

# STATE OF NEW YORK

4511

2019-2020 Regular Sessions

## IN SENATE

March 13, 2019

Introduced by Sen. SALAZAR -- 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 personal income tax rates and in relation to directing revenue generated from certain taxes to be deposited to the credit of the New York city housing authority

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

Section 1. Subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law is amended by adding a new clause (ix) to read as follows:

(ix) For taxable years beginning after two thousand nineteen, the following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Over \$1,000,000 but not over</u>	<u>\$66,578 plus 8.82% of excess over</u>
<u>\$5,000,000</u>	<u>\$1,000,000</u>
<u>Over \$5,000,000 but not over</u>	<u>\$419,378 plus 9.32% of excess over</u>
<u>\$10,000,000</u>	<u>\$5,000,000</u>
<u>Over \$10,000,000 but not over</u>	<u>\$885,378 plus 9.82% of excess over</u>
<u>\$100,000,000</u>	<u>\$10,000,000</u>
<u>Over \$100,000,000</u>	<u>\$9,723,378 plus 10.32% of excess</u>
	<u>over \$100,000,000</u>

§ 2. Subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law is amended by adding a new clause (ix) to read as follows:

(ix) For taxable years beginning after two thousand nineteen, the following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Over \$1,000,000 but not over</u>	<u>\$67,017 plus 8.82% of excess over</u>
<u>\$5,000,000</u>	<u>\$1,000,000</u>

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

LBD09982-02-9

<u>Over \$5,000,000 but not over</u>	<u>\$419,817 plus 9.32% of excess over</u>
<u>\$10,000,000</u>	<u>\$5,000,000</u>
<u>Over \$10,000,000 but not over</u>	<u>\$885,817 plus 9.82% of excess over</u>
<u>\$100,000,000</u>	<u>\$10,000,000</u>
<u>Over \$100,000,000</u>	<u>\$9,723,817 plus 10.32% of excess</u>
	<u>over \$100,000,000</u>

§ 3. Subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law is amended by adding a new clause (ix) to read as follows:

(ix) For taxable years beginning after two thousand nineteen, the following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Over \$1,000,000 but not over</u>	<u>\$67,391 plus 8.82% of excess over</u>
<u>\$5,000,000</u>	<u>\$1,000,000</u>
<u>Over \$5,000,000 but not over</u>	<u>\$420,191 plus 9.32% of excess over</u>
<u>\$10,000,000</u>	<u>\$5,000,000</u>
<u>Over \$10,000,000</u>	<u>\$886,191 plus 9.82% of excess over</u>
	<u>\$10,000,000</u>
<u>Over \$100,000,000</u>	<u>\$9,724,191 plus 10.32% of excess</u>
	<u>over \$100,000,000</u>

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

(d-2) Alternative tax table benefit recapture. For taxable years beginning after two thousand nineteen for a taxpayer whose New York taxable income is over \$1,000,000, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b) and (c) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d) of this section shall be read as a reference to this subsection.

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

(A) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in clause (ii) of subparagraph (B) of paragraph one of subsection (a) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in clause (ii) of subparagraph (B) of paragraph one of subsection (a) of this section less the sum of tax table benefits in subparagraphs (A), (B) and (C) of paragraph one of subsection (d-1) of this section. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million dollars and the denominator is fifty thousand dollars.

(B) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in clause (ii) of subparagraph (B) of paragraph one of subsection (a) of this section not subject to the 9.32 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in clause (ii) of subparagraph (B) of paragraph one of subsection (a) of

1 this section less the sum of the tax table benefits in subparagraphs  
2 (A), (B) and (C) of paragraph one of subsection (d-1) of this section  
3 and such tax table benefit in subparagraph (A) of this paragraph. The  
4 fraction for this subparagraph is computed as follows: the numerator is  
5 the lesser of fifty thousand dollars or the excess of New York adjusted  
6 gross income for the taxable year over five million dollars and the  
7 denominator is fifty thousand dollars. Provided, however, this subpara-  
8 graph shall not apply to taxpayers who are not subject to the 9.32  
9 percent tax rate.

10 (C) The tax table benefit is the difference between (i) the amount of  
11 taxable income set forth in the tax table in clause (ii) of subparagraph  
12 (B) of paragraph one of subsection (a) of this section not subject to  
13 the 9.82 percent rate of tax for the taxable year multiplied by such  
14 rate and (ii) the dollar denominated tax for such amount of taxable  
15 income set forth in the tax table applicable to the taxable year in  
16 clause (ii) of paragraph (B) of paragraph one of subsection (a) of this  
17 section less the sum of the tax table benefits in subparagraphs (A), (B)  
18 and (C) of paragraph one of subsection (d-1) of this section and such  
19 tax table benefits in subparagraphs (A) and (B) of this paragraph. The  
20 fraction for this subparagraph is computed as follows: the numerator is  
21 the lesser of fifty thousand dollars or the excess of New York adjusted  
22 gross income for the taxable year over ten million dollars and the  
23 denominator is fifty thousand dollars. Provided, however, this subpara-  
24 graph shall not apply to taxpayers who are not subject to the 9.82  
25 percent tax rate.

