	4.55% of the New York taxable
4		income
5	Over \$9,000 but not over \$14,000	\$410 plus 5.55% of excess over
6		\$9,000
7	Over \$14,000 but not over \$19,000	\$687 plus 6.55% of excess over
8		\$14,000
9	Over \$19,000	\$1,015 plus 7.5% of excess over
10		\$19,000

11 [(9)] (10) For taxable years beginning after nineteen hundred eighty-
12 nine and before nineteen hundred ninety-five:

13	If the New York taxable income is:	The tax is:
14	Not over \$7,500	4% of the New York taxable
15		income
16	Over \$7,500 but not over \$11,000	\$300 plus 5% of excess over
17		\$7,500
18	Over \$11,000 but not over \$15,000	\$475 plus 6% of excess over
19		\$11,000
20	Over \$15,000 but not over \$17,000	\$715 plus 7% of excess over
21		\$15,000
22	Over \$17,000	\$855 plus 7.875% of excess over
23		\$17,000

24 (c) Resident unmarried individuals, resident married individuals
25 filing separate returns and resident estates and trusts. There is hereby
26 imposed for each taxable year on the New York taxable income of every
27 resident individual who is not a married individual who makes a single
28 return jointly with his spouse under subsection (b) of section six
29 hundred fifty-one or a resident head of a household or a resident
30 surviving spouse, and on the New York taxable income of every resident
31 estate and trust a tax determined in accordance with the following
32 tables:

33 (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND ELEVEN AND BEFORE
34 TWO THOUSAND THIRTEEN:

35	IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
36	NOT OVER \$8,000	4% OF THE NEW YORK TAXABLE
37		INCOME
38	OVER \$8,000 BUT NOT OVER \$11,000	\$320 PLUS 4.5% OF EXCESS OVER
39		\$8,000
40	OVER \$11,000 BUT NOT OVER \$13,000	\$455 PLUS 5.25% OF EXCESS OVER
41		\$11,000
42	OVER \$13,000 BUT NOT OVER \$20,000	\$560 PLUS 5.9% OF EXCESS OVER
43		\$13,000
44	OVER \$20,000 BUT NOT OVER \$1,000,000	\$973 PLUS 6.85% OF EXCESS OVER
45		\$20,000
46	OVER \$1,000,000	\$68,103 PLUS 8.97% OF EXCESS OVER
47		\$1,000,000

48 (2) For taxable years beginning after two thousand eight and before
49 two thousand twelve:

1	If the New York taxable income is:	The tax is:
2	Not over \$8,000	4% of the New York taxable
3		income
4	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
5		\$8,000
6	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
7		\$11,000
8	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
9		\$13,000
10	Over \$20,000 but not over \$200,000	\$973 plus 6.85% of excess over
11		\$20,000
12	Over \$200,000 but not over \$500,000	\$13,303 plus 7.85% of excess over
13		\$200,000
14	Over \$500,000	\$36,853 plus 8.97% of excess over
15		\$500,000

16 [(2)] (3) For taxable years beginning after two thousand five and
 17 before two thousand nine and after two thousand [eleven] TWELVE:

18	If the New York taxable income is:	The tax is:
19	Not over \$8,000	4% of the New York taxable
20		income
21	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
22		\$8,000
23	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
24		\$11,000
25	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
26		\$13,000
27	Over \$20,000	\$973 plus 6.85% of excess over
28		\$20,000

29 [(3)] (4) For taxable years beginning in two thousand five:

30	If the New York taxable income is:	The tax is:
31	Not over \$8,000	4% of the New York taxable
32		income
33	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
34		\$8,000
35	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
36		\$11,000
37	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
38		\$13,000
39	Over \$20,000 but not over \$100,000	\$973 plus 6.85% of excess over
40		\$20,000
41	Over \$100,000 but not over \$500,000	\$6,453 plus 7.25% of excess over
42		\$100,000
43	Over \$500,000	\$35,453 plus 7.7% of excess over
44		\$500,000

45 [(4)] (5) For taxable years beginning in two thousand four:

46	If the New York taxable income is:	The tax is:
47	Not over \$8,000	4% of the New York taxable
48		income
49	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over

