

7386

I N S E N A T E

May 14, 2014

Introduced by COMMITTEE ON RULES -- 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, the administrative code of the city of New York, chapter 877 of the laws of 1975, chapter 884 of the laws of 1975 and chapter 882 of the laws of 1977, relating to the imposition of certain taxes in the city of New York, in relation to postponing the expiration of certain tax rates and taxes in the city of New York

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

1 Section 1. Paragraph 3 of subdivision (a) of section 1212-A of the tax  
2 law, as amended by chapter 209 of the laws of 2011, is amended to read  
3 as follows:

4 (3) a tax, at the same uniform rate, but at a rate not to exceed four  
5 and one-half per centum, in multiples of one-half of one per centum, on  
6 the receipts from every sale of any or all of the following services in  
7 whole or in part: credit rating, credit reporting, credit adjustment and  
8 collection services, including, but not limited to, those services  
9 provided by mercantile and consumer credit rating or reporting bureaus  
10 or agencies and credit adjustment or collection bureaus or agencies,  
11 whether rendered in written or oral form or in any other manner, except  
12 to the extent otherwise taxable under article twenty-eight of this chap-  
13 ter; notwithstanding the foregoing, collection services shall not  
14 include those services performed by a law office or a law and collection  
15 office, the maintenance or conduct of which constitutes the practice of  
16 law, if the services are performed by an attorney at law who has been  
17 duly licensed and admitted to practice law in this state. The local law  
18 imposing the taxes authorized by this paragraph may provide for exclu-  
19 sions and exemptions in addition to those provided for in such para-  
20 graph. Provided, however, that the tax hereby authorized shall not be  
21 imposed after November thirtieth, two thousand [fourteen] SEVENTEEN.

22 S 2. Subsection (a) of section 1301 of the tax law, as amended by  
23 chapter 209 of the laws of 2011 and paragraph 2 as amended by section 11

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

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1 of part J of chapter 59 of the laws of 2014, is amended to read as  
2 follows:

3 (a) Notwithstanding any other provision of law to the contrary, any  
4 city in this state having a population of one million or more inhabit-  
5 ants, acting through its local legislative body, is hereby authorized  
6 and empowered to adopt and amend local laws imposing in any such city,  
7 for taxable years beginning after nineteen hundred seventy-five:

8 (1) a tax on the personal income of residents of such city, at the  
9 rates provided for under subsection (a) of section thirteen hundred four  
10 of this article for taxable years beginning before two thousand  
11 [fifteen] EIGHTEEN, and at the rates provided for under subsection (b)  
12 of section thirteen hundred four of this article for taxable years  
13 beginning after two thousand [fourteen] SEVENTEEN, provided, however,  
14 that if, for any taxable year beginning after two thousand [fourteen]  
15 SEVENTEEN, the rates set forth in such subsection (b) are rendered inap-  
16 plicable and the rates set forth in such subsection (a) are rendered  
17 applicable, then the tax for such taxable year shall be at the rates  
18 provided under subparagraph (A) of paragraphs one, two and three of such  
19 subsection (a),

20 (2) for taxable years beginning after nineteen hundred seventy-six, a  
21 separate tax on the ordinary income portion of lump sum distributions of  
22 such residents, at the rates provided for herein, such taxes to be  
23 administered, collected and distributed by the commissioner as provided  
24 for in this article.

25 S 3. Subsection (b) of section 1304 of the tax law, as amended by  
26 chapter 209 of the laws of 2011, is amended to read as follows:

27 (b) A tax other than the city separate tax on the ordinary income  
28 portion of lump sum distributions imposed pursuant to the authority of  
29 section thirteen hundred one of this article shall be determined as  
30 follows:

31 (1) Resident married individuals filing joint returns and resident  
32 surviving spouses. The tax under this section for each taxable year on  
33 the city taxable income of every city resident married individual who  
34 makes a single return jointly with his or her spouse under subsection  
35 (b) of section thirteen hundred six of this article and on the city  
36 taxable income of every city resident surviving spouse shall be deter-  
37 mined in accordance with the following table:

38 For taxable years beginning after two thousand [fourteen] SEVENTEEN:

39 If the city taxable income is:	The tax is:
40 Not over \$21,600	1.18% of the city taxable income
41 Over \$21,600 but not	\$255 plus 1.435% of excess
42 over \$45,000	over \$21,600
43 Over \$45,000 but not	\$591 plus 1.455% of excess
44 over \$90,000	over \$45,000
45 Over \$90,000	\$1,245 plus 1.48% of excess
46	over \$90,000

