

STATE OF NEW YORK

6830

2017-2018 Regular Sessions

IN SENATE

June 27, 2017

Introduced by Sen. GIANARIS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the public authorities law, in relation to providing for the appointment of an emergency manager for the metropolitan transportation authority, and providing for his or her powers and duties; to amend the tax law, in relation to establishing personal income tax rates and a tax table benefit recapture for taxpayers who reside in the metropolitan commuter transportation district and establishing a metropolitan transportation authority hotel unit fee in the city of New York; to direct the comptroller to transfer moneys in the general fund to the MTA financial assistance fund; and providing for the repeal of certain provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "better trains, better cities act of 2017".

3 § 2. The public authorities law is amended by adding a new section
4 1263-a to read as follows:

5 § 1263-a. Emergency manager. 1. There is hereby established the office
6 of emergency manager of the authority. Such manager shall oversee the
7 authority, and implement the plan established by the emergency manager
8 submitted to each house of the legislature during the course of the
9 confirmation of the emergency manager.

10 2. The emergency manager of the authority shall be appointed by the
11 governor, subject to separate confirmation by each of the houses of the
12 legislature. Such confirmations shall be completed within ninety days of
13 the effective date of this section; provided, however, that upon nomi-
14 nation by the governor, each nominee for emergency manager shall develop
15 and submit to the legislature, prior to his or her confirmation, a plan
16 outlining how the nominee, if confirmed, will expedite repairs to
17 authority facilities and equipment, expand capacity, and ensure the

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

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reliability and safety of the authority facilities and equipment and the services provided thereby. No nominee shall be confirmed until such plan shall have been received and reviewed by each house of the legislature.

3. The emergency manager shall have all the powers of the board of the authority as they relate to expediting repairs to authority facilities and equipment, expanding capacity, and ensuring reliability and safety of the authority facilities and equipment and services provided thereby, and shall implement the plan he or she submitted to the legislature. The emergency manager's authority to implement his or her plan shall supersede the authority of the board of the authority, unless such board shall by a vote of ten voting members thereof overrides a specific action of the emergency manager.

§ 3. Clauses (i), (ii) and (iii) of subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law, as added by section 1 of part R of chapter 59 of the laws of 2017, are amended to read as follows:

(i) For taxable years beginning in two thousand eighteen the following rates shall apply:

1. For taxpayers who reside outside of the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty-two of the public authorities law:

| <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
|---|---|
| Not over \$17,150 | 4% of the New York taxable income |
| Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over \$17,150 |
| Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over \$23,600 |
| Over \$27,900 but not over \$43,000 | \$1,202 plus 5.9% of excess over \$27,900 |
| Over \$43,000 but not over \$161,550 | \$2,093 plus 6.33% of excess over \$43,000 |
| Over \$161,550 but not over \$323,200 | \$9,597 plus 6.57% of excess over \$161,550 |
| Over \$323,200 but not over \$2,155,350 | \$20,218 plus 6.85% of excess over \$323,200 |
| Over \$2,155,350 | \$145,720 plus 8.82% of excess over \$2,155,350 |

2. For taxpayers who resided within the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty-two of the public authorities law:

| <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
|--|---|
| <u>Not over \$17,150</u> | <u>4% of the New York taxable income</u> |
| <u>Over \$17,150 but not over \$23,600</u> | <u>\$686 plus 4.5% of excess over \$17,150</u> |
| <u>Over \$23,600 but not over \$27,900</u> | <u>\$976 plus 5.25% of excess over \$23,600</u> |
| <u>Over \$27,900 but not over \$43,000</u> | <u>\$1,202 plus 5.9% of excess over \$27,900</u> |
| <u>Over \$43,000 but not over \$161,550</u> | <u>\$2,093 plus 6.21% of excess over \$43,000</u> |
| <u>Over \$161,550 but not over \$323,200</u> | <u>\$9,597 plus 6.57% of excess over \$161,550</u> |
| <u>Over \$323,200 but not over \$2,000,000</u> | <u>\$20,218 plus 6.85% of excess over \$323,200</u> |

| | | |
|---|--------------------------------------|---------------------------------------|
| 1 | <u>Over \$2,000,000 but not over</u> | <u>\$135,079 plus 8.98% of excess</u> |
| 2 | <u>\$6,000,000</u> | <u>over \$2,000,000</u> |
| 3 | <u>Over \$6,000,000 but not over</u> | <u>\$494,279 plus 9.08% of excess</u> |
| 4 | <u>\$11,000,000</u> | <u>over \$6,000,000</u> |
| 5 | <u>Over \$11,000,000</u> | <u>\$948,279 plus 9.28% of excess</u> |
| 6 | | <u>over \$11,000,000</u> |

7 (ii) For taxable years beginning in two thousand nineteen the follow-
8 ing rates shall apply:

9 1. For taxpayers who reside outside of the metropolitan commuter
10 transportation district created and established pursuant to section
11 twelve hundred sixty-two of the public authorities law:

| | | |
|----|---------------------------------------|-------------------------------------|
| 12 | Not over \$17,150 | 4% of the New York taxable |
| 13 | | income |
| 14 | Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over |
| 15 | | \$17,150 |
| 16 | Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over |
| 17 | | \$23,600 |
| 18 | Over \$43,000 but not over \$161,550 | \$2,093 plus 6.21% of excess over |
| 19 | | \$43,000 |
| 20 | Over \$161,550 but not over \$323,200 | \$9,455 plus 6.49% of excess over |
| 21 | | \$161,550 |
| 22 | Over \$323,200 but not over | \$19,946 plus 6.85% of excess over |
| 23 | \$2,155,350 | \$323,200 |
| 24 | Over \$2,155,350 | \$145,448 plus 8.82% of excess over |
| 25 | | \$2,155,350 |

