

STATE OF NEW YORK

11535

IN ASSEMBLY

June 1, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Pretlow) --
read once and referred to the Committee on Ways and Means

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 chapter 345 of the laws of 2023, is amended to read
3 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
21 imposed after November thirtieth, two thousand [~~twenty-six~~] twenty-nine.

22 § 2. Subsection (a) of section 1301 of the tax law, as amended by
23 chapter 345 of the laws of 2023, is amended to read as follows:

24 (a) Notwithstanding any other provision of law to the contrary, any
25 city in this state having a population of one million or more inhabit-

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

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ants, acting through its local legislative body, is hereby authorized and empowered to adopt and amend local laws imposing in any such city, for taxable years beginning after nineteen hundred seventy-five:

(1) a tax on the personal income of residents of such city, at the rates provided for under subsection (a) of section thirteen hundred four of this article for taxable years beginning before two thousand ~~twenty-seven~~ thirty, and at the rates provided for under subsection (b) of section thirteen hundred four of this article for taxable years beginning after two thousand ~~twenty-six~~ twenty-nine, provided, however, that if, for any taxable year beginning after two thousand ~~twenty-six~~ twenty-nine, the rates set forth in such subsection (b) are rendered inapplicable and the rates set forth in such subsection (a) are rendered applicable, then the tax for such taxable year shall be at the rates provided under subparagraphs (A) of paragraphs one, two and three of such subsection (a),

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

§ 3. Subsection (b) of section 1304 of the tax law, as amended by chapter 345 of the laws of 2023, is amended to read as follows:

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

(1) Resident married individuals filing joint returns and resident surviving spouses. The tax under this section for each taxable year on the city taxable income of every city resident married individual who makes a single return jointly with ~~his or her~~ such individual's spouse under subsection (b) of section thirteen hundred six of this article and on the city taxable income of every city resident surviving spouse shall be determined in accordance with the following table:

For taxable years beginning after two thousand ~~twenty-six~~ twenty-nine:

36 If the city taxable income is:	The tax is:
37 Not over \$21,600	1.18% of the city taxable income
38 Over \$21,600 but not	\$255 plus 1.435% of excess
39 over \$45,000	over \$21,600
40 Over \$45,000 but not	\$591 plus 1.455% of excess
41 over \$90,000	over \$45,000
42 Over \$90,000	\$1,245 plus 1.48% of excess
43	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-six~~ twenty-nine:

49 If the city taxable income is:	The tax is:
50 Not over \$14,400	1.18% of the city taxable income
51 Over \$14,400 but not	\$170 plus 1.435% of excess

1	over \$30,000	over \$14,400
2	Over \$30,000 but not	\$394 plus 1.455% of excess
3	over \$60,000	over \$30,000
4	Over \$60,000	\$830 plus 1.48% of excess
5		over \$60,000

6 (3) Resident unmarried individuals, resident married individuals
7 filing separate returns and resident estates and trusts. The tax under
8 this section for each taxable year on the city taxable income of every
9 city resident individual who is not a city resident married individual
10 who makes a single return jointly with [~~his or her~~] such individual's
11 spouse under subsection (b) of section thirteen hundred six of this
12 article or a city resident head of household or a city resident surviv-
13 ing spouse, and on the city taxable income of every city resident estate
14 and trust shall be determined in accordance with the following table:

15 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
16 nine:

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

25 § 4. Subsection (a) of section 1304-B of the tax law, as amended by
26 chapter 345 of the laws of 2023, is amended to read as follows:

27 (a) (1) In addition to any other taxes authorized by this article, any
28 city imposing such taxes is hereby authorized and empowered to adopt and
29 amend local laws imposing in any such city for each taxable year begin-
30 ning after nineteen hundred ninety but before two thousand [~~twenty-sev-~~
31 ~~en~~] thirty, an additional tax on the city taxable income of every city
32 resident individual, estate and trust, to be calculated for each taxable
33 year as follows: (i) for each taxable year beginning after nineteen
34 hundred ninety but before nineteen hundred ninety-nine, at the rate of
35 fourteen percent of the sum of the taxes for each such taxable year
36 determined pursuant to section thirteen hundred four and section thir-
37 teen hundred four-A of this article; and (ii) for each taxable year
38 beginning after nineteen hundred ninety-eight, at the rate of fourteen
39 percent of the tax for such taxable year determined pursuant to such
40 section thirteen hundred four.

41 (2) Notwithstanding paragraph one of this subsection, for each taxable
42 year beginning after nineteen hundred ninety-nine but before two thou-
43 sand [~~twenty-seven~~] thirty, any city imposing such additional tax may by
44 local law impose such tax at a rate that is less than fourteen percent
45 and may impose such tax at more than one rate depending upon the filing
46 status and city taxable income of such city resident individual, estate
47 or trust.

