

STATE OF NEW YORK

7386

2023-2024 Regular Sessions

IN SENATE

May 22, 2023

Introduced by Sen. SEPULVEDA -- 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, the administrative code of the city of New York, chapter 877 of the laws of 1975, chapter 884 of the laws of 1975 and chapter 882 of the laws of 1977, relating to the imposition of certain taxes in the city of New York, in relation to postponing the expiration of certain tax rates and taxes in the city of New York

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

1 Section 1. Paragraph 3 of subdivision (a) of section 1212-a of the tax
2 law, as amended by section 1 of subpart G of part XXX of chapter 58 of
3 the laws of 2020, is amended to read as follows:

4 (3) a tax, at the same uniform rate, but at a rate not to exceed four
5 and one-half per centum, in multiples of one-half of one per centum, on
6 the receipts from every sale of any or all of the following services in
7 whole or in part: credit rating, credit reporting, credit adjustment and
8 collection services, including, but not limited to, those services
9 provided by mercantile and consumer credit rating or reporting bureaus
10 or agencies and credit adjustment or collection bureaus or agencies,
11 whether rendered in written or oral form or in any other manner, except
12 to the extent otherwise taxable under article twenty-eight of this chap-
13 ter; notwithstanding the foregoing, collection services shall not
14 include those services performed by a law office or a law and collection
15 office, the maintenance or conduct of which constitutes the practice of
16 law, if the services are performed by an attorney at law who has been
17 duly licensed and admitted to practice law in this state. The local law
18 imposing the taxes authorized by this paragraph may provide for exclu-
19 sions and exemptions in addition to those provided for in such para-
20 graph. Provided, however, that the tax hereby authorized shall not be

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

LBD11209-01-3

1 imposed after November thirtieth, two thousand [~~twenty-three~~]
2 twenty-six.

3 § 2. Subsection (a) of section 1301 of the tax law, as amended by
4 section 2 of subpart G of part XXX of chapter 58 of the laws of 2020, is
5 amended to read as follows:

6 (a) Notwithstanding any other provision of law to the contrary, any
7 city in this state having a population of one million or more inhabit-
8 ants, acting through its local legislative body, is hereby authorized
9 and empowered to adopt and amend local laws imposing in any such city,
10 for taxable years beginning after nineteen hundred seventy-five:

11 (1) a tax on the personal income of residents of such city, at the
12 rates provided for under subsection (a) of section thirteen hundred four
13 of this article for taxable years beginning before two thousand [~~twen-~~
14 ~~ty-four~~] twenty-seven, and at the rates provided for under subsection
15 (b) of section thirteen hundred four of this article for taxable years
16 beginning after two thousand [~~twenty-three~~] twenty-six, provided, howev-
17 er, that if, for any taxable year beginning after two thousand [~~twenty-~~
18 ~~three~~] twenty-six, the rates set forth in such subsection (b) are
19 rendered inapplicable and the rates set forth in such subsection (a) are
20 rendered applicable, then the tax for such taxable year shall be at the
21 rates provided under subparagraphs (A) of paragraphs one, two and three
22 of such subsection (a),

23 (2) for taxable years beginning after nineteen hundred seventy-six, a
24 separate tax on the ordinary income portion of lump sum distributions of
25 such residents, at the rates provided for herein, such taxes to be
26 administered, collected and distributed by the commissioner as provided
27 for in this article.

28 § 3. Subsection (b) of section 1304 of the tax law, as amended by
29 section 3 of subpart G of part XXX of chapter 58 of the laws of 2020, is
30 amended to read as follows:

31 (b) A tax other than the city separate tax on the ordinary income
32 portion of lump sum distributions imposed pursuant to the authority of
33 section thirteen hundred one of this article shall be determined as
34 follows:

35 (1) Resident married individuals filing joint returns and resident
36 surviving spouses. The tax under this section for each taxable year on
37 the city taxable income of every city resident married individual who
38 makes a single return jointly with his or her spouse under subsection
39 (b) of section thirteen hundred six of this article and on the city
40 taxable income of every city resident surviving spouse shall be deter-
41 mined in accordance with the following table:

42 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
43 six:

44 If the city taxable income is:

45 Not over \$21,600
46 Over \$21,600 but not
47 over \$45,000
48 Over \$45,000 but not
49 over \$90,000
50 Over \$90,000
51

The tax is:

1.18% of the city taxable income
\$255 plus 1.435% of excess
over \$21,600
\$591 plus 1.455% of excess
over \$45,000
\$1,245 plus 1.48% of excess
over \$90,000

(2) Resident heads of households. The tax under this section for each taxable year on the city taxable income of every city resident head of a household shall be determined in accordance with the following table:

For taxable years beginning after two thousand [~~twenty-three~~] twenty-six:

If the city taxable income is:	The tax is:
Not over \$14,400	1.18% of the city taxable income
Over \$14,400 but not over \$30,000	\$170 plus 1.435% of excess over \$14,400
Over \$30,000 but not over \$60,000	\$394 plus 1.455% of excess over \$30,000
Over \$60,000	\$830 plus 1.48% of excess over \$60,000

(3) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. The tax under this section for each taxable year on the city taxable income of every city resident individual who is not a city resident married individual who makes a single return jointly with his or her spouse under subsection (b) of section thirteen hundred six of this article or a city resident head of household or a city resident surviving spouse, and on the city taxable income of every city resident estate and trust shall be determined in accordance with the following table:

For taxable years beginning after two thousand [~~twenty-three~~] twenty-six:

If the city taxable income is:	The tax is:
Not over \$12,000	1.18% of the city taxable income
Over \$12,000 but not over \$25,000	\$142 plus 1.435% of excess over \$12,000
Over \$25,000 but not over \$50,000	\$328 plus 1.455% of excess over \$25,000
Over \$50,000	\$692 plus 1.48% of excess over \$50,000

§ 4. Subsection (a) of section 1304-B of the tax law, as amended by section 4 of subpart G of part XXX of chapter 58 of the laws of 2020, is amended to read as follows:

(a) (1) In addition to any other taxes authorized by this article, any city imposing such taxes is hereby authorized and empowered to adopt and amend local laws imposing in any such city for each taxable year beginning after nineteen hundred ninety but before two thousand [~~twenty-four~~] twenty-seven, an additional tax on the city taxable income of every city resident individual, estate and trust, to be calculated for each taxable year as follows: (i) for each taxable year beginning after nineteen hundred ninety but before nineteen hundred ninety-nine, at the rate of fourteen percent of the sum of the taxes for each such taxable year determined pursuant to section thirteen hundred four and section thirteen hundred four-A of this article; and (ii) for each taxable year beginning after nineteen hundred ninety-eight, at the rate of fourteen percent of the tax for such taxable year determined pursuant to such section thirteen hundred four.

(2) Notwithstanding paragraph one of this subsection, for each taxable year beginning after nineteen hundred ninety-nine but before two thou-

1 sand [~~twenty-four~~] ~~twenty-seven~~, any city imposing such additional tax
2 may by local law impose such tax at a rate that is less than fourteen
3 percent and may impose such tax at more than one rate depending upon the
4 filing status and city taxable income of such city resident individual,
5 estate or trust.

6 (3) A local law enacted pursuant to paragraph two of this subsection
7 shall be applicable with respect to any taxable year only if it has been
8 enacted on or before July thirty-first of such year. A certified copy of
9 such local law shall be mailed by registered mail to the department at
10 its office in Albany within fifteen days of its enactment. However, the
11 department may allow additional time for such certified copy to be
12 mailed if it deems such action to be consistent with its duties under
13 this article.