47 (2) Resident heads of households. The tax under this section for each  
48 taxable year on the city taxable income of every city resident head of a  
49 household shall be determined in accordance with the following table:

50 For taxable years beginning after two thousand [fourteen] SEVENTEEN:

1	If the city taxable income is:	The tax is:
2	Not over \$14,400	1.18% of the city taxable income
3	Over \$14,400 but not	\$170 plus 1.435% of excess
4	over \$30,000	over \$14,400
5	Over \$30,000 but not	\$394 plus 1.455% of excess
6	over \$60,000	over \$30,000
7	[over] OVER \$60,000	\$830 plus 1.48% of excess
8		over \$60,000

9 (3) Resident unmarried individuals, resident married individuals  
 10 filing separate returns and resident estates and trusts. The tax under  
 11 this section for each taxable year on the city taxable income of every  
 12 city resident individual who is not a city resident married individual  
 13 who makes a single return jointly with his or her spouse under  
 14 subsection (b) of section thirteen hundred six of this article or a city  
 15 resident head of household or a city resident surviving spouse, and on  
 16 the city taxable income of every city resident estate and trust shall be  
 17 determined in accordance with the following table:

18 For taxable years beginning after two thousand [fourteen] SEVENTEEN:

19	If the city taxable income is:	The tax is:
20	Not over \$12,000	1.18% of the city taxable income
21	Over \$12,000 but not	\$142 plus 1.435% of excess
22	over \$25,000	over \$12,000
23	Over \$25,000 but not	\$328 plus 1.455% of excess
24	over \$50,000	over \$25,000
25	Over \$50,000	\$692 plus 1.48% of excess
26		over \$50,000

27 S 4. Subsection (a) of section 1304-B of the tax law, as amended by  
 28 chapter 209 of the laws of 2011, is amended to read as follows:

29 (a) (1) In addition to any other taxes authorized by this article, any  
 30 city imposing such taxes is hereby authorized and empowered to adopt and  
 31 amend local laws imposing in any such city for each taxable year begin-  
 32 ning after nineteen hundred ninety but before two thousand [fifteen]  
 33 EIGHTEEN, an additional tax on the city taxable income of every city  
 34 resident individual, estate and trust, to be calculated for each taxable  
 35 year as follows: (i) for each taxable year beginning after nineteen  
 36 hundred ninety but before nineteen hundred ninety-nine, at the rate of  
 37 fourteen percent of the sum of the taxes for each such taxable year  
 38 determined pursuant to section thirteen hundred four and section thir-  
 39 teen hundred four-A of this article; and (ii) for each taxable year  
 40 beginning after nineteen hundred ninety-eight, at the rate of fourteen  
 41 percent of the tax for such taxable year determined pursuant to such  
 42 section thirteen hundred four.

43 (2) Notwithstanding paragraph one of this subsection, for each taxable  
 44 year beginning after nineteen hundred ninety-nine but before two thou-  
 45 sand [fifteen] EIGHTEEN, any city imposing such additional tax may by  
 46 local law impose such tax at a rate that is less than fourteen percent  
 47 and may impose such tax at more than one rate depending upon the filing  
 48 status and city taxable income of such city resident individual, estate  
 49 or trust.

50 (3) A local law enacted pursuant to paragraph two of this subsection  
 51 shall be applicable with respect to any taxable year only if it has been  
 52 enacted on or before July thirty-first of such year. A certified copy of  
 53 such local law shall be mailed by registered mail to the department at

1 its office in Albany within fifteen days of its enactment. However, the  
 2 department may allow additional time for such certified copy to be  
 3 mailed if it deems such action to be consistent with its duties under  
 4 this article.

