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

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I N A S S E M B L Y

February 2, 2016

Introduced by M. of A. FARRELL, HEASTIE, MORELLE, HOOPER, AUBRY, PERRY, MAGNARELLI, BENEDETTO -- Multi-Sponsored by -- M. of A. ABBATE, ABINANTI, ARROYO, BARRON, BICHOTTE, BLAKE, BRAUNSTEIN, BRENNAN, BRINDISI, BRONSON, CAHILL, CERETTO, CLARK, COLTON, COOK, CRESPO, CYMBROWITZ, DAVILA, DenDEKKER, DILAN, DINOWITZ, FAHY, GLICK, GOTTFRIED, HARRIS, HUNTER, HYNDMAN, JAFFEE, JEAN-PIERRE, JOYNER, KAVANAGH, KIM, LAVINE, LENTOL, LIFTON, LINARES, LUPARDO, MARKEY, MILLER, MOSLEY, MOYA, NOLAN, O'DONNELL, ORTIZ, PEOPLES-STOKES, PICHARDO, PRETLOW, RAMOS, RICHARDSON, RIVERA, ROBINSON, RODRIGUEZ, ROSENTHAL, ROZIC, RUSSELL, RYAN, SANTABARBARA, SCHIMEL, SEAWRIGHT, SEPULVEDA, SIMON, SIMOTAS, SKARTADOS, SKOUFIS, SOLAGES, STECK, STIRPE, THIELE, TITUS, WALKER, WEINSTEIN, WRIGHT -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to the earned income credit (Part A); and to amend the tax law, in relation to income tax rates; and to repeal certain provisions of such law relating thereto (Part B)

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

Section 1. This act enacts into law major components of legislation relating to income tax. Each component is wholly contained within a Part identified as Parts A through B. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. Paragraph 1 of subsection (d) of section 606 of the tax law, as amended by section 1 of part Q of chapter 63 of the laws of 2000, is amended to read as follows:

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

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(1) General. A taxpayer shall be allowed a credit as provided herein equal to (i) the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, (ii) reduced by the credit permitted under subsection (b) of this section.

The applicable percentage shall be (i) seven and one-half percent for taxable years beginning in nineteen hundred ninety-four, (ii) ten percent for taxable years beginning in nineteen hundred ninety-five, (iii) twenty percent for taxable years beginning after nineteen hundred ninety-five and before two thousand, (iv) twenty-two and one-half percent for taxable years beginning in two thousand, (v) twenty-five percent for taxable years beginning in two thousand one, (vi) twenty-seven and one-half percent for taxable years beginning in two thousand two, and (vii) thirty percent for taxable years beginning in two thousand three, and (VIII) THIRTY-TWO AND ONE-HALF PERCENT FOR THE TAXABLE YEAR BEGINNING IN TWO THOUSAND EIGHTEEN, AND (IX) THIRTY-FIVE PERCENT FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND NINETEEN AND thereafter. Provided, however, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall be twenty percent for taxable years ending on or after the date on which the reversion event occurred. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal temporary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the earned income credit or to apply state general fund spending on the earned income credit toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the office of temporary and disability assistance shall certify the date of such event to the commissioner of taxation and finance, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on or after 2018.

PART B

Section 1. Paragraph 1 of subsection (a) of section 601 of the tax law, as amended by section 1 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(1) (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND SEVENTEEN, THE FOLLOWING BRACKETS AND DOLLAR AMOUNTS SHALL APPLY, AS ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX HUNDRED ONE-A OF THIS PART FOR TAXABLE YEARS TWO THOUSAND THIRTEEN AND THEREAFTER:

IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $16,000	4% OF TAXABLE INCOME
OVER $16,000 BUT NOT OVER $22,000	$640 PLUS 4.5% OF EXCESS OVER $16,000
OVER $22,000 BUT NOT OVER $26,000	$910 PLUS 5.25% OF EXCESS OVER $22,000
OVER $26,000 BUT NOT OVER $40,000	$1,120 PLUS 5.90% OF EXCESS OVER $26,000
OVER $40,000 BUT NOT OVER $150,000	$1,946 PLUS 6.25% OF EXCESS OVER