26 2. For taxpayers who resided within the metropolitan commuter trans-
27 portation district created and established pursuant to the section
28 twelve hundred sixty-two of the public authorities law:

| | | |
|----|--|---|
| 29 | <u>Not over \$17,150</u> | <u>4% of the New York taxable</u> |
| 30 | | <u>income</u> |
| 31 | <u>Over \$17,150 but not over \$23,600</u> | <u>\$686 plus 4.5% of excess over</u> |
| 32 | | <u>\$17,150</u> |
| 33 | <u>Over \$23,600 but not over \$27,900</u> | <u>\$976 plus 5.25% of excess over</u> |
| 34 | | <u>\$23,600</u> |
| 35 | <u>Over \$27,900 but not over \$43,000</u> | <u>\$1,202 plus 5.9% of excess over</u> |
| 36 | | <u>\$27,900</u> |
| 37 | <u>Over \$43,000 but not over \$161,550</u> | <u>\$2,093 plus 6.21% of excess over</u> |
| 38 | | <u>\$43,000</u> |
| 39 | <u>Over \$161,550 but not over \$323,200</u> | <u>\$9,455 plus 6.49% of excess over</u> |
| 40 | | <u>\$161,550</u> |
| 41 | <u>Over \$323,200 but not over \$2,000,000</u> | <u>\$19,946 plus 6.85% of excess over</u> |
| 42 | | <u>\$323,200</u> |
| 43 | <u>Over \$2,000,000 but not over</u> | <u>\$134,807 plus 8.98% of excess</u> |
| 44 | <u>\$6,000,000</u> | <u>over 2,000,000</u> |
| 45 | <u>Over \$6,000,000 but not over</u> | <u>\$494,007 plus 9.08% of excess</u> |
| 46 | <u>\$11,000,000</u> | <u>over \$6,000,000</u> |
| 47 | <u>Over \$11,000,000</u> | <u>\$948,000 plus 9.28% over</u> |
| 48 | | <u>\$11,000,000</u> |

49 (iii) For taxable years beginning in two thousand twenty the following
50 rates shall apply:

51 1. For taxpayers who reside outside of the metropolitan commuter
52 transportation district created and established pursuant to section
53 twelve hundred sixty-two of the public authorities law:

| | | |
|----|-------------------------------------|-----------------------------------|
| 54 | If the New York taxable income is: | The tax is: |
| 55 | Not over \$17,150 | 4% of the New York taxable income |
| 56 | Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over |

| | | |
|----|---------------------------------------|------------------------------------|
| 1 | | \$17,150 |
| 2 | Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over |
| 3 | | \$23,600 |
| 4 | Over \$27,900 but not over \$43,000 | \$1,202 plus 5.9% of excess over |
| 5 | | \$27,900 |
| 6 | Over \$43,000 but not over \$161,550 | \$2,093 plus 6.09% of excess over |
| 7 | | \$43,000 |
| 8 | Over \$161,550 but not over \$323,200 | \$9,313 plus 6.41% of excess over |
| 9 | | \$161,550 |
| 10 | Over \$323,200 | \$19,674 plus 6.85% of excess over |
| 11 | | \$323,200 |

2. For taxpayers who resided within the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty-two of the public authorities law:

| <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
|---|---|
| <u>Not over \$17,150</u> | <u>4% of the New York taxable income</u> |
| <u>Over \$17,150 but not over \$23,600</u> | <u>\$686 plus 4.5% of excess over \$17,150</u> |
| <u>Over \$23,600 but not over \$27,900</u> | <u>\$976 plus 5.25% of excess over \$23,600</u> |
| <u>Over \$27,900 but not over \$43,000</u> | <u>\$1,202 plus 5.9% of excess over \$27,900</u> |
| <u>Over \$43,000 but not over \$161,550</u> | <u>\$2,093 plus 6.09% of excess over \$43,000</u> |
| <u>Over \$161,550 but not over \$323,200</u> | <u>\$9,313 plus 6.41% of excess over \$161,550</u> |
| <u>Over \$323,200 but not over \$2,000,000</u> | <u>\$19,674 plus 6.85% of excess over \$323,200</u> |
| <u>Over \$2,000,000 but not over \$6,000,000</u> | <u>\$134,535 plus 8.98% of excess over \$2,000,000</u> |
| <u>Over \$6,000,000 but not over \$11,000,000</u> | <u>\$493,735 plus 9.08% of excess over \$6,000,000</u> |
| <u>Over \$11,000,000</u> | <u>\$947,735 plus 9.28% of excess over \$11,000,000</u> |

§ 4. Clauses (i), (ii) and (iii) of subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law, as added by section 2 of part R of chapter 59 of the laws of 2017, are amended to read as follows:

(i) For taxable years beginning in two thousand eighteen the following rates shall apply:

1. For taxpayers who reside outside of the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty-two of the public authorities law:

| <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
|--|---|
| <u>Not over \$12,800</u> | <u>4% of the New York taxable income</u> |
| <u>Over \$12,800 but not over \$17,650</u> | <u>\$512 plus 4.5% of excess over \$12,800</u> |
| <u>Over \$17,650 but not over \$20,900</u> | <u>\$730 plus 5.25% of excess over \$17,650</u> |
| <u>Over \$20,900 but not over \$32,200</u> | <u>\$901 plus 5.9% of excess over \$20,900</u> |
| <u>Over \$32,200 but not over \$107,650</u> | <u>\$1,568 plus 6.33% of excess over \$32,200</u> |
| <u>Over \$107,650 but not over \$269,300</u> | <u>\$6,344 plus 6.57% of excess over \$107,650</u> |
| <u>Over \$269,300 but not over \$1,616,450</u> | <u>\$16,964 plus 6.85% of excess over \$269,300</u> |
| <u>Over \$1,616,450</u> | <u>\$109,244 plus 8.82% of excess over</u> |

