

STATE OF NEW YORK

7464

2017-2018 Regular Sessions

IN ASSEMBLY

April 26, 2017

Introduced by M. of A. FARRELL -- read once and referred to the Committee on Ways and Means

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 338 of the laws of 2014, 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 [~~seventeen~~] twenty.

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

LBD11242-01-7

§ 2. Subsection (a) of section 1301 of the tax law, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

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

(1) a tax on the personal income of residents of such city, at the rates provided for under subsection (a) of section thirteen hundred four of this article for taxable years beginning before two thousand [~~eighteen~~] twenty-one, and at the rates provided for under subsection (b) of section thirteen hundred four of this article for taxable years beginning after two thousand [~~seventeen~~] twenty, provided, however, that if, for any taxable year beginning after two thousand [~~seventeen~~] twenty, the rates set forth in such subsection (b) are rendered inapplicable and the rates set forth in such subsection (a) are rendered applicable, then the tax for such taxable year shall be at the rates provided under subparagraph (A) of paragraphs one, two and three of such subsection (a),

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

§ 3. Subsection (b) of section 1304 of the tax law, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

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

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

For taxable years beginning after two thousand [~~seventeen~~] twenty:

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

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

For taxable years beginning after two thousand [~~seventeen~~] twenty:

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 \$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 [~~seventeen~~] twenty:

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 § 4. Subsection (a) of section 1304-B of the tax law, as amended by
 28 chapter 338 of the laws of 2014, 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 [~~eighteen~~]
 33 twenty-one, 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 [~~eighteen~~] twenty-one, 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

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

§ 5. Paragraph E of subdivision 1 of section 11-604 of the administrative code of the city of New York, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

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

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

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

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

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

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

If New York city receipts are:

Fixed dollar minimum tax is:

Not more than \$100,000	\$25
More than \$100,000 but not over \$250,000	\$75
More than \$250,000 but not over \$500,000	\$175
More than \$500,000 but not over \$1,000,000	\$500
More than \$1,000,000 but not over \$5,000,000	\$1,500
More than \$5,000,000 but not over \$25,000,000	\$3,500
Over \$25,000,000	\$5,000

For purposes of this clause, New York city receipts are the receipts computed in accordance with subparagraph two of paragraph (a) of subdivision three of this section for the taxable year. For taxable years 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 [~~seventeen~~] twenty. 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 § 6. The opening paragraph of section 11-1701 of the administrative
26 code of the city of New York, as amended by chapter 338 of the laws of
27 2014, 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 [~~eighteen~~] twenty-one, and in accordance
32 with the rates set forth in subdivision (b) of this section for taxable
33 years beginning after two thousand [~~seventeen~~] twenty. Provided, howev-
34 er, that if, for any taxable year beginning after two thousand [~~seven-~~
35 ~~teen~~] twenty, 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 § 7. Subdivision (b) of section 11-1701 of the administrative code of
41 the city of New York, as amended by chapter 338 of the laws of 2014, 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 [~~seventeen~~] twenty:

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 [~~seventeen~~] twenty:

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 [~~seventeen~~] twenty:

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 § 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 338 of the
 38 laws of 2014, 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 [~~eighteen~~] twenty-one, an additional tax
 42 on 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.

§ 9. Subdivision (a) of section 11-2002 of the administrative code of the city of New York, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

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

§ 10. The opening paragraph of subdivision (a) of section 11-2040 of the administrative code of the city of New York, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

There is hereby imposed within the city and there shall be paid a tax at the rate of four and one-half percent upon the receipts from every sale, except for resale, of the following services, provided, however, that the tax hereby imposed shall not be imposed after November thirtieth, two thousand [~~seventeen~~ twenty], on receipts from sales of the services specified in paragraph one of this subdivision:

§ 11. Section 4 of chapter 877 of the laws of 1975, relating to the imposition of certain taxes in the city of New York, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

§ 4. This act shall expire on December 31, [~~2017~~ 2020], provided, however, that it is hereby declared to be the express intention of the legislature that the provisions of sections two and three of this act, except with respect to the enforcement and collection of any tax arising thereunder, shall remain in full force and effect only until the date of such expiration, at which time the provisions of law amended by this act shall be continued in full force and effect as they existed prior to the enactment of this act.

§ 12. Section 6 of chapter 884 of the laws of 1975, relating to the imposition of certain taxes in the city of New York, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

§ 6. This act shall expire on December 31, [~~2017~~ 2020], provided, however, that it is hereby declared to be the express intention of the legislature that the provisions of sections two, three and four of this act, except with respect to the enforcement and collection of any tax arising thereunder, shall remain in full force and effect only until the date of such expiration, at which time the provisions of law amended by this act shall be continued in full force and effect as they existed prior to the enactment of this act.

§ 13. Section 2 of chapter 882 of the laws of 1977, relating to the imposition of certain taxes in the city of New York, as amended by chapter 338 of the laws of 2014, is amended to read as follows:

§ 2. This act shall expire on December 31, [~~2017~~ 2020], provided, however, that it is hereby declared to be the express intention of the 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 § 14. This act shall take effect immediately.