	$40,000
OVER $150,000 BUT NOT OVER $300,000	$8,821 PLUS 6.65% OF EXCESS OVER $150,000
OVER $300,000 BUT NOT OVER $1,000,000	$18,796 PLUS 6.85% OF EXCESS OVER $300,000
OVER $1,000,000 BUT NOT OVER $5,000,000	$66,746 PLUS 8.82% OF EXCESS OVER $1,000,000
OVER $5,000,000 BUT NOT OVER $10,000,000	$419,546 PLUS 9.32% OF EXCESS OVER $5,000,000
OVER $10,000,000	$885,546 PLUS 9.82% OF EXCESS OVER $10,000,000

(B) For taxable years beginning after two thousand eleven and before two thousand eighteen:

If the New York taxable income is:	The tax is:
Not over $16,000	4% of taxable income
Over $16,000 but not over $22,000	$640 plus 4.5% of excess over $16,000
Over $22,000 but not over $26,000	$910 plus 5.25% of excess over $22,000
Over $26,000 but not over $40,000	$1,120 plus 5.90% of excess over $26,000
Over $40,000 but not over $150,000	$1,946 plus 6.45% of excess over $40,000
Over $150,000 but not over $300,000	$9,041 plus 6.65% of excess over $150,000
Over $300,000 but not over $2,000,000	$19,016 plus 6.85% of excess over $300,000
Over $2,000,000	$135,466 plus 8.82% of excess over $2,000,000

[(B) For taxable years beginning after two thousand seventeen, the following brackets and dollar amounts shall apply, as adjusted by the cost of living adjustment prescribed in section six hundred one-a of this part for tax years two thousand thirteen through two thousand seventeen:

If the New York taxable income is:	The tax is:
Not over $16,000	4% of taxable income
Over $16,000 but not over $22,000	$640 plus 4.5% of excess over $16,000
Over $22,000 but not over $26,000	$910 plus 5.25% of excess over $22,000
Over $26,000 but not over $40,000	$1,120 plus 5.90% of excess over $26,000
Over $40,000	$1,946 plus 6.85% of excess over $40,000]

S 2. Paragraph 1 of subsection (b) of section 601 of the tax law, as amended by section 2 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(1) (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND SEVENTEEN, THE FOLLOWING BRACKETS AND DOLLAR AMOUNTS SHALL APPLY, AS ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX HUNDRED ONE-A OF THIS PART FOR TAXABLE YEARS TWO THOUSAND THIRTEEN AND THEREAFTER:

IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $12,000	4% OF TAXABLE INCOME
OVER $12,000 BUT NOT OVER $16,500	$480 PLUS 4.5% OF EXCESS OVER $12,000
OVER $16,500 BUT NOT OVER $19,500	$683 PLUS 5.25% OF EXCESS OVER $16,500
OVER $19,500 BUT NOT OVER $30,000	$840 PLUS 5.90% OF EXCESS OVER $19,500
OVER $30,000 BUT NOT OVER $100,000	$1,460 PLUS 6.25% OF EXCESS OVER $30,000
OVER $100,000 BUT NOT OVER $250,000	$5,835 PLUS 6.65% OF EXCESS OVER $100,000
OVER $250,000 BUT NOT OVER $1,000,000	$15,810 PLUS 6.85% OF EXCESS OVER $250,000
OVER $1,000,000 BUT NOT OVER $5,000,000	$67,185 PLUS 8.82% OF EXCESS OVER $1,000,000
OVER $5,000,000 BUT NOT OVER $10,000,000	$419,985 PLUS 9.32% OF EXCESS OVER $5,000,000
OVER $10,000,000	$885,985 PLUS 9.82% OF EXCESS OVER $10,000,000

(B) For taxable years beginning after two thousand eleven and before two thousand eighteen:

If the New York taxable income is:	The tax is:
Not over $12,000	4% of taxable income
Over $12,000 but not over $16,500	$480 plus 4.5% of excess over $12,000
Over $16,500 but not over $19,500	$683 plus 5.25% of excess over $16,500
Over $19,500 but not over $30,000	$840 plus 5.90% of excess over $19,500
Over $30,000 but not over $100,000	$1,460 plus 6.45% of excess over $30,000
Over $100,000 but not over $250,000	$5,975 plus 6.65% of excess over $100,000
Over $250,000 but not over $1,500,000	$15,950 plus 6.85% of excess over $250,000
Over $1,500,000	$101,575 plus 8.82% of excess over $1,500,000

