

# STATE OF NEW YORK

5382

2019-2020 Regular Sessions

## IN ASSEMBLY

February 11, 2019

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

AN ACT to amend the tax law, in relation to placing a limit upon the personal income tax by the state of New York

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

1 Section 1. The tax law is amended by adding a new section 608 to read  
2 as follows:

3 § 608. Limit upon the personal income tax levy by the state of New  
4 York.

5 1. Unless otherwise provided by law, the amount of personal income  
6 taxes that may be levied by or on behalf of the state of New York shall  
7 not exceed the tax levy limit established pursuant to this section.

8 2. When used in this section:

9 (a) "Allowable levy growth factor" for all fiscal years that begin  
10 after two thousand nineteen shall be the higher of: (i) one and two  
11 one-hundredths; or (ii) the sum of ninety-nine one-hundredths plus the  
12 inflation factor.

13 (b) "Available carryover" means the amount by which the tax levy for  
14 the prior fiscal year was below the tax levy limit for such fiscal year,  
15 if any, but no more than an amount that equals one and one-half percent  
16 of the tax levy limit for such fiscal year.

17 (c) "Coming fiscal year" means the fiscal year of the state government  
18 for which a tax levy limit shall be determined pursuant to this section.

19 (d) "Inflation factor" means the quotient of: (i) the average of the  
20 national consumer price indexes determined by the United States depart-  
21 ment of labor for the twelve-month period ending six months prior to the  
22 start of the coming fiscal year minus the average of the national  
23 consumer price indexes determined by the United States department of  
24 labor for the twelve-month period ending six months prior to the start  
25 of the prior fiscal year, divided by: (ii) the average of the national

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

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1 consumer price indexes determined by the United States department of  
2 labor for the twelve-month period ending six months prior to the start  
3 of the prior fiscal year, with the result expressed as a decimal to four  
4 places.

5 (e) "Prior fiscal year" means the fiscal year of the state immediately  
6 preceding the coming fiscal year.

7 (f) "Tax levy limit" means the amount of taxes authorized to be levied  
8 by or on behalf of the state pursuant to this section for fiscal years  
9 beginning after two thousand nineteen.

10 (g) "Tax" or "taxes" means personal income taxes levied by or on  
11 behalf of the state.

12 3. (a) Subject to the provisions of subdivision five of this section,  
13 beginning with the fiscal year that begins after two thousand nineteen,  
14 the state shall not adopt a budget that requires a tax levy that is  
15 greater than the tax levy limit for the coming fiscal year.

16 (b) The state shall calculate the tax levy limit applicable to the  
17 coming fiscal year which shall be determined as follows:

18 (i) Ascertain the total amount of taxes levied for the prior fiscal  
19 year.

20 (ii) Multiply the result by the allowable levy growth factor.

21 (iii) Add the available carryover, if any.

22 4. In the event the state's actual tax levy for a given fiscal year  
23 exceeds the tax levy limit by more than one percent of the tax levy  
24 limit, the state shall rebate the total amount that the actual tax levy  
25 exceeds the tax levy limit so that each individual filer receives a  
26 rebate of equal amount rounded down to the nearest cent, provided that  
27 no individual shall receive a rebate of a greater amount than the income  
28 taxes paid during the same fiscal year. These rebates shall be mailed  
29 in the form of checks payable to the filing individual no later than the  
30 first of September following the end of each fiscal year.

31 5. In the event the state's actual tax levy for a given fiscal year  
32 exceeds the tax levy limit as established pursuant to this section by  
33 less than one percent of the tax levy limit, the state shall place the  
34 excess amount of the levy in reserve in accordance with such require-  
35 ments as the state comptroller may prescribe, and shall use such funds  
36 and any interest earned thereon to offset the tax levy for the ensuing  
37 fiscal year.

38 § 2. This act shall take effect immediately.