48 (3) A local law enacted pursuant to paragraph two of this subsection
49 shall be applicable with respect to any taxable year only if it has been
50 enacted on or before July thirty-first of such year. A certified copy of
51 such local law shall be mailed by registered mail to the department at
52 its office in Albany within fifteen days of its enactment. However, the
53 department may allow additional time for such certified copy to be

1 mailed if it deems such action to be consistent with its duties under
2 this article.

3 § 5. Paragraph E of subdivision 1 of section 11-604 of the administra-
4 tive code of the city of New York, as amended by chapter 345 of the laws
5 of 2023, is amended to read as follows:

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

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

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

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

23 (3) 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, on thirty per centum of the
27 taxpayer's entire net income plus salaries and other compensation paid
28 to the taxpayer's elected or appointed officers and to every stockholder
29 owning in excess of five per centum of its issued capital stock minus
30 fifteen thousand dollars (subject to proration as hereinafter provided)
31 and any net loss for the reported year, or on the portion of any such
32 sum allocated within the city as hereinafter provided for the allocation
33 of entire net income, subject to any modification required by paragraphs
34 (d) and (e) of subdivision three of this section, provided, however,
35 that for taxable years beginning on or after July first, nineteen
36 hundred ninety-six, the provisions of paragraph H of this subdivision
37 shall apply for purposes of the computation under this clause, or

38 (4) for taxable years ending on or before June thirtieth, nineteen
39 hundred eighty-nine, one hundred twenty-five dollars, for taxable years
40 ending after June thirtieth, nineteen hundred eighty-nine and beginning
41 before two thousand nine, three hundred dollars, and for taxable years
42 beginning after two thousand eight:

43 If New York city receipts are:	Fixed dollar minimum tax is:
44 Not more than \$100,000	\$25
45 More than \$100,000 but not over \$250,000	\$75
46 More than \$250,000 but not over \$500,000	\$175
47 More than \$500,000 but not over \$1,000,000	\$500
48 More than \$1,000,000 but not over \$5,000,000	\$1,500
49 More than \$5,000,000 but not over \$25,000,000	\$3,500
50 Over \$25,000,000	\$5,000

51 For purposes of this clause, New York city receipts are the receipts
52 computed in accordance with subparagraph two of paragraph (a) of subdi-
53 vision three of this section for the taxable year. For taxable years
54 beginning after two thousand eight, if the taxable year is less than
55 twelve months, the amount prescribed by this clause shall be reduced by
56 twenty-five percent if the period for which the taxpayer is subject to

1 tax is more than six months but not more than nine months and by fifty
 2 percent if the period for which the taxpayer is subject to tax is not
 3 more than six months. If the taxable year is less than twelve months,
 4 the amount of New York city receipts for purposes of this clause is
 5 determined by dividing the amount of the receipts for the taxable year
 6 by the number of months in the taxable year and multiplying the result
 7 by twelve, plus;

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

11 In the case of a taxpayer which is not subject to tax for an entire
 12 year, the exemption allowed in clause three of subparagraph (a) of this
 13 paragraph shall be prorated according to the period such taxpayer was
 14 subject to tax. Provided, however, that this paragraph shall not apply
 15 to taxable years beginning after December thirty-first, two thousand
 16 [~~twenty-six~~] twenty-nine. For the taxable years specified in the
 17 preceding sentence, the tax imposed by subdivision one of section 11-603
 18 of this subchapter shall be, in the case of each taxpayer, determined as
 19 specified in paragraph A of this subdivision, provided, however, that
 20 the provisions of paragraphs G and H of this subdivision shall apply for
 21 purposes of the computation under clause three of subparagraph (a) of
 22 such paragraph A.

23 § 6. The opening paragraph of section 11-1701 of the administrative
 24 code, as amended by chapter 345 of the laws of 2023, is amended to read
 25 as follows:

26 A tax is hereby imposed on the city taxable income of every city resi-
 27 dent individual, estate and trust determined in accordance with the
 28 rates set forth in subdivision (a) of this section for taxable years
 29 beginning before two thousand [~~twenty-seven~~] thirty, and in accordance
 30 with the rates set forth in subdivision (b) of this section for taxable
 31 years beginning after two thousand [~~twenty-six~~] twenty-nine. Provided,
 32 however, that if, for any taxable year beginning after two thousand
 33 [~~twenty-six~~] twenty-nine, the rates set forth in such subdivision (b)
 34 are rendered inapplicable and the rates set forth in such subdivision
 35 (a) are rendered applicable, then the tax for such taxable year shall be
 36 at the rates provided under subparagraph (A) of paragraphs one, two and
 37 three of such subdivision (a).