[(B) For taxable years beginning after two thousand seventeen, the following brackets and dollars amounts shall apply, as adjusted by the cost of living adjustment prescribed in section six hundred one-a of this part for tax years two thousand thirteen through two thousand seventeen:

If the New York taxable income is:	The tax is:
Not over $12,000	4% of taxable income
Over $12,000 but not over $16,500	$480 plus 4.5% of excess over $12,000
Over $16,500 but not over $19,500	$683 plus 5.25% of excess over $16,500
Over $19,500 but not over $30,000	$840 plus 5.90% of excess over

	$19,500
Over $30,000	$1,460 plus 6.85% of excess over $30,000]

S 3. Paragraph 1 of subsection (c) of section 601 of the tax law, as amended by section 3 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(1) (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND SEVENTEEN, THE FOLLOWING BRACKETS AND DOLLAR AMOUNTS SHALL APPLY, AS ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX HUNDRED ONE-A OF THIS PART FOR TAXABLE YEARS TWO THOUSAND THIRTEEN AND THEREAFTER:

IF THE NEW YORK TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $8,000	4% OF TAXABLE INCOME
OVER $8,000 BUT NOT OVER $11,000	$320 PLUS 4.5% OF EXCESS OVER $8,000
OVER $11,000 BUT NOT OVER $13,000	$455 PLUS 5.25% OF EXCESS OVER $11,000
OVER $13,000 BUT NOT OVER $20,000	$560 PLUS 5.90% OF EXCESS OVER $13,000
OVER $20,000 BUT NOT OVER $75,000	$973 PLUS 6.25% OF EXCESS OVER $20,000
OVER $75,000 BUT NOT OVER $200,000	$4,411 PLUS 6.65% OF EXCESS OVER $75,000
OVER $200,000 BUT NOT OVER $1,000,000	$12,723 PLUS 6.85% OF EXCESS OVER $200,000
OVER $1,000,000 BUT NOT OVER $5,000,000	$67,523 PLUS 8.82% OF EXCESS OVER $1,000,000
OVER $5,000,000 BUT NOT OVER $10,000,000	$420,323 PLUS 9.32% OF EXCESS OVER $5,000,000
OVER $10,000,000	$886,323 PLUS 9.82% OF EXCESS OVER $10,000,000

(B) For taxable years beginning after two thousand eleven and before two thousand eighteen:

If the New York taxable income is:	The tax is:
Not over $8,000	4% of taxable income
Over $8,000 but not over $11,000	$320 plus 4.5% of excess over $8,000
Over $11,000 but not over $13,000	$455 plus 5.25% of excess over $11,000
Over $13,000 but not over $20,000	$560 plus 5.90% of excess over $13,000
Over $20,000 but not over $75,000	$973 plus 6.45% of excess over $20,000
Over $75,000 but not over $200,000	$4,521 plus 6.65% of excess over $75,000
Over $200,000 but not over $1,000,000	$12,833 plus 6.85% of excess over $200,000
Over $1,000,000	$67,633 plus 8.82% of excess over $1,000,000

[(B) For taxable years beginning after two thousand seventeen, the following brackets and dollars amounts shall apply, as adjusted by the cost of living adjustment prescribed in section six hundred one-a of

this part for tax years two thousand thirteen through two thousand seventeen:

If the New York taxable income is:	The tax is:
Not over $8,000	4% of taxable income
Over $8,000 but not over $11,000	$320 plus 4.5% of excess over $8,000
Over $11,000 but not over $13,000	$455 plus 5.25% of excess over $11,000
Over $13,000 but not over $20,000	$560 plus 5.90% of excess over $13,000
Over $20,000	$973 plus 6.85% of excess over $20,000]

S 4. Subsection (a) of section 601-a of the tax law, as amended by section 10 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(a) For tax year two thousand thirteen, the commissioner, not later than September first, two thousand twelve, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand twelve by one plus the cost of living adjustment described in subsection (c) of this section. For tax year two thousand fourteen, the commissioner, not later than September first, two thousand thirteen, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand thirteen by one plus the cost of living adjustment. For each succeeding tax year after tax year two thousand fourteen and [before tax year two thousand eighteen] THEREAFTER, the commissioner, not later than September first of such tax year, shall multiply the amounts specified in subsection (b) of this section for such tax year by one plus the cost of living adjustment described in subsection (c) of this section for such tax year.