14 § 5. Paragraph E of subdivision 1 of section 11-604 of the administra-
15 tive code of the city of New York, as amended by section 5 of subpart G
16 of part XXX of chapter 58 of the laws of 2020, is amended to read as
17 follows:

18 E. For taxable years beginning on or after January first, nineteen
19 hundred seventy-eight but before January first, two thousand [~~twenty-~~
20 ~~four~~] ~~twenty-seven~~, the tax imposed by subdivision one of section 11-603
21 of this subchapter shall be, in the case of each taxpayer:

22 (a) whichever of the following amounts is the greatest:

23 (1) an amount computed, for taxable years beginning before nineteen
24 hundred eighty-seven, at the rate of nine per centum, and for taxable
25 years beginning after nineteen hundred eighty-six, at the rate of eight
26 and eighty-five one-hundredths per centum, of its entire net income or
27 the portion of such entire net income allocated within the city as here-
28 inafter provided, subject to any modification required by paragraphs (d)
29 and (e) of subdivision three of this section,

30 (2) an amount computed at one and one-half mills for each dollar of
31 its total business and investment capital, or the portion thereof allo-
32 cated within the city, as hereinafter provided, except that in the case
33 of a cooperative housing corporation as defined in the internal revenue
34 code, the applicable rate shall be four-tenths of one mill,

35 (3) an amount computed, for taxable years beginning before nineteen
36 hundred eighty-seven, at the rate of nine per centum, and for taxable
37 years beginning after nineteen hundred eighty-six, at the rate of eight
38 and eighty-five one-hundredths per centum, on thirty per centum of the
39 taxpayer's entire net income plus salaries and other compensation paid
40 to the taxpayer's elected or appointed officers and to every stockholder
41 owning in excess of five per centum of its issued capital stock minus
42 fifteen thousand dollars (subject to proration as hereinafter provided)
43 and any net loss for the reported year, or on the portion of any such
44 sum allocated within the city as hereinafter provided for the allocation
45 of entire net income, subject to any modification required by paragraphs
46 (d) and (e) of subdivision three of this section, provided, however,
47 that for taxable years beginning on or after July first, nineteen
48 hundred ninety-six, the provisions of paragraph H of this subdivision
49 shall apply for purposes of the computation under this clause, or

50 (4) for taxable years ending on or before June thirtieth, nineteen
51 hundred eighty-nine, one hundred twenty-five dollars, for taxable years
52 ending after June thirtieth, nineteen hundred eighty-nine and beginning
53 before two thousand nine, three hundred dollars, and for taxable years
54 beginning after two thousand eight:

55 If New York city receipts are:

Fixed dollar minimum tax is:

56 Not more than \$100,000

\$25

1	More than \$100,000 but not over \$250,000	\$75
2	More than \$250,000 but not over \$500,000	\$175
3	More than \$500,000 but not over \$1,000,000	\$500
4	More than \$1,000,000 but not over \$5,000,000	\$1,500
5	More than \$5,000,000 but not over \$25,000,000	\$3,500
6	Over \$25,000,000	\$5,000

7 For purposes of this clause, New York city receipts are the receipts
8 computed in accordance with subparagraph two of paragraph (a) of subdivi-
9 sion three of this section for the taxable year. For taxable years
10 beginning after two thousand eight, if the taxable year is less than
11 twelve months, the amount prescribed by this clause shall be reduced by
12 twenty-five percent if the period for which the taxpayer is subject to
13 tax is more than six months but not more than nine months and by fifty
14 percent if the period for which the taxpayer is subject to tax is not
15 more than six months. If the taxable year is less than twelve months,
16 the amount of New York city receipts for purposes of this clause is
17 determined by dividing the amount of the receipts for the taxable year
18 by the number of months in the taxable year and multiplying the result
19 by twelve, plus;

20 (b) an amount computed at the rate of three-quarters of a mill for
21 each dollar of the portion of its subsidiary capital allocated within
22 the city as hereinafter provided.

23 In the case of a taxpayer which is not subject to tax for an entire
24 year, the exemption allowed in clause three of subparagraph (a) of this
25 paragraph shall be prorated according to the period such taxpayer was
26 subject to tax. Provided, however, that this paragraph shall not apply
27 to taxable years beginning after December thirty-first, two thousand
28 ~~twenty-three~~ twenty-six. For the taxable years specified in the
29 preceding sentence, the tax imposed by subdivision one of section 11-603
30 of this subchapter shall be, in the case of each taxpayer, determined as
31 specified in paragraph A of this subdivision, provided, however, that
32 the provisions of paragraphs G and H of this subdivision shall apply for
33 purposes of the computation under clause three of subparagraph (a) of
34 such paragraph A.