1		\$8,000
2	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
3		\$11,000
4	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
5		\$13,000
6	Over \$20,000 but not over \$100,000	\$973 plus 6.85% of excess over
7		\$20,000
8	Over \$100,000 but not over \$500,000	\$6,453 plus 7.375% of excess over
9		\$100,000
10	Over \$500,000	\$35,953 plus 7.7% of excess over
11		\$500,000

12 [(5)] (6) For taxable years beginning in two thousand three:

13	If the New York taxable income is:	The tax is:
14	Not over \$8,000	4% of the New York taxable
15		income
16	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
17		\$8,000
18	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
19		\$11,000
20	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
21		\$13,000
22	Over \$20,000 but not over \$100,000	\$973 plus 6.85% of excess over
23		\$20,000
24	Over \$100,000 but not over \$500,000	\$6,453 plus 7.5% of excess over
25		\$100,000
26	Over \$500,000	\$36,453 plus 7.7% of excess over
27		\$500,000

28 [(6)] (7) For taxable years beginning after nineteen hundred ninety-
29 six and before two thousand three:

30	If the New York taxable income is:	The tax is:
31	Not over \$8,000	4% of the New York taxable
32		income
33	Over \$8,000 but not over \$11,000	\$320 plus 4.5% of excess over
34		\$8,000
35	Over \$11,000 but not over \$13,000	\$455 plus 5.25% of excess over
36		\$11,000
37	Over \$13,000 but not over \$20,000	\$560 plus 5.9% of excess over
38		\$13,000
39	Over \$20,000	\$973 plus 6.85% of excess over
40		\$20,000

41 [(7)] (8) For taxable years beginning in nineteen hundred ninety-six:

42	If the New York taxable income is:	The tax is:
43	Not over \$5,500	4% of the New York taxable
44		income
45	Over \$5,500 but not over \$8,000	\$220 plus 5% of excess over
46		\$5,500
47	Over \$8,000 but not over \$11,000	\$345 plus 6% of excess over
48		\$8,000
49	Over \$11,000	\$525 plus 7% of excess over
50		\$11,000

1 [(8)] (9) For taxable years beginning in nineteen hundred ninety-five:

2	If the New York taxable income is:	The tax is:
3	Not over \$6,500	4.55% of the New York taxable
4		income
5	Over \$6,500 but not over \$9,500	\$296 plus 5.55% of excess over
6		\$6,500
7	Over \$9,500 but not over \$12,500	\$462 plus 6.55% of excess over
8		\$9,500
9	Over \$12,500	\$659 plus 7.5% of excess over
10		\$12,500

11 [(9)] (10) For taxable years beginning after nineteen hundred eighty-
12 nine and before nineteen hundred ninety-five:

13	If the New York taxable	
14	income is:	The tax is:
15	Not over \$5,500	4% of the New York taxable
16		income
17	Over \$5,500 but not over \$8,000	\$220 plus 5% of excess over
18		\$5,500
19	Over \$8,000 but not over \$11,000	\$345 plus 6% of excess over
20		\$8,000
21	Over \$11,000 but not over \$13,000	\$525 plus 7% of excess over
22		\$11,000
23	Over \$13,000	\$665 plus 7.875% of excess over
24		\$13,000

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

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

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

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

48 S 4. Notwithstanding any provision of law to the contrary, the method
49 of determining the amount to be deducted and withheld from wages on
50 account of taxes imposed by or pursuant to the authority of article 22
51 of the tax law in connection with the implementation of the provisions
52 of this act shall be prescribed by regulations of the commissioner of

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

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

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

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

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

41 2. SUCH ACCOUNT SHALL CONSIST OF THIRTY PERCENT OF RECEIPTS FROM THE
42 IMPOSITION OF THE SURCHARGE OF PERSONAL INCOME TAXES PURSUANT TO ARTICLE
43 TWENTY-TWO OF THE TAX LAW, ON NEW YORK TAXABLE INCOME WHEN SUCH INCOME
44 IS TAXED AT A RATE GREATER THAN 6.85 PERCENT ON OR AFTER JANUARY FIRST,
45 TWO THOUSAND TWELVE. ANY MONEYS IN SUCH ACCOUNT MAY BE INVESTED BY THE
46 COMPTROLLER PURSUANT TO SECTION NINETY-EIGHT-A OF THIS ARTICLE.

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

53 S 7. This act shall take effect immediately.