S 5. Subsection (d-2) of section 601 of the tax law is REPEALED and a new section (d-2) is added to read as follows:

(D-2) ALTERNATIVE TAX TABLE BENEFIT RECAPTURE. NOTWITHSTANDING THE PROVISIONS OF SUBSECTIONS (D) AND (D-1) OF THIS SECTION, FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND SEVENTEEN AND THEREAFTER, THERE IS HEREBY IMPOSED A SUPPLEMENTAL TAX IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTIONS (A), (B) AND (C) OF THIS SECTION FOR THE PURPOSE OF RECAPTURING THE BENEFIT OF THE TAX TABLES CONTAINED IN SUCH SUBSECTIONS. DURING THESE TAXABLE YEARS, ANY REFERENCE IN THIS CHAPTER TO SUBSECTION (D) OF THIS SECTION SHALL BE READ AS A REFERENCE TO THIS SUBSECTION.

(1) FOR RESIDENT MARRIED INDIVIDUALS FILING JOINT RETURNS AND RESIDENT SURVIVING SPOUSES, THE SUPPLEMENTAL TAX SHALL BE AN AMOUNT EQUAL TO THE SUM OF THE TAX TABLE BENEFITS DESCRIBED IN SUBPARAGRAPHS (A), (B), (C), (D), (E) AND (F) OF THIS PARAGRAPH MULTIPLIED BY THEIR RESPECTIVE FRACTIONS IN SUCH SUBPARAGRAPHS.

(A) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION NOT SUBJECT TO THE 6.25 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION. THE FRACTION FOR THIS SUBPARAGRAPH 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 HUNDRED THOUSAND DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(B) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION NOT SUBJECT TO THE 6.65 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION LESS THE TAX TABLE BENEFIT IN SUBPARAGRAPH (A) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 HUNDRED FIFTY THOUSAND DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS. PROVIDED, HOWEVER, THIS SUBPARAGRAPH SHALL NOT APPLY TO TAXPAYERS WHO ARE NOT SUBJECT TO THE 6.65 PERCENT TAX RATE.

(C) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION NOT SUBJECT TO THE 6.85 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFIT IN SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 THREE HUNDRED THOUSAND DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS. PROVIDED, HOWEVER, THIS SUBPARAGRAPH SHALL NOT APPLY TO TAXPAYERS WHO ARE NOT SUBJECT TO THE 6.85 PERCENT TAX RATE.

(D) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION NOT SUBJECT TO THE 8.82 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A), (B) AND (C) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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.

(E) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION NOT SUBJECT TO THE 9.32 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A), (B), (C) AND (D) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 MILLION DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(F) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION NOT SUBJECT TO THE 9.82 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A), (B), (C),

(D) AND (E) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 TEN MILLION DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(G) PROVIDED, HOWEVER, THE TOTAL TAX PRIOR TO THE APPLICATION OF ANY TAX CREDITS SHALL NOT EXCEED THE HIGHEST RATE OF TAX SET FORTH IN THE TAX TABLES IN SUBSECTION (A) OF THIS SECTION MULTIPLIED BY THE TAXPAYER'S TAXABLE INCOME.

(2) FOR RESIDENT HEADS OF HOUSEHOLDS, THE SUPPLEMENTAL TAX SHALL BE AN AMOUNT EQUAL TO THE SUM OF THE TAX TABLE BENEFITS DESCRIBED IN SUBPARAGRAPHS (A), (B), (C), (D) AND (E) OF THIS PARAGRAPH MULTIPLIED BY THEIR RESPECTIVE FRACTIONS IN SUCH SUBPARAGRAPHS.

(A) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION NOT SUBJECT TO THE 6.65 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION. THE FRACTION FOR THIS SUBPARAGRAPH 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 HUNDRED THOUSAND DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(B) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION NOT SUBJECT TO THE 6.85 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION LESS THE TAX TABLE BENEFIT IN SUBPARAGRAPH (A) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 TWO HUNDRED FIFTY THOUSAND DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS. PROVIDED, HOWEVER, THIS SUBPARAGRAPH SHALL NOT APPLY TO TAXPAYERS WHO ARE NOT SUBJECT TO THE 6.85 PERCENT TAX RATE.

