

# STATE OF NEW YORK

3150

2021-2022 Regular Sessions

## IN ASSEMBLY

January 22, 2021

Introduced by M. of A. EPSTEIN, GOTTFRIED, CARROLL, DARLING -- Multi-Sponsored by -- M. of A. RODRIGUEZ -- read once and referred to the Committee on Ways and Means

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 and the division of housing and community renewal

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

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

4 (ix) For taxable years beginning after two thousand twenty-one, the  
5 following rates shall apply:

6 <u>If the New York taxable income is:</u>	7 <u>The tax is:</u>
8 <u>Over \$1,000,000 but not over</u> 9 <u>\$5,000,000</u>	10 <u>\$66,578 plus 8.82% of excess over</u> 11 <u>\$1,000,000</u>
12 <u>Over \$5,000,000 but not over</u> 13 <u>\$10,000,000</u>	14 <u>\$419,378 plus 9.32% of excess over</u> 15 <u>\$5,000,000</u>
16 <u>Over \$10,000,000 but not over</u> 17 <u>\$100,000,000</u>	18 <u>\$885,378 plus 9.82% of excess over</u> 19 <u>\$10,000,000</u>
20 <u>Over \$100,000,000</u>	21 <u>\$9,723,378 plus 10.32% of excess</u> 22 <u>over \$100,000,000</u>

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

26 (ix) For taxable years beginning after two thousand twenty-one, the  
27 following rates shall apply:

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

LBD03884-01-1

1	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
2	<u>Over \$1,000,000 but not over</u>	<u>\$67,017 plus 8.82% of excess over</u>
3	<u>\$5,000,000</u>	<u>\$1,000,000</u>
4	<u>Over \$5,000,000 but not over</u>	<u>\$419,817 plus 9.32% of excess over</u>
5	<u>\$10,000,000</u>	<u>\$5,000,000</u>
6	<u>Over \$10,000,000 but not over</u>	<u>\$885,817 plus 9.82% of excess over</u>
7	<u>\$100,000,000</u>	<u>\$10,000,000</u>
8	<u>Over \$100,000,000</u>	<u>\$9,723,817 plus 10.32% of excess</u>
9		<u>over \$100,000,000</u>

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

13 (ix) For taxable years beginning after two thousand twenty-one, the  
 14 following rates shall apply:

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

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

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

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

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

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

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

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

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

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

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

51 (A) The tax table benefit is the difference between (i) the amount of  
52 taxable income set forth in the tax table in clause (ii) of subparagraph  
53 (B) of paragraph one of subsection (b) of this section not subject to  
54 the 8.82 percent rate of tax for the taxable year multiplied by such  
55 rate and (ii) the dollar denominated tax for such amount of taxable  
56 income set forth in the tax table applicable to the taxable year in

1 clause (ii) of subparagraph (B) of paragraph one of subsection (b) of  
2 this section less the sum of the tax table benefits in subparagraphs (A)  
3 and (B) of paragraph two of subsection (d-1) of this section. The frac-  
4 tion for this subparagraph is computed as follows: the numerator is the  
5 lesser of fifty thousand dollars or the excess of New York adjusted  
6 gross income for the taxable year over one million dollars and the  
7 denominator is fifty thousand dollars.

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

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

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

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

1 (3) For resident unmarried individuals, resident married individuals  
2 filing separate returns and resident estates and trusts, the supple-  
3 mental tax shall be an amount equal to the sum of the tax table benefits  
4 described in subparagraphs (A), (B), (C) and (D) of this paragraph  
5 multiplied by their respective fractions in such subparagraphs.

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

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

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

49 (D) The tax table benefit is the difference between (i) the amount of  
50 taxable income set forth in the tax table in clause (ii) of subparagraph  
51 (B) of paragraph one of subsection (c) of this section not subject to  
52 the 10.32 percent rate of tax for the taxable year multiplied by such  
53 rate and (ii) the dollar denominated tax for such amount of taxable  
54 income set forth in the tax table applicable to the taxable year in  
55 clause (ii) of subparagraph (B) of paragraph one of subsection (c) of  
56 this section less the sum of the tax table benefits in subparagraphs (A)



1 and (B) of paragraph three of subsection (d-1) of this section and such  
2 tax table benefits in subparagraphs (A), (B) and (C) of this paragraph.  
3 The fraction for this subparagraph is computed as follows: the numerator  
4 is the lesser of fifty thousand dollars or the excess of New York  
5 adjusted gross income for the taxable year over one hundred million  
6 dollars and the denominator is fifty thousand dollars.

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

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

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

20 § 6. Section 171-a of the tax law, as separately amended by chapters  
21 481 and 484 of the laws of 1981, is amended by adding a new subdivision  
22 3 to read as follows:

23 3. Notwithstanding subdivision one of this section or any other  
24 provision of law to the contrary, the taxes imposed pursuant to clause  
25 (ix) of subparagraph (B) of paragraph one of subsection (a), clause (ix)  
26 of subparagraph (B) of paragraph one of subsection (b), and clause (ix)  
27 of subparagraph (B) of paragraph one of subsection (c) of section six  
28 hundred one of this chapter, reduced by an amount for administrative  
29 costs, shall be deposited, as such taxes are received, as follows: (a)  
30 eighty percent of the revenue shall be deposited to the credit of the  
31 New York city housing authority; and (b) twenty percent of the revenue  
32 shall be deposited to the credit of the division of housing and communi-  
33 ty renewal for the purposes of construction, improvement, and preserva-  
34 tion of public housing authorities outside the city of New York. The  
35 amount for administrative costs shall be determined by the commissioner  
36 to represent reasonable costs of the department of taxation and finance  
37 in administering, collecting, determining and distributing such taxes.  
38 Of the total revenue collected or received under such sections of this  
39 chapter, the comptroller shall retain in his hands such amount as the  
40 commissioner may determine to be necessary for refunds or reimbursements  
41 under such clauses of such section of this chapter out of which amount  
42 the comptroller shall pay any refunds or reimbursements to which taxpay-  
43 ers shall be entitled under provisions of such sections. The commis-  
44 sioner and the comptroller shall maintain a system of accounts showing  
45 the amount of revenue collected or received from each of the taxes  
46 imposed by such sections.

47 § 7. This act shall take effect immediately and shall apply to taxable  
48 years beginning on or after January 1, 2022.