26 (D) The tax table benefit is the difference between (i) the amount of  
27 taxable income set forth in the tax table in clause (ii) of subparagraph  
28 (B) of paragraph one of subsection (a) of this section not subject to  
29 the 10.32 percent rate of tax for the taxable year multiplied by such  
30 rate and (ii) the dollar denominated tax for such amount of taxable  
31 income set forth in the tax table applicable to the taxable year in  
32 clause (ii) of subparagraph (B) of paragraph one of subsection (a) of  
33 this section less the sum of the tax table benefits in subparagraphs  
34 (A), (B) and (C) of paragraph one of subsection (d-1) of this section  
35 and such tax table benefits in subparagraphs (A), (B) and (C) of this  
36 paragraph. The fraction for this subparagraph is computed as follows:  
37 the numerator is the lesser of fifty thousand dollars or the excess of  
38 New York adjusted gross income for the taxable year over one hundred  
39 million dollars and the denominator is fifty thousand dollars.

40 (E) Provided, however, the total tax prior to the application of any  
41 tax credits shall not exceed the highest rate of tax set forth in the  
42 tax tables in subsection (a) of this section multiplied by the taxpay-  
43 er's taxable income.

44 (2) For resident heads of households, the supplemental tax shall be an  
45 amount equal to the sum of the tax table benefits described in subpara-  
46 graphs (A), (B), (C) and (D) of this paragraph multiplied by their  
47 respective fractions in such subparagraphs.

48 (A) The tax table benefit is the difference between (i) the amount of  
49 taxable income set forth in the tax table in clause (ii) of subparagraph  
50 (B) of paragraph one of subsection (b) of this section not subject to  
51 the 8.82 percent rate of tax for the taxable year multiplied by such  
52 rate and (ii) the dollar denominated tax for such amount of taxable  
53 income set forth in the tax table applicable to the taxable year in  
54 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of  
55 this section less the sum of the tax table benefits in subparagraphs (A)  
56 and (B) of paragraph two of subsection (d-1) of this section. The frac-

tion for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million dollars and the denominator is fifty thousand dollars.

(B) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section not subject to the 9.32 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of paragraph two of subsection (d-1) of this section and such tax table benefit in subparagraph (A) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over five million dollars and the denominator is fifty thousand dollars. Provided, however, this subparagraph shall not apply to taxpayers who are not subject to the 9.32 percent tax rate.

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section not subject to the 9.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of paragraph two of subsection (d-1) of this section and such tax table benefits in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over ten million dollars and the denominator is fifty thousand dollars.

(D) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section not subject to the 10.32 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in clause (ii) of subparagraph (B) of paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of paragraph two of subsection (d-1) of this section and such tax table benefits in subparagraphs (A), (B) and (C) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one hundred million dollars and the denominator is fifty thousand dollars.

(E) Provided, however, the total tax prior to the application of any tax credits shall not exceed the highest rate of tax set forth in the tax tables in subsection (b) of this section multiplied by the taxpayer's taxable income.

(3) For resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts, the supplemental tax shall be an amount equal to the sum of the tax table benefits

1 described in subparagraphs (A), (B), (C) and (D) of this paragraph  
2 multiplied by their respective fractions in such subparagraphs.

3 (A) The tax table benefit is the difference between (i) the amount of  
4 taxable income set forth in the tax table in clause (ii) of subparagraph  
5 (B) of paragraph one of subsection (c) of this section not subject to  
6 the 8.82 percent rate of tax for the taxable year multiplied by such  
7 rate and (ii) the dollar denominated tax for such amount of taxable  
8 income set forth in the tax table applicable to the taxable year in  
9 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of  
10 this section less the sum of tax table benefits in subparagraphs (A) and  
11 (B) of paragraph three of subsection (d-1) of this section. The frac-  
12 tion is computed as follows: the numerator is the lesser of fifty thou-  
13 sand dollars or the excess of New York adjusted gross income for the  
14 taxable year over one million dollars and the denominator is fifty thou-  
15 sand dollars.

