# STATE OF NEW YORK

7378

# IN SENATE

January 22, 2020

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to extending the top state income tax rate; and to amend the state finance law, in relation to foundation aid funding

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

Section 1. Clauses (iv), (v), (vi), (vii) and (viii) of subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law, clauses (iv), (v), (vi) and (vii) as amended by section 1 of part P of chapter 59 of the laws of 2019, and clause (viii) as added by section 1 of part R of chapter 59 of the laws of 2017, are amended to read as follows:

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

| If the New York taxable income is: | The tax is: |
|---|---|
| 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 5.97% of excess over $43,000 |
| Over $161,550 but not over $323,200 | $9,170 plus 6.33% of excess over $161,550 |
| Over $323,200 but not over [~~$2,155,350~~] **$1,000,000** | $19,403 plus 6.85% of excess over $323,200 |
| **Over $1,000,000 but not over $5,000,000** | **$65,764 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$450,564 plus 10.32% of excess over $5,000,000** |

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

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| | |
|---|---|
| Over $10,000,000 but not over $100,000,000 | $966,564 plus 11.32% of excess over $10,000,000 |
| Over [~~$2,155,350~~ $100,000,000 | ~~$144,905 plus 8.82% of excess over $2,155,350~~] $11,154,564 plus 11.82% of excess over $100,000,000 |

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

| If the New York taxable income is: | The tax is: |
|---|---|
| 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 $161,550 | $1,202 plus 5.85% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $9,021 plus 6.25% of excess over $161,550 |
| Over $323,200 but not over [~~$2,155,350~~] $1,000,000 | $19,124 plus 6.85% of excess over $323,200 |
| Over $1,000,000 but not over $5,000,000 | $65,485 plus 9.62% of excess over $1,000,000 |
| Over $5,000,000 but not over $10,000,000 | $450,285 plus 10.32% of excess over $5,000,000 |
| Over $10,000,000 but not over $100,000,000 | $966,285 plus 11.32% of excess over $10,000,000 |
| Over [~~$2,155,350~~ $100,000,000 | ~~$144,626 plus 8.82% of excess over $2,155,350~~] $11,154,285 plus 11.85% of excess over $100,000,000 |

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

| If the New York taxable income is: | The tax is: |
|---|---|
| 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 $161,550 | $1,202 plus 5.73% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $8,860 plus 6.17% of excess over $161,550 |
| Over $323,200 but not over [~~$2,155,350~~] $1,000,000 | $18,834 plus 6.85% of excess over $323,200 |
| Over $1,000,000 but not over $5,000,000 | $65,195 plus 9.62% of excess over $1,000,000 |
| Over $5,000,000 but not over $10,000,000 | $449,995 plus 10.32% of excess over $5,000,000 |
| Over $10,000,000 but not over $100,000,000 | $965,995 plus 11.32% of excess over $10,000,000 |
| Over [~~$2,155,350~~ $100,000,000 | ~~$144,336 plus 8.82% of excess over $2,155,350~~] $11,153,995 plus 11.82% of excess over $100,000,000 |

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

| If the New York taxable income is: | The tax is: |
|---|---|
| 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 $161,550 | $1,202 plus 5.61% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $8,700 plus 6.09% of excess over $161,550 |
| Over $323,200 but not over [~~$2,155,350~~] **$1,000,000** | $18,544 plus 6.85% of excess over $323,200 |
| **Over $1,000,000 but not over $5,000,000** | **$64,905 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$449,705 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$965,705 plus 11.32% of excess over $10,000,000** |
| Over [~~$2,155,350~~] **$100,000,000** | ~~$144,047 plus 8.82% of excess over $2,155,350~~] **$11,153,705 plus 11.82% of excess over $100,000,000** |

(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| 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 $161,550 | $1,202 plus 5.5% of excess over $27,900 |
| Over $161,550 but not over $323,200 | $8,553 plus 6.00% of excess over $161,550 |
| Over $323,200 **but not over $1,000,000** | $18,252 plus 6.85% of excess over $323,200 |
| **Over $1,000,000 but not over $5,000,000** | **$64,613 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$449,413 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$965,413 plus 11.32% of excess over $10,000,000** |
| **Over $100,000,000** | **$11,152,554 plus 11.82% of excess over $100,000,000** |

§ 2. Clauses (iv), (v), (vi), (vii) and (viii) of subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law, clauses (iv), (v), (vi) and (vii) as amended by section 2 of part P of chapter 59 of the laws of 2019, and clause (viii) as added by section 2 of part R of chapter 59 of the laws of 2017, are amended to read as follows:

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

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over |

| | |
|---|---|
| | $17,650 |
| Over $20,900 but not over $32,200 | $901 plus 5.9% of excess over $20,900 |
| Over $32,200 but not over $107,650 | $1,568 plus 5.97% of excess over $32,200 |
| Over $107,650 but not over $269,300 | $6,072 plus 6.33% of excess over $107,650 |
| Over $269,300 but not over [~~$1,616,450~~] $1,000,000 | $16,304 plus 6.85% of excess over $269,300 |
| Over $1,000,000 but not over $5,000,000 | $66,357 plus 9.62% of excess over $1,000,000 |
| Over $5,000,000 but not over $10,000,000 | $451,157 plus 10.32% of excess over $5,000,000 |
| Over $10,000,000 but not over $100,000,000 | $967,157 plus 11.32% of excess over $10,000,000 |
| Over [~~$1,616,450~~] $100,000,000 | [~~$108,584 plus 8.82% of excess over $1,616,450~~] $11,155,157 plus 11.82% of excess over $100,000,000 |

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

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.85% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,976 plus 6.25% of excess over $107,650 |
| Over $269,300 but not over [~~$1,616,450~~] $1,000,000 | $16,079 plus 6.85% of excess over $269,300 |
| Over $1,000,000 but not over $5,000,000 | $66,132 plus 9.62% of excess over $1,000,000 |
| Over $5,000,000 but not over $10,000,000 | $450,932 plus 10.32% of excess over $5,000,000 |
| Over $10,000,000 but not over $100,000,000 | $966,932 plus 11.32% of excess over $10,000,000 |
| Over [~~$1,616,450~~] $100,000,000 | [~~$108,359 plus 8.82% of excess over $1,616,450~~] $11,154,932 plus 11.82% of excess over $100,000,000 |

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

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.73% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,872 plus 6.17% of excess over |

| | |
|---|---|
| | $107,650 |
| Over $269,300 but not over [~~$1,616,450~~] **$1,000,000** | $15,845 plus 6.85% of excess over $269,300 |
| **Over $1,000,000 but not over $5,000,000** | **$65,898 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$450,698 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$966,698 plus 11.32% of excess over $10,000,000** |
| Over [~~$1,616,450~~ | ~~$108,125 plus 8.82% of excess over $1,616,450~~] |
| **$100,000,000** | **$11,154,698 plus 11.82% of excess over $100,000,000** |

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

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.61% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,768 plus 6.09% of excess over $107,650 |
| Over $269,300 but not over [~~$1,616,450~~] **$1,000,000** | $15,612 plus 6.85% of excess over $269,300 |
| **Over $1,000,000 but not over $5,000,000** | **$65,665 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$450,465 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$966,465 plus 11.32% of excess over $10,000,000** |
| Over [~~$1,616,450~~ | ~~$107,892 plus 8.82% of excess over $1,616,450~~] |
| **$100,000,000** | **$11,154,465 plus 11.82% of excess over $100,000,000** |

(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

| If the New York taxable income is: | The tax is: |
|---|---|
| Not over $12,800 | 4% of the New York taxable income |
| Over $12,800 but not over $17,650 | $512 plus 4.5% of excess over $12,800 |
| Over $17,650 but not over $20,900 | $730 plus 5.25% of excess over $17,650 |
| Over $20,900 but not over $107,650 | $901 plus 5.5% of excess over $20,900 |
| Over $107,650 but not over $269,300 | $5,672 plus 6.00% of excess over $107,650 |
| Over $269,300 **but not over $1,000,000** | $15,371 plus 6.85% of excess over $269,300 |
| **Over $1,000,000 but not over $5,000,000** | **$65,424 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$ 450,224 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over** | **$966,224 plus 11.32% of excess over** |

| | |
|---|---|
| **$100,000,000** | **$10,000,000** |
| **Over $100,000,000** | **$11,154,224 plus 11.82% of excess over $100,000,000** |

§ 3. Clauses (iv), (v), (vi), (vii) and (viii) of subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law, clauses (iv), (v), (vi) and (vii) as amended by section 3 of part P of chapter 59 of the laws of 2019, and clause (viii) as added by section 3 of part R of chapter 59 of the laws of 2017, are amended to read as follows:

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

| 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 5.97% of excess over $21,400 |
| Over $80,650 but not over $215,400 | $4,579 plus 6.33% of excess over $80,650 |
| Over $215,400 but not over [~~$1,077,550~~] **$1,000,000** | $13,109 plus 6.85% of excess over $215,400 |
| **Over $1,000,000 but not over $5,000,000** | **$66,855 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$451,655 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$967,655 plus 11.32% of excess over $10,000,000** |
| Over [~~$1,077,550~~ | ~~$72,166 plus 8.82% of excess over $1,077,550~~] |
| **$100,000,000** | **$11,155,655 plus 11.82% of excess over $100,000,000** |

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

| 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 $80,650 | $600 plus 5.85% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,504 plus 6.25% of excess over $80,650 |
| Over $215,400 but not over [~~$1,077,550~~] **$1,000,000** | $12,926 plus 6.85% of excess over $215,400 |
| **Over $1,000,000 but not over $5,000,000** | **$66,672 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$ 451,472 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$967,472 plus 11.32% of excess over $10,000,000** |
| Over [~~$1,077,550~~ | ~~$71,984 plus 8.82% of excess over $1,077,550~~] |

| | |
|---|---|
| **$100,000,000** | **$11,155,472 plus 11.82% of excess over $100,000,000** |

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

| 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 $80,650 | $600 plus 5.73% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,424 plus 6.17% of excess over $80,650 |
| Over $215,400 but not over [~~$1,077,550~~] **$1,000,000** | $12,738 plus 6.85% of excess over $215,400 |
| **Over $1,000,000 but not over $5,000,000** | **$66,484 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$ 451,284 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$967,284 plus 11.32% of excess over $10,000,000** |
| Over [~~$1,077,550~~ **$100,000,000** | ~~$71,796 plus 8.82% of excess over $1,077,550~~] **$11,155,284 plus 11.82% of excess over $100,000,000** |

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

| 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 $80,650 | $600 plus 5.61% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,344 plus 6.09% of excess over $80,650 |
| Over $215,400 but not over [~~$1,077,550~~] **$1,000,000** | $12,550 plus 6.85% of excess over $215,400 |
| **Over $1,000,000 but not over $5,000,000** | **$66,296 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$ 451,096 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$967,096 plus 11.32% of excess over $10,000,000** |
| Over [~~$1,077,550~~ **$100,000,000** | ~~$71,608 plus 8.82% of excess over $1,077,550~~] **$11,155,096 plus 11.82% of excess over $100,000,000** |

(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

| 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 $80,650 | $600 plus 5.50% of excess over $13,900 |
| Over $80,650 but not over $215,400 | $4,271 plus 6.00% of excess over $80,650 |
| Over $215,400 **but not over $1,000,000** | $12,356 plus 6.85% of excess over $215,400 |
| **Over $1,000,000 but not over $5,000,000** | **$66,102 plus 9.62% of excess over $1,000,000** |
| **Over $5,000,000 but not over $10,000,000** | **$450,902 plus 10.32% of excess over $5,000,000** |
| **Over $10,000,000 but not over $100,000,000** | **$966,902 plus 11.32% of excess over $10,000,000** |
| **Over $100,000,000** | **$11,154,902 plus 11.82% of excess over $100,000,000** |

§ 4. Section 171-a of the tax law, as separately amended by chapters 481 and 484 of the laws of 1981, is amended by adding a new subdivision 3 to read as follows:

**3. Notwithstanding subdivision one of this section or any other provision of law to the contrary, any increase in the taxes imposed pursuant to section six hundred one of this chapter attributable to the difference in the rate of such taxes for taxable years beginning in and after two thousand twenty-one and the rate of such taxes for taxable years beginning in two thousand twenty shall be deposited in the state lottery fund, created pursuant to section ninety-two-c of the state finance law, as such taxes are received. The amount for administrative costs shall be determined by the commissioner to represent reasonable costs of the department in administering, collecting, determining and distributing such taxes. Of the total revenue collected or received under such sections of this chapter, the comptroller shall retain in his hands such amount as the commissioner may determine to be necessary for refunds or reimbursements under such sections of this chapter out of which amount the comptroller shall pay any refunds or reimbursements to which taxpayers shall be entitled under provisions of such sections. The commissioner and the comptroller shall maintain a system of accounts showing the amount of revenue collected or received from each of the taxes imposed by such sections.**

§ 5. Section 92-c of the state finance law is amended by adding a new subdivision 3-a to read as follows:

**3-a. Moneys in such fund deposited pursuant to the provisions of subdivision three of section one hundred seventy-one-a of the tax law shall be appropriated or transferred only for foundation aid pursuant to section thirty-six hundred two of the education law.**

§ 6. This act shall take effect immediately, provided, however, that section four of this act shall take effect January 1, 2021 and shall apply to taxable years beginning on and after such date.