(C) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION NOT SUBJECT TO THE 8.82 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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.

(D) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION NOT SUBJECT TO THE 9.32 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A), (B) AND (C) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 MILLION DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(E) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION NOT SUBJECT TO THE 9.82 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A), (B), (C) AND (D) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 TEN MILLION DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(F) PROVIDED, HOWEVER, THE TOTAL TAX PRIOR TO THE APPLICATION OF ANY TAX CREDITS SHALL NOT EXCEED THE HIGHEST RATE OF TAX SET FORTH IN THE TAX TABLES IN SUBSECTION (B) OF THIS SECTION MULTIPLIED BY THE TAXPAYER'S TAXABLE INCOME.

(3) FOR RESIDENT UNMARRIED INDIVIDUALS, RESIDENT MARRIED INDIVIDUALS FILING SEPARATE RETURNS AND RESIDENT ESTATES AND TRUSTS, THE SUPPLEMENTAL TAX SHALL BE AN AMOUNT EQUAL TO THE SUM OF THE TAX TABLE BENEFITS DESCRIBED IN SUBPARAGRAPHS (A), (B), (C), (D) AND (E) OF THIS PARAGRAPH MULTIPLIED BY THEIR RESPECTIVE FRACTIONS IN SUCH SUBPARAGRAPHS.

(A) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION NOT SUBJECT TO THE 6.65 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION. 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 HUNDRED THOUSAND DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(B) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION NOT SUBJECT TO THE 6.85 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION LESS THE TAX TABLE BENEFIT IN SUBPARAGRAPH (A) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 TWO HUNDRED THOUSAND DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS. PROVIDED, HOWEVER, THIS SUBPARAGRAPH SHALL NOT APPLY TO TAXPAYERS WHO ARE NOT SUBJECT TO THE 6.85 PERCENT TAX RATE.

(C) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION NOT SUBJECT TO THE 8.82 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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.

(D) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION NOT SUBJECT TO THE 9.32 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A), (B) AND (C) THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 MILLION DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(E) THE TAX TABLE BENEFIT IS THE DIFFERENCE BETWEEN (I) THE AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION NOT SUBJECT TO THE 9.82 PERCENT RATE OF TAX FOR THE TAXABLE YEAR MULTIPLIED BY SUCH RATE AND (II) THE DOLLAR DENOMINATED TAX FOR SUCH AMOUNT OF TAXABLE INCOME SET FORTH IN THE TAX TABLE APPLICABLE TO THE TAXABLE YEAR IN PARAGRAPH ONE OF SUBSECTION (C) OF THIS SECTION LESS THE SUM OF THE TAX TABLE BENEFITS IN SUBPARAGRAPHS (A), (B), (C) AND (D) OF THIS PARAGRAPH. THE FRACTION FOR THIS SUBPARAGRAPH 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 TEN MILLION DOLLARS AND THE DENOMINATOR IS FIFTY THOUSAND DOLLARS.

(F) PROVIDED, HOWEVER, THE TOTAL TAX PRIOR TO THE APPLICATION OF ANY TAX CREDITS SHALL NOT EXCEED THE HIGHEST RATE OF TAX SET FORTH IN THE TAX TABLES IN SUBSECTION (C) OF THIS SECTION MULTIPLIED BY THE TAXPAYER'S TAXABLE INCOME.

S 6. Subsection (f) of section 614 of the tax law, as amended by section 11 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(f) Adjusted standard deduction. For taxable years beginning after two thousand seventeen, the standard deductions set forth in this section shall be the amounts set forth in this section adjusted by the cost of living adjustment prescribed in section six hundred one-a of this part for tax years two thousand thirteen [through two thousand seventeen] AND THEREAFTER.

S 7. 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 2018 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. Any such regulations to implement a change in withholding tables and methods for tax year 2018 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. The commissioner of taxation and finance, in carrying out

the duties and responsibilities under this section, 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-A and 30-B of the tax law, the provisions of any other law in relation to such a procedure to the contrary notwithstanding.

S 8. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2018.

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through B of this act shall be as specifically set forth in the last section of such Parts.