

S T A T E O F N E W Y O R K

5016--A

2011-2012 Regular Sessions

I N S E N A T E

May 2, 2011

Introduced by Sens. DeFRANCISCO, SKELOS, LARKIN, MAZIARZ, RANZENHOFER, SEWARD, ZELDIN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to the imposition of personal income tax

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

1 Section 1. Section 601 of the tax law is amended by adding a new
2 subsection (c-1) to read as follows:
3 (C-1) COST OF LIVING ADJUSTMENT. FOR TAXABLE YEARS BEGINNING ON AND
4 AFTER JANUARY FIRST, TWO THOUSAND ELEVEN, THE MINIMUM AND MAXIMUM DOLLAR
5 AMOUNT FOR EACH RATE BRACKET FOR WHICH A TAX IS IMPOSED UNDER
6 SUBSECTIONS (A), (B) AND (C) OF THIS SECTION SHALL BE INCREASED FOR THE
7 COST OF LIVING ADJUSTMENT. FOR THE PURPOSES OF THIS SUBPARAGRAPH, THE
8 COST OF LIVING ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE THE PERCENTAGE
9 (IF ANY) BY WHICH THE CPI FOR THE PRECEDING CALENDAR YEAR EXCEEDS THE
10 CPI FOR CALENDAR YEAR TWO THOUSAND NINE. THE CPI IS DEFINED AS THE
11 AVERAGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY
12 THE UNITED STATES DEPARTMENT OF LABOR AS OF THE CLOSE OF THE TWELVE
13 MONTH PERIOD ENDING AUGUST THIRTY-FIRST OF SUCH CALENDAR YEAR. IF ANY
14 INCREASE DETERMINED UNDER THIS SUBPARAGRAPH IS NOT A MULTIPLE OF ONE
15 HUNDRED DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT HIGHEST
16 MULTIPLE OF ONE HUNDRED DOLLARS.
17 S 2. Subparagraph (B) of paragraph 1 of subsection (d) of section 601
18 of the tax law, as amended by section 1 of part R of chapter 63 of the
19 laws of 2003, is amended to read as follows:
20 (B) The fraction is computed as follows: (I) FOR TAXABLE YEARS BEGIN-
21 NING ON OR BEFORE JANUARY FIRST, TWO THOUSAND TEN, the numerator is the
22 lesser of fifty thousand dollars or the excess of New York adjusted

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

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

3 (II) IN THE CASE OF ANY TAXABLE YEAR BEGINNING AFTER TWO THOUSAND TEN,
4 THE NUMERATOR IS THE LESSER OF THE DIFFERENCE BETWEEN THE UPPER INCOME
5 THRESHOLD AND THE LOWER INCOME THRESHOLD OR THE EXCESS OF NEW YORK
6 ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR OVER THE LOWER INCOME THRESH-
7 OLD. THE DENOMINATOR SHALL BE THE DIFFERENCE BETWEEN THE UPPER INCOME
8 THRESHOLD AND THE LOWER INCOME THRESHOLD.

9 (III) FOR THE PURPOSES OF THIS SUBPARAGRAPH, THE LOWER INCOME THRESH-
10 OLD SHALL BE THE PRODUCT OF ONE HUNDRED THOUSAND DOLLARS AND THE COST OF
11 LIVING ADJUSTMENT AND THE UPPER INCOME THRESHOLD SHALL BE THE PRODUCT OF
12 ONE HUNDRED FIFTY THOUSAND DOLLARS AND THE COST OF LIVING ADJUSTMENT.

13 (IV) FOR THE PURPOSES OF THIS SUBPARAGRAPH, THE COST OF LIVING ADJUST-
14 MENT FOR ANY TAXABLE YEAR SHALL BE THE PERCENTAGE (IF ANY) BY WHICH THE
15 CPI FOR THE PRECEDING CALENDAR YEAR EXCEEDS THE CPI FOR CALENDAR YEAR
16 TWO THOUSAND NINE. THE CPI IS DEFINED AS THE AVERAGE OF THE CONSUMER
17 PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE UNITED STATES
18 DEPARTMENT OF LABOR AS OF THE CLOSE OF THE TWELVE MONTH PERIOD ENDING
19 AUGUST THIRTY-FIRST OF SUCH CALENDAR YEAR.

20 (V) IF ANY INCREASE DETERMINED UNDER THIS SUBPARAGRAPH IS NOT A MULTI-
21 PLE OF ONE HUNDRED DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT
22 HIGHEST MULTIPLE OF ONE HUNDRED DOLLARS.

23 S 3. Section 614 of the tax law is amended by adding a new subsection
24 (f) to read as follows:

25 (F) COST OF LIVING ADJUSTMENT. FOR TAXABLE YEARS BEGINNING ON AND
26 AFTER JANUARY FIRST, TWO THOUSAND ELEVEN, EACH DOLLAR AMOUNT CONTAINED
27 IN SUBSECTIONS (A), (B), (C), (D) AND (E) OF THIS SECTION SHALL BE
28 INCREASED FOR THE COST OF LIVING ADJUSTMENT. FOR THE PURPOSES OF THIS
29 SUBSECTION, THE COST OF LIVING ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE
30 THE PERCENTAGE (IF ANY) BY WHICH THE CPI FOR THE PRECEDING CALENDAR YEAR
31 EXCEEDS THE CPI FOR CALENDAR YEAR TWO THOUSAND NINE. THE CPI IS DEFINED
32 AS THE AVERAGE OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
33 PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR AS OF THE CLOSE OF
34 THE TWELVE MONTH PERIOD ENDING AUGUST THIRTY-FIRST OF SUCH CALENDAR
35 YEAR. IF ANY INCREASE DETERMINED UNDER THIS SUBPARAGRAPH IS NOT A MULTI-
36 PLE OF ONE HUNDRED DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT
37 HIGHEST MULTIPLE OF ONE HUNDRED DOLLARS.

38 S 4. Section 616 of the tax law is amended by adding a new subsection
39 (c) to read as follows:

40 (C) COST OF LIVING ADJUSTMENT. FOR TAXABLE YEARS BEGINNING ON AND
41 AFTER JANUARY FIRST, TWO THOUSAND ELEVEN, EACH DOLLAR AMOUNT CONTAINED
42 IN SUBSECTION (A) OF THIS SECTION SHALL BE INCREASED FOR THE COST OF
43 LIVING ADJUSTMENT. FOR THE PURPOSES OF THIS SUBSECTION, THE COST OF
44 LIVING ADJUSTMENT FOR ANY TAXABLE YEAR SHALL BE THE PERCENTAGE (IF ANY)
45 BY WHICH THE CPI FOR THE PRECEDING CALENDAR YEAR EXCEEDS THE CPI FOR
46 CALENDAR YEAR TWO THOUSAND NINE. THE CPI IS DEFINED AS THE AVERAGE OF
47 THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE UNITED
48 STATES DEPARTMENT OF LABOR AS OF THE CLOSE OF THE TWELVE MONTH PERIOD
49 ENDING AUGUST THIRTY-FIRST OF SUCH CALENDAR YEAR. IF ANY INCREASE DETER-
50 MINED UNDER THIS SUBPARAGRAPH IS NOT A MULTIPLE OF ONE HUNDRED DOLLARS,
51 SUCH INCREASE SHALL BE ROUNDED TO THE NEXT HIGHEST MULTIPLE OF ONE
52 HUNDRED DOLLARS.

53 S 5. This act shall take effect immediately and shall apply to taxable
54 years starting on or after January 1, 2011.