16 (B) The tax table benefit is the difference between (i) the amount of  
17 taxable income set forth in the tax table in clause (ii) of subparagraph  
18 (B) of paragraph one of subsection (c) of this section not subject to  
19 the 9.32 percent rate of tax for the taxable year multiplied by such  
20 rate and (ii) the dollar denominated tax for such amount of taxable  
21 income set forth in the tax table applicable to the taxable year in  
22 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of  
23 this section less the sum of the tax table benefits in subparagraphs (A)  
24 and (B) of paragraph three of subsection (d-1) of this section and such  
25 tax table benefit in subparagraph (A) of this paragraph. The fraction  
26 for this subparagraph is computed as follows: the numerator is the less-  
27 er of fifty thousand dollars or the excess of New York adjusted gross  
28 income for the taxable year over five million dollars and the denomina-  
29 tor is fifty thousand dollars. Provided, however, this subparagraph  
30 shall not apply to taxpayers who are not subject to the 9.32 percent tax  
31 rate.

32 (C) The tax table benefit is the difference between (i) the amount of  
33 taxable income set forth in the tax table in clause (ii) of subparagraph  
34 (B) of paragraph one of subsection (c) of this section not subject to  
35 the 9.82 percent rate of tax for the taxable year multiplied by such  
36 rate and (ii) the dollar denominated tax for such amount of taxable  
37 income set forth in the tax table applicable to the taxable year in  
38 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of  
39 this section less the sum of the tax table benefits in subparagraphs (A)  
40 and (B) of paragraph three of subsection (d-1) of this section and such  
41 tax table benefits in subparagraphs (A) and (B) of this paragraph. The  
42 fraction for this subparagraph is computed as follows: the numerator is  
43 the lesser of fifty thousand dollars or the excess of New York adjusted  
44 gross income for the taxable year over ten million dollars and the  
45 denominator is fifty thousand dollars.

46 (D) The tax table benefit is the difference between (i) the amount of  
47 taxable income set forth in the tax table in clause (ii) of subparagraph  
48 (B) of paragraph one of subsection (c) of this section not subject to  
49 the 10.32 percent rate of tax for the taxable year multiplied by such  
50 rate and (ii) the dollar denominated tax for such amount of taxable  
51 income set forth in the tax table applicable to the taxable year in  
52 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of  
53 this section less the sum of the tax table benefits in subparagraphs (A)  
54 and (B) of paragraph three of subsection (d-1) of this section and such  
55 tax table benefits in subparagraphs (A), (B) and (C) of this paragraph.  
56 The fraction for this subparagraph is computed as follows: the numerator



1 is the lesser of fifty thousand dollars or the excess of New York  
2 adjusted gross income for the taxable year over one hundred million  
3 dollars and the denominator is fifty thousand dollars.

4 (E) Provided, however, the total tax prior to the application of any  
5 tax credits shall not exceed the highest rate of tax set forth in the  
6 tax tables in subsection (c) of this section multiplied by the taxpay-  
7 er's taxable income.

8 § 5. Subsection (f) of section 614 of the tax law, as amended by  
9 section 11 of part FF of chapter 59 of the laws of 2013, is amended to  
10 read as follows:

11 (f) Adjusted standard deduction. For taxable years beginning after two  
12 thousand [~~seventeen~~] nineteen, the standard deductions set forth in this  
13 section shall be the amounts set forth in this section adjusted by the  
14 cost of living adjustment prescribed in section six hundred one-a of  
15 this part for tax years two thousand thirteen [~~through two thousand~~  
16 ~~seventeen~~] and thereafter.

17 § 6. Section 171-a of the tax law, as separately amended by chapters  
18 481 and 484 of the laws of 1981, is amended by adding a new subdivision  
19 3 to read as follows:

20 3. Notwithstanding subdivision one of this section or any other  
21 provision of law to the contrary, the taxes imposed pursuant to clause  
22 (ix) of subparagraph (B) of paragraph one of subsection (a), clause (ix)  
23 of subparagraph (B) of paragraph one of subsection (b), and clause (ix)  
24 of subparagraph (B) of paragraph one of subsection (c) of section six  
25 hundred one of this chapter, reduced by an amount for administrative  
26 costs, shall be deposited to the credit of the New York city housing  
27 authority, as such taxes are received. The amount for administrative  
28 costs shall be determined by the commissioner to represent reasonable  
29 costs of the department of taxation and finance in administering,  
30 collecting, determining and distributing such taxes. Of the total reven-  
31 ue collected or received under such sections of this chapter, the comp-  
32 troller shall retain in his hands such amount as the commissioner may  
33 determine to be necessary for refunds or reimbursements under such  
34 clauses of such section of this chapter out of which amount the comp-  
35 troller shall pay any refunds or reimbursements to which taxpayers shall  
36 be entitled under provisions of such sections. The commissioner and the  
37 comptroller shall maintain a system of accounts showing the amount of  
38 revenue collected or received from each of the taxes imposed by such  
39 sections.

40 § 7. This act shall take effect immediately and shall apply to taxable  
41 years beginning on or after January 1, 2020.