38 § 7. Subdivision (b) of section 11-1701 of the administrative code of
 39 the city of New York, as amended by chapter 345 of the laws of 2023, is
 40 amended to read as follows:

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

43 (1) Resident married individuals filing joint returns and resident
 44 surviving spouses. The tax under this section for each taxable year on
 45 the city taxable income of every city resident married individual who
 46 makes a single return jointly with [~~his or her~~] such individual's spouse
 47 under subdivision (b) of section 11-1751 of this title and on the city
 48 taxable income of every city resident surviving spouse shall be deter-
 49 mined in accordance with the following table:

50 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
 51 nine:

52 If the city taxable income is:	The tax is:
53 Not over \$21,600	1.18% of the city taxable income
54 Over \$21,600 but not	\$255 plus 1.435% of excess
55 over \$45,000	over \$21,600

1	Over \$45,000 but not	\$591 plus 1.455% of excess
2	over \$90,000	over \$45,000
3	Over \$90,000	\$1,245 plus 1.48% of excess
4		over \$90,000

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

8 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
9 nine:

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

18 (3) Resident unmarried individuals, resident married individuals
19 filing separate returns and resident estates and trusts. The tax under
20 this section for each taxable year on the city taxable income of every
21 city resident individual who is not a married individual who makes a
22 single return jointly with [~~his or her~~] such individual's spouse under
23 subdivision (b) of section 11-1751 of this title or a city resident head
24 of a household or a city resident surviving spouse, and on the city
25 taxable income of every city resident estate and trust shall be deter-
26 mined in accordance with the following table:

27 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
28 nine:

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

37 § 8. Paragraph 1 of subdivision (a) of section 11-1704.1 of the admin-
38 istrative code of the city of New York, as amended by chapter 345 of the
39 laws of 2023, is amended to read as follows:

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

1 § 9. Subdivision (a) of section 11-2002 of the administrative code of
2 the city of New York, as amended by chapter 345 of the laws of 2023, is
3 amended to read as follows:

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

20 § 10. The opening paragraph of subdivision (a) of section 11-2040 of
21 the administrative code of the city of New York, as amended by chapter
22 345 of the laws of 2023, is amended to read as follows:

23 There is hereby imposed within the city and there shall be paid a tax
24 at the rate of four and one-half percent upon the receipts from every
25 sale, except for resale, of the following services, provided, however,
26 that the tax hereby imposed shall not be imposed after November thirti-
27 eth, two thousand [~~twenty-six~~] twenty-nine, on receipts from sales of
28 the services specified in paragraph one of this subdivision:

29 § 11. Section 4 of chapter 877 of the laws of 1975, relating to the
30 imposition of certain taxes in the city of New York, as amended by chap-
31 ter 345 of the laws of 2023, is amended to read as follows:

32 § 4. This act shall expire on December 31, [~~2026~~] 2029, provided,
33 however, that it is hereby declared to be the express intention of the
34 legislature that the provisions of sections two and three of this act,
35 except with respect to the enforcement and collection of any tax arising
36 thereunder, shall remain in full force and effect only until the date of
37 such expiration, at which time the provisions of law amended by this act
38 shall be continued in full force and effect as they existed prior to the
39 enactment of this act.

40 § 12. Section 6 of chapter 884 of the laws of 1975, relating to the
41 imposition of certain taxes in the city of New York, as amended by chap-
42 ter 345 of the laws of 2023, is amended to read as follows:

43 § 6. This act shall expire on December 31, [~~2026~~] 2029, provided,
44 however, that it is hereby declared to be the express intention of the
45 legislature that the provisions of sections two, three and four of this
46 act, except with respect to the enforcement and collection of any tax
47 arising thereunder, shall remain in full force and effect only until the
48 date of such expiration, at which time the provisions of law amended by
49 this act shall be continued in full force and effect as they existed
50 prior to the enactment of this act.

51 § 13. Section 2 of chapter 882 of the laws of 1977, relating to the
52 imposition of certain taxes in the city of New York, as amended by chap-
53 ter 345 of the laws of 2023, is amended to read as follows:

54 § 2. This act shall expire on December 31, [~~2026~~] 2029, provided,
55 however, that it is hereby declared to be the express intention of the
56 legislature that the provisions of section one of this act, except with

1 respect to the enforcement and collection of any tax arising thereunder,
2 shall remain in full force and effect only until the date of such expi-
3 ration, at which time the provisions of law amended by this act shall be
4 continued in full force and effect as they existed prior to the enact-
5 ment of this act.

6 § 14. This act shall take effect immediately.