

STATE OF NEW YORK

10609

IN SENATE

May 29, 2026

Introduced by Sen. BOTTCHER -- (at request of the NYC Finance) -- 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 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:

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

LBD16029-01-6

(a) Notwithstanding any other provision of law to the contrary, any city in this state having a population of one million or more inhabitants, 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:

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

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

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

18 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
 19 nine:

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

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

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

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

51 (3) A local law enacted pursuant to paragraph two of this subsection
 52 shall be applicable with respect to any taxable year only if it has been
 53 enacted on or before July thirty-first of such year. A certified copy of

1 such local law shall be mailed by registered mail to the department at
2 its office in Albany within fifteen days of its enactment. However, the
3 department may allow additional time for such certified copy to be
4 mailed if it deems such action to be consistent with its duties under
5 this article.

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

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

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

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

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

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

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

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

54 For purposes of this clause, New York city receipts are the receipts
55 computed in accordance with subparagraph two of paragraph (a) of subdi-
56 vision three of this section for the taxable year. For taxable years

1 beginning after two thousand eight, if the taxable year is less than
2 twelve months, the amount prescribed by this clause shall be reduced by
3 twenty-five percent if the period for which the taxpayer is subject to
4 tax is more than six months but not more than nine months and by fifty
5 percent if the period for which the taxpayer is subject to tax is not
6 more than six months. If the taxable year is less than twelve months,
7 the amount of New York city receipts for purposes of this clause is
8 determined by dividing the amount of the receipts for the taxable year
9 by the number of months in the taxable year and multiplying the result
10 by twelve, plus;

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

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

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

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

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

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

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

53 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
54 nine:

1	If the city taxable income is:	The tax is:
2	Not over \$21,600	1.18% of the city taxable income
3	Over \$21,600 but not	\$255 plus 1.435% of excess
4	over \$45,000	over \$21,600
5	Over \$45,000 but not	\$591 plus 1.455% of excess
6	over \$90,000	over \$45,000
7	Over \$90,000	\$1,245 plus 1.48% of excess
8		over \$90,000

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

12 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
 13 nine:

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

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

31 For taxable years beginning after two thousand [~~twenty-six~~] twenty-
 32 nine:

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

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

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

1 beginning after nineteen hundred ninety-eight, at the rate of fourteen
2 percent of the tax for such taxable year determined pursuant to such
3 section 11-1701.

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

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

23 § 10. The opening paragraph of subdivision (a) of section 11-2040 of
24 the administrative code of the city of New York, as amended by chapter
25 345 of the laws of 2023, is amended to read as follows:

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

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

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

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

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

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

1 § 2. This act shall expire on December 31, [~~2026~~ 2029], provided,
2 however, that it is hereby declared to be the express intention of the
3 legislature that the provisions of section one of this act, except with
4 respect to the enforcement and collection of any tax arising thereunder,
5 shall remain in full force and effect only until the date of such expi-
6 ration, at which time the provisions of law amended by this act shall be
7 continued in full force and effect as they existed prior to the enact-
8 ment of this act.

9 § 14. This act shall take effect immediately.