| | | |
|----|---|--|
| 1 | | \$1,616,450 |
| 2 | <u>2. For taxpayers who resided within the metropolitan commuter trans-</u> | |
| 3 | <u>portation district created and established pursuant to the section</u> | |
| 4 | <u>twelve hundred sixty-two of the public authorities law:</u> | |
| 5 | <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
| 6 | <u>Not over \$12,800</u> | <u>4% of the New York taxable income</u> |
| 7 | <u>Over \$12,800 but not over \$17,650</u> | <u>\$512 plus 4.5% of excess over \$12,800</u> |
| 8 | <u>Over \$17,650 but not over \$20,900</u> | <u>\$730 plus 5.25% of excess over</u> |
| 9 | | <u>\$17,650</u> |
| 10 | <u>Over \$20,900 but not over \$32,200</u> | <u>\$901 plus 5.9% of excess over \$20,900</u> |
| 11 | <u>Over \$32,200 but not over \$107,650</u> | <u>\$1,568 plus 6.33% of excess over</u> |
| 12 | | <u>\$32,200</u> |
| 13 | <u>Over \$107,650 but not over \$269,300</u> | <u>\$6,344 plus 6.57% of excess over</u> |
| 14 | | <u>\$107,650</u> |
| 15 | <u>Over \$269,300 but not over</u> | <u>\$16,964 plus 6.85% of excess over</u> |
| 16 | <u>\$1,605,650</u> | <u>\$269,300</u> |
| 17 | <u>Over \$1,605,650 but not over</u> | <u>\$108,504 plus 8.98% of excess over</u> |
| 18 | <u>\$5,500,000</u> | <u>\$1,605,650</u> |
| 19 | <u>Over \$5,500,000 but not over</u> | <u>\$458,217 plus 9.08% of excess over</u> |
| 20 | <u>\$10,500,000</u> | <u>\$5,500,000</u> |
| 21 | <u>Over \$10,500,000</u> | <u>\$912,217 plus 9.28% of excess over</u> |
| 22 | | <u>\$10,500,000</u> |

23 (ii) For taxable years beginning in two thousand nineteen the follow-
24 ing rates shall apply:

| | | |
|----|--|---|
| 25 | <u>1. For taxpayers who reside outside of the metropolitan commuter</u> | |
| 26 | <u>transportation district created and established pursuant to section</u> | |
| 27 | <u>twelve hundred sixty-two of the public authorities law:</u> | |
| 28 | If the New York taxable income is: | The tax is: |
| 29 | Not over \$12,800 | 4% of the New York taxable income |
| 30 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over \$12,800 |
| 31 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 32 | | \$17,650 |
| 33 | Over \$20,900 but not over \$32,200 | \$901 plus 5.9% of excess over \$20,900 |
| 34 | Over \$32,200 but not over \$107,650 | \$1,568 plus 6.21% of excess over |
| 35 | | \$32,200 |
| 36 | Over \$107,650 but not over \$269,300 | \$6,253 plus 6.49% of excess over |
| 37 | | \$107,650 |
| 38 | Over \$269,300 but not over | \$16,744 plus 6.85% of excess over |
| 39 | \$1,616,450 | \$269,300 |
| 40 | Over \$1,616,450 | \$109,024 plus 8.82% of excess over |
| 41 | | \$1,616,450 |

| | | |
|----|---|--|
| 42 | <u>2. For taxpayers who resided within the metropolitan commuter trans-</u> | |
| 43 | <u>portation district created and established pursuant to the section</u> | |
| 44 | <u>twelve hundred sixty-two of the public authorities law:</u> | |
| 45 | <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
| 46 | <u>Not over \$12,800</u> | <u>4% of the New York taxable income</u> |
| 47 | <u>Over \$12,800 but not over \$17,650</u> | <u>\$512 plus 4.5% of excess over \$12,800</u> |
| 48 | <u>Over \$17,650 but not over \$20,900</u> | <u>\$730 plus 5.25% of excess over</u> |
| 49 | | <u>\$17,650</u> |
| 50 | <u>Over \$20,900 but not over \$32,200</u> | <u>\$901 plus 5.9% of excess over \$20,900</u> |
| 51 | <u>Over \$32,200 but not over \$107,650</u> | <u>\$1,568 plus 6.21% of excess over</u> |
| 52 | | <u>\$32,200</u> |
| 53 | <u>Over \$107,650 but not over \$269,300</u> | <u>\$6,253 plus 6.49% of excess over</u> |
| 54 | | <u>\$107,650</u> |
| 55 | <u>Over \$269,300 but not over</u> | <u>\$16,744 plus 6.85% of excess over</u> |
| 56 | <u>\$1,605,650</u> | <u>\$269,300</u> |

| | | |
|---|--------------------------------------|--|
| 1 | <u>Over \$1,605,650 but not over</u> | <u>\$108,284 plus 8.98% of excess over</u> |
| 2 | <u>\$5,500,000</u> | <u>\$1,605,650</u> |
| 3 | <u>Over \$5,500,000 but not over</u> | <u>\$457,997 plus 9.08% of excess over</u> |
| 4 | <u>\$10,500,000</u> | <u>\$5,500,000</u> |
| 5 | <u>Over \$10,500,000</u> | <u>\$911,997 plus 9.28% of excess over</u> |
| 6 | | <u>\$10,500,000</u> |

7 (iii) For taxable years beginning in two thousand twenty the following
8 rates shall apply:

9 1. For taxpayers who reside outside of the metropolitan commuter
10 transportation district created and established pursuant to section
11 twelve hundred sixty-two of the public authorities law:

| | | |
|----|---------------------------------------|---|
| 12 | If the New York taxable income is: | The tax is: |
| 13 | Not over \$12,800 | 4% of the New York taxable income |
| 14 | Over \$12,800 but not over \$17,650 | \$512 plus 4.5% of excess over \$12,800 |
| 15 | Over \$17,650 but not over \$20,900 | \$730 plus 5.25% of excess over |
| 16 | | \$17,650 |
| 17 | Over \$20,900 but not over \$32,200 | \$901 plus 5.9% of excess over \$20,900 |
| 18 | Over \$32,200 but not over \$107,650 | \$1,568 plus 6.09% of excess over |
| 19 | | \$32,200 |
| 20 | Over \$107,650 but not over \$269,300 | \$6,162 plus 6.41% of excess over |
| 21 | | \$107,650 |
| 22 | Over \$269,300 | \$16,524 plus 6.85% of excess over |
| 23 | | \$269,300 |

24 2. For taxpayers who resided within the metropolitan commuter trans-
25 portation district created and established pursuant to section twelve
26 hundred sixty-two of the public authorities law:

| | | |
|----|--|--|
| 27 | <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
| 28 | <u>Not over \$12,800</u> | <u>4% of the New York taxable income</u> |
| 29 | <u>Over \$12,800 but not over \$17,650</u> | <u>\$512 plus 4.5% of excess over \$12,800</u> |
| 30 | <u>Over \$17,650 but not over \$20,900</u> | <u>\$730 plus 5.25% of excess over</u> |
| 31 | | <u>\$17,650</u> |
| 32 | <u>Over \$20,900 but not over \$32,200</u> | <u>\$901 plus 5.9% of excess over \$20,900</u> |
| 33 | <u>Over \$32,200 but not over \$107,650</u> | <u>\$1,568 plus 6.09% of excess over</u> |
| 34 | | <u>\$32,200</u> |
| 35 | <u>Over \$107,650 but not over \$269,300</u> | <u>\$6,162 plus 6.41% of excess over</u> |
| 36 | | <u>\$107,650</u> |
| 37 | <u>Over \$269,300 but not over</u> | <u>\$16,524 plus 6.85% of excess over</u> |
| 38 | <u>\$1,605,650</u> | <u>\$269,300</u> |
| 39 | <u>Over \$1,605,650 but not over</u> | <u>\$108,064 plus 8.98% of excess</u> |
| 40 | <u>\$5,500,000</u> | <u>over \$1,605,650</u> |
| 41 | <u>Over \$5,500,000 but not over</u> | <u>\$457,777 plus 9.08% of excess</u> |
| 42 | <u>\$10,500,000</u> | <u>over \$5,500,000</u> |
| 43 | <u>Over \$10,500,000</u> | <u>\$911,777 plus 9.28% of excess</u> |
| 44 | | <u>over \$10,500,000</u> |

45 § 5. Clauses (i), (ii) and (iii) of subparagraph (B) of paragraph 1 of
46 subsection (c) of section 601 of the tax law, as added by section 3 of
47 part R of chapter 59 of the laws of 2017, are amended to read as
48 follows:

49 (i) For taxable years beginning in two thousand eighteen the following
50 rates shall apply:

51 1. For taxpayers who reside outside of the metropolitan commuter
52 transportation district created and established pursuant to section
53 twelve hundred sixty-two of the public authorities law:

| | | |
|----|------------------------------------|-----------------------------------|
| 54 | If the New York taxable income is: | The tax is: |
| 55 | Not over \$8,500 | 4% of the New York taxable income |
| 56 | Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over |

| | | |
|----|---|------------------------------------|
| 1 | | \$8,500 |
| 2 | Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over |
| 3 | | \$11,700 |
| 4 | Over \$13,900 but not over \$21,400 | \$600 plus 5.9% of excess over |
| 5 | | \$13,900 |
| 6 | Over \$21,400 but not over \$80,650 | \$1,042 plus 6.33% of excess over |
| 7 | | \$21,400 |
| 8 | Over \$80,650 but not over \$215,400 | \$4,793 plus 6.57% of excess over |
| 9 | | \$80,650 |
| 10 | Over \$215,400 but not over \$1,077,550 | \$13,646 plus 6.85% of excess over |
| 11 | | \$215,400 |
| 12 | Over \$1,077,550 | \$72,703 plus 8.82% of excess over |
| 13 | | \$1,077,550 |

2. For taxpayers who resided within the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty-two of the public authorities law:

| <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
|--|--|
| 18 <u>Not over \$8,500</u> | <u>4% of the New York taxable income</u> |
| 19 <u>Over \$8,500 but not over \$11,700</u> | <u>\$340 plus 4.5% of excess over</u> |
| 20 | <u>\$8,500</u> |
| 21 <u>Over \$11,700 but not over \$13,900</u> | <u>\$484 plus 5.25% of excess over</u> |
| 22 | <u>\$11,700</u> |
| 23 <u>Over \$13,900 but not over \$21,400</u> | <u>\$600 plus 5.9% of excess over</u> |
| 24 | <u>\$13,900</u> |
| 25 <u>Over \$21,400 but not over \$80,650</u> | <u>\$1,042 plus 6.33% of excess over</u> |
| 26 | <u>\$21,400</u> |
| 27 <u>Over \$80,650 but not over \$215,400</u> | <u>\$4,793 plus 6.57% of excess over</u> |
| 28 | <u>\$80,650</u> |
| 29 <u>Over \$215,400 but not over</u> | <u>\$13,646 plus 6.85% of excess over</u> |
| 30 <u>\$1,070,350</u> | <u>\$215,400</u> |
| 31 <u>Over \$1,070,350 but not over</u> | <u>\$72,210 plus 8.98% of excess over</u> |
| 32 <u>\$5,000,000</u> | <u>\$1,070,350</u> |
| 33 <u>Over \$5,000,000 but not over</u> | <u>\$425,093 plus 9.08% of excess over</u> |
| 34 <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 35 <u>Over \$10,000,000</u> | <u>\$879,093 plus 9.28% of excess over</u> |
| 36 | <u>\$10,000,000</u> |

(ii) For taxable years beginning in two thousand nineteen the following rates shall apply:

1. For taxpayers who reside outside of the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty two of the public authorities law:

| <u>If the New York taxable income is:</u> | <u>The tax is:</u> |
|--|---|
| 43 <u>Not over \$8,500</u> | <u>4% of the New York taxable income</u> |
| 44 <u>Over \$8,500 but not over \$11,700</u> | <u>\$340 plus 4.5% of excess over</u> |
| 45 | <u>\$8,500</u> |
| 46 <u>Over \$11,700 but not over \$13,900</u> | <u>\$484 plus 5.25% of excess over</u> |
| 47 | <u>\$11,700</u> |
| 48 <u>Over \$13,900 but not over \$21,400</u> | <u>\$600 plus 5.9% of excess over</u> |
| 49 | <u>\$13,900</u> |
| 50 <u>Over \$21,400 but not over \$80,650</u> | <u>\$1,042 plus 6.21% of excess over</u> |
| 51 | <u>\$21,400</u> |
| 52 <u>Over \$80,650 but not over \$215,400</u> | <u>\$4,721 plus 6.49% of excess over</u> |
| 53 | <u>\$80,650</u> |
| 54 <u>Over \$215,400 but not over</u> | <u>\$13,467 plus 6.85% of excess over</u> |
| 55 <u>\$1,077,550</u> | <u>\$215,400</u> |
| 56 <u>Over \$1,077,550</u> | <u>\$72,524 plus 8.82% of excess over</u> |

\$1,077,550

2. For taxpayers who resided within the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty-two of the public authorities law:

If the New York taxable income is:

The tax is:

| | |
|---|---|
| <u>Not over \$8,500</u> | <u>4% of the New York taxable income</u> |
| <u>Over \$8,500 but not over \$11,700</u> | <u>\$340 plus 4.5% of excess over \$8,500</u> |
| <u>Over \$11,700 but not over \$13,900</u> | <u>\$484 plus 5.25% of excess over \$11,700</u> |
| <u>Over \$13,900 but not over \$21,400</u> | <u>\$600 plus 5.9% of excess over \$13,900</u> |
| <u>Over \$21,400 but not over \$80,650</u> | <u>\$1,042 plus 6.21% of excess over \$21,400</u> |
| <u>Over \$80,650 but not over \$215,400</u> | <u>\$4,721 plus 6.49% of excess over \$80,650</u> |
| <u>Over \$215,400 but not over \$1,070,350</u> | <u>\$13,467 plus 6.85% of excess over \$215,400</u> |
| <u>Over \$1,070,350 but not over 5,000,000</u> | <u>\$72,031 plus 8.98% of excess over \$1,070,350</u> |
| <u>Over \$5,000,000 but not over \$10,000,000</u> | <u>\$424,914 plus 9.08% of excess over \$5,000,000</u> |
| <u>Over \$10,000,000</u> | <u>\$878,914 plus 9.28% of excess over \$10,000,000</u> |

(iii) For taxable years beginning in two thousand twenty the following rates shall apply:

1. For taxpayers who reside outside of the metropolitan commuter transportation district created and established pursuant to section twelve hundred sixty-two of the public authorities law:

If the New York taxable income is:

The tax is:

| | |
|--------------------------------------|--|
| Not over \$8,500 | 4% of the New York taxable income |
| Over \$8,500 but not over \$11,700 | \$340 plus 4.5% of excess over \$8,500 |
| Over \$11,700 but not over \$13,900 | \$484 plus 5.25% of excess over \$11,700 |
| Over \$13,900 but not over \$21,400 | \$600 plus 5.9% of excess over \$13,900 |
| Over \$21,400 but not over \$80,650 | \$1,042 plus 6.09% of excess over \$21,400 |
| Over \$80,650 but not over \$215,400 | \$4,650 plus 6.41% of excess over \$80,650 |
| Over \$215,400 | \$13,288 plus 6.85% of excess over \$215,400 |

2. For taxpayers who resided within the metropolitan commuter transportation district created and established pursuant to the section twelve hundred sixty-two of the public authorities law:

If the New York taxable income is:

The tax is:

| | |
|--|---|
| <u>Not over \$8,500</u> | <u>4% of the New York taxable income</u> |
| <u>Over \$8,500 but not over \$11,700</u> | <u>\$340 plus 4.5% of excess over \$8,500</u> |
| <u>Over \$11,700 but not over \$13,900</u> | <u>\$484 plus 5.25% of excess over \$11,700</u> |
| <u>Over \$13,900 but not over \$21,400</u> | <u>\$600 plus 5.9% of excess over \$13,900</u> |
| <u>Over \$21,400 but not over \$80,650</u> | <u>\$1,042 plus 6.09% of excess over</u> |

| | | |
|----|---|--|
| 1 | | <u>\$21,400</u> |
| 2 | <u>Over \$80,650 but not over \$215,400</u> | <u>\$4,650 plus 6.41% of excess over</u> |
| 3 | | <u>\$80,650</u> |
| 4 | <u>Over \$215,400 but not over</u> | <u>\$13,288 plus 6.85% of excess over</u> |
| 5 | <u>\$1,070,350</u> | <u>\$215,400</u> |
| 6 | <u>Over \$1,070,350 but not over</u> | <u>\$71,852 plus 8.98% of excess over</u> |
| 7 | <u>\$5,000,000</u> | <u>\$1,070,350</u> |
| 8 | <u>Over \$5,000,000 but not over</u> | <u>\$424,735 plus 9.08% of excess over</u> |
| 9 | <u>\$10,000,000</u> | <u>\$5,000,000</u> |
| 10 | <u>Over \$10,000,000</u> | <u>\$878,735 plus 9.28% of excess over</u> |
| 11 | | <u>\$10,000,000</u> |

12 § 6. Section 601 of the tax law is amended by adding a new subsection
13 (d-2) to read as follows:

14 (d-2) Alternative tax table benefit recapture in metropolitan commuter
15 transportation district. For taxable years beginning on or after Janu-
16 ary first, two thousand eighteen and before January first, two thousand
17 twenty-one for a taxpayer residing in the metropolitan commuter trans-
18 portation district created and established pursuant to section twelve
19 hundred sixty-two of the public authorities law whose New York taxable
20 income is over \$2,000,000 if the taxpayer is married filing jointly,
21 over \$1,605,650 if the taxpayer is a head of household, or over
22 \$1,070,350 if the taxpayer files singly, there is hereby imposed a
23 supplemental tax in addition to the tax imposed under subsections (a),
24 (b) and (c) of this section for the purpose of recapturing the benefit
25 of the tax tables contained in such subsections. During these taxable
26 years, any reference in this chapter to subsection (d) of this section
27 shall be read as a reference to this subsection.