5 S 5. Paragraph E of subdivision 1 of section 11-604 of the administra-  
 6 tive code of the city of New York, as amended by chapter 209 of the laws  
 7 of 2011, is amended to read as follows:

8 E. For taxable years beginning on or after January first, nineteen  
 9 hundred seventy-eight but before January first, two thousand [fifteen]  
 10 EIGHTEEN, the tax imposed by subdivision one of section 11-603 of this  
 11 subchapter shall be, in the case of each taxpayer:

12 (a) whichever of the following amounts is the greatest:

13 (1) an amount computed, for taxable years beginning before nineteen  
 14 hundred eighty-seven, at the rate of nine per centum, and for taxable  
 15 years beginning after nineteen hundred eighty-six, at the rate of eight  
 16 and eighty-five one-hundredths per centum, of its entire net income or  
 17 the portion of such entire net income allocated within the city as here-  
 18 inafter provided, subject to any modification required by paragraphs (d)  
 19 and (e) of subdivision three of this section,

20 (2) an amount computed at one and one-half mills for each dollar of  
 21 its total business and investment capital, or the portion thereof allo-  
 22 cated within the city, as hereinafter provided, except that in the case  
 23 of a cooperative housing corporation as defined in the internal revenue  
 24 code, the applicable rate shall be four-tenths of one mill,

25 (3) an amount computed, for taxable years beginning before nineteen  
 26 hundred eighty-seven, at the rate of nine per centum, and for taxable  
 27 years beginning after nineteen hundred eighty-six, at the rate of eight  
 28 and eighty-five one-hundredths per centum, on thirty per centum of the  
 29 taxpayer's entire net income plus salaries and other compensation paid  
 30 to the taxpayer's elected or appointed officers and to every stockholder  
 31 owning in excess of five per centum of its issued capital stock minus  
 32 fifteen thousand dollars (subject to proration as hereinafter provided)  
 33 and any net loss for the reported year, or on the portion of any such  
 34 sum allocated within the city as hereinafter provided for the allocation  
 35 of entire net income, subject to any modification required by paragraphs  
 36 (d) and (e) of subdivision three of this section, provided, however,  
 37 that for taxable years beginning on or after July first, nineteen  
 38 hundred ninety-six, the provisions of paragraph H of this subdivision  
 39 shall apply for purposes of the computation under this clause, or

40 (4) for taxable years ending on or before June thirtieth, nineteen  
 41 hundred eighty-nine, one hundred twenty-five dollars, for taxable years  
 42 ending after June thirtieth, nineteen hundred eighty-nine and beginning  
 43 before two thousand nine, three hundred dollars, and for taxable years  
 44 beginning after two thousand eight:

45 If New York city receipts are:	Fixed dollar minimum tax is:
46 Not more than \$100,000	\$25
47 More than \$100,000 but not over \$250,000	\$75
48 More than \$250,000 but not over \$500,000	\$175
49 More than \$500,000 but not over \$1,000,000	\$500
50 More than \$1,000,000 but not over \$5,000,000	\$1,500
51 More than \$5,000,000 but not over \$25,000,000	\$3,500
52 Over \$25,000,000	\$5,000

53 For purposes of this clause, New York city receipts are the receipts  
 54 computed in accordance with subparagraph two of paragraph (a) of subdi-  
 55 vision three of this section for the taxable year. For taxable years  
 56 beginning after two thousand eight, if the taxable year is less than

1 twelve months, the amount prescribed by this clause shall be reduced by  
 2 twenty-five percent if the period for which the taxpayer is subject to  
 3 tax is more than six months but not more than nine months and by fifty  
 4 percent if the period for which the taxpayer is subject to tax is not  
 5 more than six months. If the taxable year is less than twelve months,  
 6 the amount of New York city receipts for purposes of this clause is  
 7 determined by dividing the amount of the receipts for the taxable year  
 8 by the number of months in the taxable year and multiplying the result  
 9 by twelve, plus;

10 (b) an amount computed at the rate of three-quarters of a mill for  
 11 each dollar of the portion of its subsidiary capital allocated within  
 12 the city as hereinafter provided.

13 In the case of a taxpayer which is not subject to tax for an entire  
 14 year, the exemption allowed in clause three of subparagraph (a) of this  
 15 paragraph shall be prorated according to the period such taxpayer was  
 16 subject to tax. Provided, however, that this paragraph shall not apply  
 17 to taxable years beginning after December thirty-first, two thousand  
 18 [fourteen] SEVENTEEN. For the taxable years specified in the preceding  
 19 sentence, the tax imposed by subdivision one of section 11-603 of this  
 20 subchapter shall be, in the case of each taxpayer, determined as speci-  
 21 fied in paragraph A of this subdivision, provided, however, that the  
 22 provisions of paragraphs G and H of this subdivision shall apply for  
 23 purposes of the computation under clause three of subparagraph (a) of  
 24 such paragraph A.

