

STATE OF NEW YORK

7306

2025-2026 Regular Sessions

IN SENATE

April 9, 2025

Introduced by Sen. CLEARE -- 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 making certain taxpayers exempt from the city personal income tax of 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. Paragraphs 1, 2 and 3 of subsection (b) of section 1304 of
2 the tax law, as amended by chapter 345 of the laws of 2023, are amended
3 to read as follows:

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

11 For taxable years beginning after two thousand twenty-six:

| 12 If the city taxable income is: | The tax is: |
|-------------------------------------|--|
| 13 Not over [\$21,600] | 1.18% of the city taxable income |
| 14 Over \$21,600 but not | \$255 plus 1.435% of excess |
| 15 over] \$45,000 | [over \$21,600] <u>0% of the city</u> |
| 16 | <u>taxable income</u> |
| 17 Over \$45,000 but not | \$591 plus 1.455% of excess |
| 18 over \$90,000 | over \$45,000 |
| 19 Over \$90,000 | \$1,245 plus 1.48% of excess |
| 20 | over \$90,000 |

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

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

4 For taxable years beginning after two thousand twenty-six:

| 5 If the city taxable income is: | The tax is: |
|---|---|
| 6 Not over [\$14,400 <u>\$32,500</u>] | 1.18% of the city taxable income |
| 7 Over \$14,400 but not <u>\$32,500</u> | \$170 plus 1.435% of excess |
| 8 over \$30,000] <u>\$32,500</u> | [over \$14,400] <u>0% of the</u> |
| 9 | <u>city taxable income</u> |
| 10 Over [\$30,000 <u>\$32,500</u> but not | \$394 plus 1.455% of |
| 11 over \$60,000 | excess over [\$30,000 <u>\$32,500</u>] |
| 12 | <u>\$32,500</u> |
| 13 Over \$60,000 | \$830 plus 1.48% of excess |
| 14 | over \$60,000 |

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

24 For taxable years beginning after two thousand twenty-six:

| 25 If the city taxable income is: | The tax is: |
|---|---|
| 26 Not over [\$12,000 <u>\$32,500</u>] | 1.18% of the city taxable income |
| 27 Over \$12,000 but not <u>\$32,500</u> | \$142 plus 1.435% of excess |
| 28 over \$25,000] <u>\$32,500</u> | [over \$12,000] <u>0% of the</u> |
| 29 | <u>city taxable income</u> |
| 30 Over [\$25,000 <u>\$32,500</u> but not | \$328 plus 1.455% of |
| 31 over \$50,000 | excess |
| 32 Over \$50,000 | over [\$25,000 <u>\$32,500</u>] |
| 33 | \$692 plus 1.48% of excess |
| 34 | over \$50,000 |

35 § 2. Paragraph 1 of subsection (a) of section 1304-B of the tax law,
 36 as amended by chapter 345 of the laws of 2023, is amended to read as
 37 follows:

38 (1) In addition to any other taxes authorized by this article, any
 39 city imposing such taxes is hereby authorized and empowered to adopt and
 40 amend local laws imposing in any such city for each taxable year begin-
 41 ning after nineteen hundred ninety but before two thousand twenty-seven,
 42 an additional tax on the city taxable income of every city resident
 43 individual, estate and trust, to be calculated for each taxable year as
 44 follows: (i) for each taxable year beginning after nineteen hundred
 45 ninety but before nineteen hundred ninety-nine, at the rate of fourteen
 46 percent of the sum of the taxes for each such taxable year determined
 47 pursuant to section thirteen hundred four and section thirteen hundred
 48 four-A of this article; and (ii) for each taxable year beginning after
 49 nineteen hundred ninety-eight, at the rate of fourteen percent of the
 50 tax for such taxable year determined pursuant to such section thirteen
 51 hundred four; provided, however, that any taxable income with a tax rate

1 of zero percent shall not be subject to any additional tax pursuant to
 2 this section.

3 § 3. Subparagraph (A) of paragraph 1, subparagraph (A) of paragraph 2
 4 and subparagraph (A) of paragraph 3 of subsection (a) of section 1304-D
 5 of the tax law, as added by section 1 of part B of chapter 63 of the
 6 laws of 2003, are amended to read as follows:

7 (A) For taxable years beginning in two thousand five:

| 8 If the city taxable income is: | The tax is: |
|-------------------------------------|--|
| 9 Not over [\$21,600 | 2.907% of the city taxable income |
| 10 Over \$21,600 but not | \$628 plus 3.534% of excess |
| 11 over] \$45,000 | <u>[over \$21,600] 0% of the city</u> |
| 12 | <u>taxable income</u> |
| 13 Over \$45,000 but not | \$1,455 plus 3.591% of excess |
| 14 over \$90,000 | over \$45,000 |
| 15 Over \$90,000 but not | \$3,071 plus 3.648% of excess |
| 16 over \$150,000 | over \$90,000 |
| 17 Over \$150,000 but not | \$5,260 plus 4.05% of excess |
| 18 over \$500,000 | over \$150,000 |
| 19 Over \$500,000 | \$19,435 plus 4.45% of excess |
| 20 | over \$500,000 |

21 (A) For taxable years beginning in two thousand five:

| 22 If the city taxable income is: | The tax is: |
|---|--|
| 23 Not over [\$14,400 | 2.907% of the city taxable income |
| 24 Over \$14,400 but not | \$419 plus 3.534% of excess |
| 25 over \$30,000] \$32,500 | <u>[over \$14,400] 0% of the</u> |
| 26 | <u>city taxable income</u> |
| 27 Over [\$30,000] \$32,500 but not | \$970 plus 3.591% of excess |
| 28 over \$60,000 | over [\$30,000] \$32,500 |
| 29 Over \$60,000 but not | \$2,047 plus 3.648% of excess |
| 30 over \$125,000 | over \$60,000 |
| 31 Over \$125,000 but not | \$4,418 plus 4.05% of excess |
| 32 over \$500,000 | over \$125,000 |
| 33 Over \$500,000 | \$19,606 plus 4.45% of excess |
| 34 | over \$500,000 |

35 (A) For taxable years beginning in two thousand five:

| 36 If the city taxable income is: | The tax is: |
|---|--|
| 37 Not over [\$12,000 | 2.907% of the city taxable income |
| 38 Over \$12,000 but not | \$349 plus 3.534% of excess |
| 39 over \$25,000] \$32,500 | <u>[over \$12,000] 0% of the</u> |
| 40 | <u>city taxable income</u> |
| 41 Over [\$25,000] \$32,500 but not | \$808 plus 3.591% of excess |
| 42 over \$50,000 | over [\$25,000] \$32,500 |
| 43 Over \$50,000 but not | \$1,706 plus 3.648% of excess |
| 44 over \$100,000 | over \$50,000 |
| 45 Over \$100,000 but not | \$3,530 plus 4.05% of excess |
| 46 over \$500,000 | over \$100,000 |
| 47 Over \$500,000 | \$19,730 plus 4.45% of excess |
| 48 | over \$500,000 |

49 § 4. This act shall take effect immediately.