28 (1) For such resident married individuals filing joint returns and
29 resident surviving spouses, the supplemental tax shall be an amount
30 equal to the sum of the tax table benefits described in subparagraphs
31 (A), (B) and (C) of this paragraph multiplied by their respective frac-
32 tions in such subparagraphs.

33 (A) The tax table benefit is the difference between (i) the amount of
34 taxable income set forth in the tax table in item two of clause (i),
35 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (a) of
36 this section not subject to the 8.98 percent rate of tax for the taxable
37 year multiplied by such rate and (ii) the dollar denominated tax for
38 such amount of taxable income set forth in the tax table applicable to
39 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
40 graph (B) of paragraph one of subsection (a) of this section less the
41 sum of tax table benefits in subparagraphs (A), (B) and (C) of para-
42 graph one of subsection (d-1) of this section. The fraction for this subpara-
43 graph is computed as follows: the numerator is the lesser of fifty thou-
44 sand dollars or the excess of New York adjusted gross income for the
45 taxable year over two million dollars and the denominator is fifty thou-
46 sand dollars.

47 (B) The tax table benefit is the difference between (i) the amount of
48 taxable income set forth in the tax table in item two of clause (i),
49 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (a) of
50 this section not subject to the 9.08 percent rate of tax for the taxable
51 year multiplied by such rate and (ii) the dollar denominated tax for
52 such amount of taxable income set forth in the tax table applicable to
53 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
54 graph (B) of paragraph one of subsection (a) of this section less the
55 sum of the tax table benefits in subparagraphs (A), (B) and (C) of para-
56 graph one of subsection (d-1) of this section and such tax table benefit

1 in subparagraph (A) of this paragraph. The fraction for this subpara-
2 graph is computed as follows: the numerator is the lesser of fifty thou-
3 sand dollars or the excess of New York adjusted gross income for the
4 taxable year over six million dollars and the denominator is fifty thou-
5 sand dollars. Provided, however, this subparagraph shall not apply to
6 taxpayers who are not subject to the 9.08 percent tax rate.

7 (C) The tax table benefit is the difference between (i) the amount of
8 taxable income set forth in the tax table in item two of clause (i),
9 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (a) of
10 this section not subject to the 9.28 percent rate of tax for the taxable
11 year multiplied by such rate and (ii) the dollar denominated tax for
12 such amount of taxable income set forth in the tax table applicable to
13 the taxable year in item one of clause (i), (ii) or (iii) of paragraph
14 (B) of paragraph one of subsection (a) of this section less the sum of
15 the tax table benefits in subparagraphs (A), (B) and (C) of paragraph
16 one of subsection (d-1) of this section and such tax table benefits in
17 subparagraphs (A) and (B) of this paragraph. The fraction for this
18 subparagraph is computed as follows: the numerator is the lesser of
19 fifty thousand dollars or the excess of New York adjusted gross income
20 for the taxable year over eleven million dollars and the denominator is
21 fifty thousand dollars. Provided, however, this subparagraph shall not
22 apply to taxpayers who are not subject to the 9.28 percent tax rate.

23 (D) Provided, however, the total tax prior to the application of any
24 tax credits shall not exceed the highest rate of tax set forth in the
25 tax tables in subsection (a) of this section multiplied by the taxpay-
26 er's taxable income.

27 (2) For such resident heads of households, the supplemental tax shall
28 be an amount equal to the sum of the tax table benefits described in
29 subparagraphs (A), (B) and (C) of this paragraph multiplied by their
30 respective fractions in such subparagraphs.

31 (A) The tax table benefit is the difference between (i) the amount of
32 taxable income set forth in the tax table in item two of clause (i),
33 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (b) of
34 this section not subject to the 8.98 percent rate of tax for the taxable
35 year multiplied by such rate and (ii) the dollar denominated tax for
36 such amount of taxable income set forth in the tax table applicable to
37 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
38 graph (B) of paragraph one of subsection (b) of this section less the
39 sum of the tax table benefits in subparagraphs (A) and (B) of paragraph
40 two of subsection (d-1) of this section. The fraction for this subpara-
41 graph is computed as follows: the numerator is the lesser of fifty thou-
42 sand dollars or the excess of New York adjusted gross income for the
43 taxable year over one million six hundred five thousand six hundred
44 fifty dollars and the denominator is fifty thousand dollars.

45 (B) The tax table benefit is the difference between (i) the amount of
46 taxable income set forth in the tax table in item two of clause (i),
47 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (b) of
48 this section not subject to the 9.08 percent rate of tax for the taxable
49 year multiplied by such rate and (ii) the dollar denominated tax for
50 such amount of taxable income set forth in the tax table applicable to
51 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
52 graph (B) of paragraph one of subsection (b) of this section less the
53 sum of the tax table benefits in subparagraphs (A) and (B) of paragraph
54 two of subsection (d-1) of this section and such tax table benefit in
55 subparagraph (A) of this paragraph. The fraction for this subparagraph
56 is computed as follows: the numerator is the lesser of fifty thousand

1 dollars or the excess of New York adjusted gross income for the taxable
2 year over five million five hundred thousand dollars and the denominator
3 is fifty thousand dollars. Provided, however, this subparagraph shall
4 not apply to taxpayers who are not subject to the 9.08 percent tax rate.