25 S 6. The opening paragraph of section 11-1701 of the administrative  
 26 code of the city of New York, as amended by chapter 209 of the laws of  
 27 2011, is amended to read as follows:

28 A tax is hereby imposed on the city taxable income of every city resi-  
 29 dent individual, estate and trust determined in accordance with the  
 30 rates set forth in subdivision (a) of this section for taxable years  
 31 beginning before two thousand [fifteen] EIGHTEEN, and in accordance with  
 32 the rates set forth in subdivision (b) of this section for taxable years  
 33 beginning after two thousand [fourteen] SEVENTEEN. Provided, however,  
 34 that if, for any taxable year beginning after two thousand [fourteen]  
 35 SEVENTEEN, the rates set forth in such subdivision (b) are rendered  
 36 inapplicable and the rates set forth in such subdivision (a) are  
 37 rendered applicable, then the tax for such taxable year shall be at the  
 38 rates provided under subparagraph (A) of paragraphs one, two and three  
 39 of such subdivision (a).

40 S 7. Subdivision (b) of section 11-1701 of the administrative code of  
 41 the city of New York, as amended by chapter 209 of the laws of 2011, is  
 42 amended to read as follows:

43 (b) Rate of tax. A tax imposed pursuant to this section shall be  
 44 determined as follows:

45 (1) Resident married individuals filing joint returns and resident  
 46 surviving spouses. The tax under this section for each taxable year on  
 47 the city taxable income of every city resident married individual who  
 48 makes a single return jointly with his or her spouse under subdivision  
 49 (b) of section 11-1751 of this title and on the city taxable income of  
 50 every city resident surviving spouse shall be determined in accordance  
 51 with the following table:

52 For taxable years beginning after two thousand [fourteen] SEVENTEEN:

53 If the city taxable income is:	The tax is:
54 Not over \$21,600	1.18% of the city taxable income
55 Over \$21,600 but not	\$255 plus 1.435% of excess

1	over \$45,000	over \$21,600
2	Over \$45,000 but not	\$591 plus 1.455% of excess
3	over \$90,000	over \$45,000
4	Over \$90,000	\$1,245 plus 1.48% of excess
5		over \$90,000

6 (2) Resident heads of households. The tax under this section for each  
7 taxable year on the city taxable income of every city resident head of a  
8 household shall be determined in accordance with the following table:

9 For taxable years beginning after two thousand [fourteen] SEVENTEEN:

10	If the city taxable income is:	The tax is:
11	Not over \$14,400	1.18% of the city taxable income
12	Over \$14,400 but not	\$170 plus 1.435% of excess
13	over \$30,000	over \$14,400
14	Over \$30,000 but not	\$394 plus 1.455% of excess
15	over \$60,000	over \$30,000
16	Over \$60,000	\$830 plus 1.48% of excess
17		over \$60,000

18 (3) Resident unmarried individuals, resident married individuals  
19 filing separate returns and resident estates and trusts. The tax under  
20 this section for each taxable year on the city taxable income of every  
21 city resident individual who is not a married individual who makes a  
22 single return jointly with his or her spouse under subdivision (b) of  
23 section 11-1751 of this title or a city resident head of a household or  
24 a city resident surviving spouse, and on the city taxable income of  
25 every city resident estate and trust shall be determined in accordance  
26 with the following table:

27 For taxable years beginning after two thousand [fourteen] SEVENTEEN:

28	If the city taxable income is:	The tax is:
29	Not over \$12,000	1.18% of the city taxable income
30	Over \$12,000 but not	\$142 plus 1.435% of excess
31	over \$25,000	over \$12,000
32	Over \$25,000 but not	\$328 plus 1.455% of excess
33	over \$50,000	over \$25,000
34	Over \$50,000	\$692 plus 1.48% of excess
35		over \$50,000

36 S 8. Paragraph 1 of subdivision (a) of section 11-1704.1 of the admin-  
37 istrative code of the city of New York, as amended by chapter 209 of the  
38 laws of 2011, is amended to read as follows:

39 (1) In addition to any other taxes imposed by this chapter, there is  
40 hereby imposed for each taxable year beginning after nineteen hundred  
41 ninety but before two thousand [fifteen] EIGHTEEN, an additional tax on  
42 the city taxable income of every city resident individual, estate and  
43 trust, to be calculated for each taxable year as follows: (i) for each  
44 taxable year beginning after nineteen hundred ninety but before nineteen  
45 hundred ninety-nine, at the rate of fourteen percent of the sum of the  
46 taxes for each such taxable year determined pursuant to section 11-1701  
47 and section 11-1704 of this subchapter; and (ii) for each taxable year  
48 beginning after nineteen hundred ninety-eight, at the rate of fourteen  
49 percent of the tax for such taxable year determined pursuant to such  
50 section 11-1701.