35 § 6. The opening paragraph of section 11-1701 of the administrative
36 code, as amended by section 6 of subpart G of part XXX of chapter 58 of
37 the laws of 2020, is amended to read as follows:

38 A tax is hereby imposed on the city taxable income of every city resi-
39 dent individual, estate and trust determined in accordance with the
40 rates set forth in subdivision (a) of this section for taxable years
41 beginning before two thousand ~~twenty-four~~ twenty-seven, and in accord-
42 ance with the rates set forth in subdivision (b) of this section for
43 taxable years beginning after two thousand ~~twenty-three~~ twenty-six.
44 Provided, however, that if, for any taxable year beginning after two
45 thousand ~~twenty-three~~ twenty-six, the rates set forth in such subdivi-
46 sion (b) are rendered inapplicable and the rates set forth in such
47 subdivision (a) are rendered applicable, then the tax for such taxable
48 year shall be at the rates provided under subparagraph (A) of paragraphs
49 one, two and three of such subdivision (a).

50 § 7. Subdivision (b) of section 11-1701 of the administrative code of
51 the city of New York, as amended by section 7 of subpart G of part XXX
52 of chapter 58 of the laws of 2020, is amended to read as follows:

53 (b) Rate of tax. A tax imposed pursuant to this section shall be
54 determined as follows:

55 (1) Resident married individuals filing joint returns and resident
56 surviving spouses. The tax under this section for each taxable year on

1 the city taxable income of every city resident married individual who
 2 makes a single return jointly with his or her spouse under subdivision
 3 (b) of section 11-1751 of this title and on the city taxable income of
 4 every city resident surviving spouse shall be determined in accordance
 5 with the following table:

6 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
 7 six:

8 If the city taxable income is:	The tax is:
9 Not over \$21,600	1.18% of the city taxable income
10 Over \$21,600 but not	\$255 plus 1.435% of excess
11 over \$45,000	over \$21,600
12 Over \$45,000 but not	\$591 plus 1.455% of excess
13 over \$90,000	over \$45,000
14 Over \$90,000	\$1,245 plus 1.48% of excess
15	over \$90,000

16 (2) Resident heads of households. The tax under this section for each
 17 taxable year on the city taxable income of every city resident head of a
 18 household shall be determined in accordance with the following table:

19 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
 20 six:

21 If the city taxable income is:	The tax is:
22 Not over \$14,400	1.18% of the city taxable income
23 Over \$14,400 but not	\$170 plus 1.435% of excess
24 over \$30,000	over \$14,400
25 Over \$30,000 but not	\$394 plus 1.455% of excess
26 over \$60,000	over \$30,000
27 Over \$60,000	\$830 plus 1.48% of excess
28	over \$60,000

29 (3) Resident unmarried individuals, resident married individuals
 30 filing separate returns and resident estates and trusts. The tax under
 31 this section for each taxable year on the city taxable income of every
 32 city resident individual who is not a married individual who makes a
 33 single return jointly with his or her spouse under subdivision (b) of
 34 section 11-1751 of this title or a city resident head of a household or
 35 a city resident surviving spouse, and on the city taxable income of
 36 every city resident estate and trust shall be determined in accordance
 37 with the following table:

38 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
 39 six:

40 If the city taxable income is:	The tax is:
41 Not over \$12,000	1.18% of the city taxable income
42 Over \$12,000 but not	\$142 plus 1.435% of excess
43 over \$25,000	over \$12,000
44 Over \$25,000 but not	\$328 plus 1.455% of excess
45 over \$50,000	over \$25,000
46 Over \$50,000	\$692 plus 1.48% of excess
47	over \$50,000

48 § 8. Paragraph 1 of subdivision (a) of section 11-1704.1 of the admin-
 49 istrative code of the city of New York, as amended by section 8 of
 50 subpart G of part XXX of chapter 58 of the laws of 2020, is amended to
 51 read as follows:

(1) In addition to any other taxes imposed by this chapter, there is hereby imposed for each taxable year beginning after nineteen hundred ninety but before two thousand ~~twenty-four~~ **twenty-seven**, an additional tax on the city taxable income of every city resident individual, estate and trust, to be calculated for each taxable year as follows: (i) for each taxable year beginning after nineteen hundred ninety but before nineteen hundred ninety-nine, at the rate of fourteen percent of the sum of the taxes for each such taxable year determined pursuant to section 11-1701 and section 11-1704 of this subchapter; and (ii) for each taxable year beginning after nineteen hundred ninety-eight, at the rate of fourteen percent of the tax for such taxable year determined pursuant to such section 11-1701.