5 (C) The tax table benefit is the difference between (i) the amount of
6 taxable income set forth in the tax table in item two of clause (i),
7 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (b) of
8 this section not subject to the 9.28 percent rate of tax for the taxable
9 year multiplied by such rate and (ii) the dollar denominated tax for
10 such amount of taxable income set forth in the tax table applicable to
11 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
12 graph (B) of paragraph one of subsection (b) of this section less the
13 sum of the tax table benefits in subparagraphs (A) and (B) of paragraph
14 two of subsection (d-1) of this section and such tax table benefits in
15 subparagraphs (A) and (B) of this paragraph. The fraction for this
16 subparagraph is computed as follows: the numerator is the lesser of
17 fifty thousand dollars or the excess of New York adjusted gross income
18 for the taxable year over ten million five hundred thousand dollars and
19 the denominator is fifty thousand dollars.

20 (D) Provided, however, the total tax prior to the application of any
21 tax credits shall not exceed the highest rate of tax set forth in the
22 tax tables in subsection (b) of this section multiplied by the taxpay-
23 er's taxable income.

24 (3) For such resident unmarried individuals, resident married individ-
25 uals filing separate returns and resident estates and trusts, the
26 supplemental tax shall be an amount equal to the sum of the tax table
27 benefits described in subparagraphs (A), (B) and (C) of this paragraph
28 multiplied by their respective fractions in such subparagraphs.

29 (A) The tax table benefit is the difference between (i) the amount of
30 taxable income set forth in the tax table in item two of clause (i),
31 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (c) of
32 this section not subject to the 8.98 percent rate of tax for the taxable
33 year multiplied by such rate and (ii) the dollar denominated tax for
34 such amount of taxable income set forth in the tax table applicable to
35 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
36 graph (B) of paragraph one of subsection (c) of this section less the
37 sum of tax table benefits in subparagraphs (A) and (B) of paragraph
38 three of subsection (d-1) of this section. The fraction for this
39 subparagraph is computed as follows: the numerator is the lesser of
40 fifty thousand dollars or the excess of New York adjusted gross income
41 for the taxable year over one million seventy thousand three hundred
42 fifty dollars and the denominator is fifty thousand dollars.

43 (B) The tax table benefit is the difference between (i) the amount of
44 taxable income set forth in the tax table in item two of clause (i),
45 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (c) of
46 this section not subject to the 9.08 percent rate of tax for the taxable
47 year multiplied by such rate and (ii) the dollar denominated tax for
48 such amount of taxable income set forth in the tax table applicable to
49 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
50 graph (B) of paragraph one of subsection (c) of this section less the
51 sum of the tax table benefits in subparagraphs (A) and (B) of paragraph
52 three of subsection (d-1) of this section and such tax table benefit in
53 subparagraph (A) of this paragraph. The fraction for this subparagraph
54 is computed as follows: the numerator is the lesser of fifty thousand
55 dollars or the excess of New York adjusted gross income for the taxable
56 year over five million dollars and the denominator is fifty thousand

1 dollars. Provided, however, this subparagraph shall not apply to taxpay-
2 ers who are not subject to the 9.08 percent tax rate.

3 (C) The tax table benefit is the difference between (i) the amount of
4 taxable income set forth in the tax table in item two of clause (i),
5 (ii) or (iii) of subparagraph (B) of paragraph one of subsection (c) of
6 this section not subject to the 9.28 percent rate of tax for the taxable
7 year multiplied by such rate and (ii) the dollar denominated tax for
8 such amount of taxable income set forth in the tax table applicable to
9 the taxable year in item one of clause (i), (ii) or (iii) of subpara-
10 graph (B) of paragraph one of subsection (c) of this section less the
11 sum of the tax table benefits in subparagraphs (A) and (B) of paragraph
12 three of subsection (d-1) of this section and such tax table benefits in
13 subparagraphs (A) and (B) of this paragraph. The fraction for this
14 subparagraph is computed as follows: the numerator is the lesser of
15 fifty thousand dollars or the excess of New York adjusted gross income
16 for the taxable year over ten million dollars and the denominator is
17 fifty thousand dollars.

18 (D) Provided, however, the total tax prior to the application of any
19 tax credits shall not exceed the highest rate of tax set forth in the
20 tax tables in subsection (c) of this section multiplied by the taxpay-
21 er's taxable income.

22 § 7. The tax law is amended by adding a new section 1104-a to read as
23 follows:

24 § 1104-a. Metropolitan transportation authority hotel unit fee. (a)
25 Imposition. In addition to any other fee or tax imposed by this article
26 or any other law, there is hereby imposed within the territorial limits
27 of a city with a population of a million or more and there shall be paid
28 a unit fee on every occupancy of a unit in a hotel in such city at the
29 rate of five dollars per unit per day, except that such unit fee shall
30 not be imposed upon (1) occupancy by a permanent resident or (2) where
31 the rent per unit is not more than at the rate of two dollars per day.

32 (b) Administration and enforcement. The unit fee imposed by this
33 section shall be administered and collected in a like manner as the tax
34 imposed by subdivision (e) of section eleven hundred five of this arti-
35 cle. All the provisions of this article (except sections eleven hundred
36 seven, eleven hundred eight and eleven hundred nine), including the
37 definition and exemption provisions, relating to or applicable to the
38 administration, collection and disposition of the tax imposed by subdivi-
39 vision (e) of such section eleven hundred five of this article shall
40 apply to the unit fee imposed by this section so far as such provisions
41 can be made applicable to such unit fee with such limitations as are set
42 forth in this article, and such modifications as are set forth in this
43 section and as may be necessary in order to adopt such language to the
44 unit fee so imposed. Such provisions shall apply with the same force and
45 effect as if the language of those provisions had been incorporated in
46 full in this section and had expressly referred to the unit fee imposed
47 by this section, except to the extent that any provision is either
48 inconsistent with a provision of this section or is not relevant to the
49 unit fee imposed by this section. For purposes of this section, unless a
50 different meaning is clearly required: (1) any reference in this article
51 to the tax or taxes imposed by this article shall be deemed to refer
52 also to the unit fee imposed by this section; and (2) any reference to
53 tax, taxes or sales tax in section eighteen hundred seventeen of this
54 chapter shall be deemed to refer also to the unit fee imposed by this
55 section.

