STATE OF NEW YORK

1591

2023-2024 Regular Sessions

IN SENATE

January 12, 2023

Introduced by Sen. BAILEY -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to authorizing a childhood education surcharge on the personal income tax for cities having a population of one million or more persons; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. The tax law is amended by adding a new section 1304-E to read as follows:

§ 1304-E. Tax surcharge for early childhood education. (a) In addition to the taxes authorized by subsection (a) of section thirteen hundred one of this article, any city having a population of one million or more persons that imposes such taxes is hereby authorized and empowered to adopt and amend local laws imposing in any such city for all taxable years beginning on or after January first, two thousand twenty-four, a tax surcharge on the city taxable income of every city resident married individuals filing joint returns, resident married individuals filing separate returns, resident surviving spouses, resident heads of households, resident unmarried individuals, and resident estates and trusts, at a rate of up to:

If the city taxable income is:	the tax surcharge is:
Not over $500,000	0
Over $500,000	4.3 % of city taxable income

(b) A city imposing a tax surcharge pursuant to the authority of this section may, by local law, impose such surcharge at a rate that is less than the percentages set forth in subsection (a) of this section, and may impose such tax at more than one rate depending upon the filing

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

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status and city taxable income of such city resident individual, estate, or trust.

(c) A tax surcharge imposed pursuant to the authority of this section shall be administered, collected, and distributed by the commissioner in the same manner as the other taxes imposed pursuant to the authority of this article, and all of the provisions of this article, including section thirteen hundred ten of this article, shall apply to the tax surcharge authorized by this section; provided, however, that the provisions of section thirteen hundred thirteen of this article directing payment of taxes to the New York city transitional finance authority shall not apply to any such surcharge.

(d) Notwithstanding any provision of this section or of section thirteen hundred thirteen of this article to the contrary, the total revenue from the tax surcharge imposed pursuant to the authority of this section, including interest and penalties, which the state comptroller is required to pay to the chief fiscal officer of the city imposing the tax surcharge for payment into the treasury of such city shall be credited to the general fund of such city and shall be applied exclusively to or in aid or support of the early childhood education programs of such city.

(e) A local law enacted pursuant to this section shall be applicable only if it has been enacted on or before December thirty-first, two thousand twenty-three. A certified copy of such local law shall be mailed by registered mail to the department at its office in Albany within fifteen days of its enactment. However, the department may allow additional time for such certified copy to be mailed if it deems such action to be consistent with its duties under this article.

§ 2. This act shall take effect immediately and shall apply to all tax years commencing on and after January 1, 2024; provided, however, that the provisions of this act shall expire and be deemed repealed December 31, 2028.