STATE OF NEW YORK

1573

2023-2024 Regular Sessions

IN ASSEMBLY

January 17, 2023

Introduced by M. of A. WALLACE -- read once and referred to the Committee on Labor

AN ACT to amend the labor law, in relation to the election to have federal and/or state income tax deducted and withheld from an individual's unemployment insurance benefits

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

Section 1. Paragraph (a) of subdivision 6 of section 596 of the labor law, as amended by chapter 369 of the laws of 2008, is amended to read as follows:

(a)(1) Unemployment benefits are subject to federal, state and local income tax;

(2) Requirements exist pertaining to estimated tax payments;

(3) The individual may elect to have federal and/or state income tax deducted and withheld from the individual's payment of unemployment benefits at the amount specified under the federal internal revenue code (26 U.S.C.A. 3402(p)(2)) and/or [~~the~~] **an amount equal to four percent of such payment for the purpose of** the state income tax withholding [~~tax schedules as specified under the tax law and relevant regulations~~]; [~~and~~]

(4) The individual shall be permitted to change a previously elected withholding status[~~.~~]**; and**

(5) Even if the individual elects to have federal and/or state income tax deducted and withheld from the individual's payment of unemployment benefits, additional tax may still be due as prescribed for such tax payment under the tax law.

§ 2. This act shall take effect immediately.

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

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