1 (c) Transitional provision. The unit fee imposed by this section shall
2 be paid on any occupancy on or after the effective date of this section,
3 although such occupancy is pursuant to a prior contract, lease or other
4 arrangement. Where the charge for occupancy is paid on a weekly, monthly
5 or other term basis, the occupancy shall be subject to the unit fee
6 imposed by this section to the extent that it covers any day on or after
7 the effective date of this section. Where a person occupies a unit for
8 less than a full day and pays less than the rent for a full day, the
9 unit fee due pursuant to this section shall nevertheless be the same
10 amount as would be due had such person occupied the unit for a full day
11 at the rent for a full day.

12 (d) Deposit and disposition of revenue. (1) Notwithstanding any
13 provision of law to the contrary, the fees, interest and penalties
14 imposed by this section and received by the commissioner, after deduct-
15 ing the amount which the commissioner shall determine to be necessary
16 for reasonable costs to administer, collect and distribute such fees,
17 penalties and interest, shall be deposited daily with such responsible
18 banks, banking houses or trust companies, as may be designated by the
19 comptroller, to the credit of the comptroller, to be held in trust for
20 the metropolitan transportation authority established by title eleven of
21 article five of the public authorities law. Such an account may be
22 established in one or more of such depositories. Such deposits shall be
23 kept separate and apart from all other money in the possession of the
24 comptroller. The comptroller shall require adequate security from all
25 such depositories. Of the total revenue collected or received under
26 this section, the comptroller shall retain in the comptroller's hands
27 such amount as the commissioner may determine to be necessary for
28 refunds under this section.

29 (2) On or before the twelfth day of each month: (A) after reserving
30 such amount for such refunds and such costs, the commissioner shall
31 certify to the comptroller the amount of all revenues so received during
32 the prior month as a result of the fees, interest and penalties so
33 imposed; and (B) the amount of revenues so certified shall be paid by
34 the comptroller to the chief fiscal officer of the metropolitan trans-
35 portation authority for disposition by such authority in accordance with
36 title eleven of article five of the public authorities law.

37 § 8. Subdivision (g) of section 1116 of the tax law, as amended by
38 chapter 3 of the laws of 2004, is amended to read as follows:

39 (g) For purposes of paragraph five of subdivision (a) of this section,
40 duly authorized representatives of any such post or organization, while
41 acting on behalf of such post or organization, shall not be subject to
42 the tax imposed under subdivision (e) of section eleven hundred five
43 ~~[e]~~, the unit fee imposed by section eleven hundred four of this arti-
44 cle or the unit fee imposed by section eleven hundred four-a of this
45 article, provided that such representatives provide an exempt organiza-
46 tion certificate from such post or organization certifying that such
47 representative is acting on its behalf.

48 § 9. Section 1148 of the tax law, as amended by section 57 of part HH
49 of chapter 57 of the laws of 2013, is amended to read as follows:

50 § 1148. Deposit and disposition of revenue. All taxes, interest and
51 penalties collected or received by the commissioner under this article
52 shall be deposited and disposed of pursuant to the provisions of section
53 one hundred seventy-one-a of this chapter; provided however, the comp-
54 troller shall on or before the twelfth day of each month, pay all such
55 taxes, interest and penalties collected under this article and remaining
56 to the comptroller's credit in such banks, banking houses or trust

1 companies at the close of business on the last day of the preceding
2 month, into the general fund of the state treasury, except as otherwise
3 provided in sections ninety-two-d, ninety-two-h, and ninety-two-r of the
4 state finance law and sections eleven hundred two, eleven hundred four,
5 eleven hundred four-a and eleven hundred nine of this article.

6 § 10. Subdivision (h) of section 1817 of the tax law, as amended by
7 section 30 of subpart I of part V-1 of chapter 57 of the laws of 2009,
8 is amended to read as follows:

9 (h) The penalties provided for in this section shall not preclude
10 prosecution pursuant to the penal law with respect to the willful fail-
11 ure of any person to pay over to the state any sales tax imposed by
12 section eleven hundred four, eleven hundred four-a, eleven hundred five,
13 eleven hundred seven, eleven hundred eight or eleven hundred nine of
14 this chapter or by any local law adopted by any city or county pursuant
15 to article twenty-nine of this chapter, whenever such person has been
16 required to collect and has collected any such sales tax. In any such
17 prosecution under the penal law, a person who has been required to
18 collect and has collected any such tax shall be deemed to have acted in
19 a fiduciary character with respect to the state or a political subdivi-
20 sion thereof, and the tax collected shall be deemed to have been
21 entrusted to such person by the state or a political subdivision there-
22 of.

23 § 11. Notwithstanding any provision of law to the contrary, and in
24 accordance with section 4 of the state finance law, the comptroller is
25 hereby authorized and directed to transfer on April 1, 2018, April 1,
26 2019 and April 1, 2020, \$2,072,000,000 from the general fund to the MTA
27 financial assistance fund, mobility tax trust account.

28 § 12. This act shall take effect immediately; provided that:

29 (a) sections seven, eight, nine and ten of this act shall take effect
30 January 1, 2018; and

31 (b) sections one, two, seven, eight, nine, ten and eleven of this act
32 shall expire and be deemed repealed January 1, 2021.