1 S 9. Subdivision (a) of section 11-2002 of the administrative code of  
2 the city of New York, as amended by chapter 209 of the laws of 2011, is  
3 amended to read as follows:

4 (a) There are hereby imposed and there shall be paid sales taxes at  
5 the rate of four and one-half percent on receipts from every sale of the  
6 services of beauty, barbering, hair restoring, manicuring, pedicuring,  
7 electrolysis, massage services and similar services, and every sale of  
8 services by weight control salons, health salons, gymnasiums, turkish  
9 and sauna bath and similar establishments and every charge for the use  
10 of such facilities, whether or not any tangible personal property is  
11 transferred in conjunction therewith; but excluding services rendered by  
12 a physician, osteopath, dentist, nurse, physiotherapist, chiropractor,  
13 podiatrist, optometrist, ophthalmic dispenser or a person performing  
14 similar services licensed under title eight of the education law, as  
15 amended, and excluding such services when performed on pets and other  
16 animals, as authorized by subdivision (a) of section twelve hundred  
17 twelve-A of the tax law. Provided, however, that the tax hereby imposed  
18 shall not be imposed after November thirtieth, two thousand [fourteen]  
19 SEVENTEEN.

20 S 10. The opening paragraph of subdivision (a) of section 11-2040 of  
21 the administrative code of the city of New York, as amended by chapter  
22 209 of the laws of 2011, is amended to read as follows:

23 There is hereby imposed within the city and there shall be paid a tax  
24 at the rate of four and one-half percent upon the receipts from every  
25 sale, except for resale, of the following services, provided, however,  
26 that the tax hereby imposed shall not be imposed after November thirti-  
27 eth, two thousand [fourteen] SEVENTEEN, on receipts from sales of the  
28 services specified in paragraph one of this subdivision:

29 S 11. Section 4 of chapter 877 of the laws of 1975, relating to the  
30 imposition of certain taxes in the city of New York, as amended by chap-  
31 ter 209 of the laws of 2011, is amended to read as follows:

32 S 4. This act shall expire on December 31, [2014] 2017, provided,  
33 however, that it is hereby declared to be the express intention of the  
34 legislature that the provisions of sections two and three of this act,  
35 except with respect to the enforcement and collection of any tax arising  
36 thereunder, shall remain in full force and effect only until the date of  
37 such expiration, at which time the provisions of law amended by this act  
38 shall be continued in full force and effect as they existed prior to the  
39 enactment of this act.

40 S 12. Section 6 of chapter 884 of the laws of 1975, relating to the  
41 imposition of certain taxes in the city of New York, as amended by chap-  
42 ter 209 of the laws of 2011, is amended to read as follows:

43 S 6. This act shall expire on December 31, [2014] 2017, provided,  
44 however, that it is hereby declared to be the express intention of the  
45 legislature that the provisions of sections two, three and four of this  
46 act, except with respect to the enforcement and collection of any tax  
47 arising thereunder, shall remain in full force and effect only until the  
48 date of such expiration, at which time the provisions of law amended by  
49 this act shall be continued in full force and effect as they existed  
50 prior to the enactment of this act.

51 S 13. Section 2 of chapter 882 of the laws of 1977, relating to the  
52 imposition of certain taxes in the city of New York, as amended by chap-  
53 ter 209 of the laws of 2011, is amended to read as follows:

54 S 2. This act shall expire on December 31, [2014] 2017, provided,  
55 however, that it is hereby declared to be the express intention of the  
56 legislature that the provisions of section one of this act, except with

1 respect to the enforcement and collection of any tax arising thereunder,  
2 shall remain in full force and effect only until the date of such expi-  
3 ration, at which time the provisions of law amended by this act shall be  
4 continued in full force and effect as they existed prior to the enact-  
5 ment of this act.  
6 S 14. This act shall take effect immediately.