§ 9. Subdivision (a) of section 11-2002 of the administrative code of the city of New York, as amended by section 9 of subpart G of part XXX of chapter 58 of the laws of 2020, is amended to read as follows:

(a) There are hereby imposed and there shall be paid sales taxes at the rate of four and one-half percent on receipts from every sale of the services of beauty, barbering, hair restoring, manicuring, pedicuring, electrolysis, massage services and similar services, and every sale of services by weight control salons, health salons, gymnasiums, turkish and sauna bath and similar establishments and every charge for the use of such facilities, whether or not any tangible personal property is transferred in conjunction therewith; but excluding services rendered by a physician, osteopath, dentist, nurse, physiotherapist, chiropractor, podiatrist, optometrist, ophthalmic dispenser or a person performing similar services licensed under title eight of the education law, as amended, and excluding such services when performed on pets and other animals, as authorized by subdivision (a) of section twelve hundred twelve-A of the tax law. Provided, however, that the tax hereby imposed shall not be imposed after November thirtieth, two thousand ~~twenty-three~~ **twenty-six**.

§ 10. The opening paragraph of subdivision (a) of section 11-2040 of the administrative code of the city of New York, as amended by section 10 of subpart G of part XXX of chapter 58 of the laws of 2020, is amended to read as follows:

There is hereby imposed within the city and there shall be paid a tax at the rate of four and one-half percent upon the receipts from every sale, except for resale, of the following services, provided, however, that the tax hereby imposed shall not be imposed after November thirtieth, two thousand ~~twenty-three~~ **twenty-six**, on receipts from sales of the services specified in paragraph one of this subdivision:

§ 11. Section 4 of chapter 877 of the laws of 1975, relating to the imposition of certain taxes in the city of New York, as amended by section 11 of subpart G of part XXX of chapter 58 of the laws of 2020, is amended to read as follows:

§ 4. This act shall expire on December 31, ~~2023~~ **2026**, provided, however, that it is hereby declared to be the express intention of the legislature that the provisions of sections two and three of this act, except with respect to the enforcement and collection of any tax arising thereunder, shall remain in full force and effect only until the date of such expiration, at which time the provisions of law amended by this act shall be continued in full force and effect as they existed prior to the enactment of this act.

§ 12. Section 6 of chapter 884 of the laws of 1975, relating to the imposition of certain taxes in the city of New York, as amended by

1 section 12 of subpart G of part XXX of chapter 58 of the laws of 2020,
2 is amended to read as follows:

3 § 6. This act shall expire on December 31, [~~2023~~] 2026, provided,
4 however, that it is hereby declared to be the express intention of the
5 legislature that the provisions of sections two, three and four of this
6 act, except with respect to the enforcement and collection of any tax
7 arising thereunder, shall remain in full force and effect only until the
8 date of such expiration, at which time the provisions of law amended by
9 this act shall be continued in full force and effect as they existed
10 prior to the enactment of this act.

11 § 13. Section 2 of chapter 882 of the laws of 1977, relating to the
12 imposition of certain taxes in the city of New York, as amended by
13 section 13 of subpart G of part XXX of chapter 58 of the laws of 2020,
14 is amended to read as follows:

15 § 2. This act shall expire on December 31, [~~2023~~] 2026, provided,
16 however, that it is hereby declared to be the express intention of the
17 legislature that the provisions of section one of this act, except with
18 respect to the enforcement and collection of any tax arising thereunder,
19 shall remain in full force and effect only until the date of such expi-
20 ration, at which time the provisions of law amended by this act shall be
21 continued in full force and effect as they existed prior to the enact-
22 ment of this act.

23 § 14. This act shall take effect immediately.