

# STATE OF NEW YORK

9043

## IN SENATE

January 27, 2026

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to providing a cost of living adjustment to income taxes

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

1 Section 1. Clause (viii) of subparagraph (B) of paragraph 1 of  
2 subsection (a) of section 601 of the tax law, as added by section 2 of  
3 part B of chapter 59 of the laws of 2025, is amended to read as follows:  
4 (viii) For taxable years beginning after two thousand twenty-six and  
5 before two thousand thirty-three the following rates and dollar amounts  
6 shall apply, provided however that such dollar amounts shall be adjusted  
7 by the cost of living adjustment prescribed in section six hundred one-a  
8 of this part:  
9 If the New York taxable income is: The tax is:  
10 Not over \$17,150 3.80% of the New York taxable  
11 income  
12 Over \$17,150 but not over \$23,600 \$652 plus 4.30% of excess over  
13 \$17,150  
14 Over \$23,600 but not over \$27,900 \$929 plus 5.05% of excess over  
15 \$23,600  
16 Over \$27,900 but not over \$161,550 \$1,146 plus 5.30% of excess over  
17 \$27,900  
18 Over \$161,550 but not over \$323,200 \$8,229 plus 5.80% of excess  
19 over \$161,550  
20 Over \$323,200 but not over \$17,605 plus 6.85% of excess  
21 \$2,155,350 over \$323,200  
22 Over \$2,155,350 but not over \$143,107 plus 9.65% of excess  
23 \$5,000,000 over \$2,155,350  
24 Over \$5,000,000 but not over \$417,616 plus 10.30% of excess  
25 \$25,000,000 over \$5,000,000  
26 Over \$25,000,000 \$2,477,616 plus 10.90% of excess  
27 over \$25,000,000

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

LBD14557-01-6

1 § 2. Clause (ix) of subparagraph (B) of paragraph 1 of subsection (a)  
 2 of section 601 of the tax law, as added by section 2 of part B of chap-  
 3 ter 59 of the laws of 2025, is amended to read as follows:

4 (ix) For taxable years beginning after two thousand thirty-two the  
 5 following rates and dollar amounts shall apply, provided however that  
 6 such dollar amounts shall be adjusted by the cost of living adjustment  
 7 prescribed in section six hundred one-a of this part:

8 If the New York taxable income is:	The tax is:
9 Not over \$17,150	3.80% of the New York taxable 10 income
11 Over \$17,150 but not over \$23,600	\$652 plus 4.30% of excess over 12 \$17,150
13 Over \$23,600 but not over \$27,900	\$929 plus 5.05% of excess over 14 \$23,600
15 Over \$27,900 but not over \$161,550	\$1,146 plus 5.30% of excess over 16 \$27,900
17 Over \$161,550 but not over \$323,200	\$8,229 plus 5.80% of excess 18 over \$161,550
19 Over \$323,200 but not over 20 \$2,155,350	\$17,605 plus 6.85% of excess over \$323,200
21 Over \$2,155,350	\$143,107 plus 8.82% of excess 22 over \$2,155,350

23 § 3. Clause (viii) of subparagraph (B) of paragraph 1 of subsection  
 24 (b) of section 601 of the tax law, as added by section 4 of part B of  
 25 chapter 59 of the laws of 2025, is amended to read as follows:

26 (viii) For taxable years beginning after two thousand twenty-six and  
 27 before two thousand thirty-three the following rates and dollar amounts  
 28 shall apply, provided however that such dollar amounts shall be adjusted  
 29 by the cost of living adjustment prescribed in section six hundred one-a  
 30 of this part:

31 If the New York taxable income is:	The tax is:
32 Not over \$12,800	3.80% of the New York taxable 33 income
34 Over \$12,800 but not over 35 \$17,650	\$486 plus 4.30% of excess over \$12,800
36 Over \$17,650 but not over 37 \$20,900	\$695 plus 5.05% of excess over \$17,650
38 Over \$20,900 but not over 39 \$107,650	\$859 plus 5.30% of excess over \$20,900
40 Over \$107,650 but not over 41 \$269,300	\$5,457 plus 5.80% of excess over \$107,650
42 Over \$269,300 but not over 43 \$1,616,450	\$14,833 plus 6.85% of excess over \$269,300
44 Over \$1,616,450 but not over 45 \$5,000,000	\$107,113 plus 9.65% of excess over \$1,616,450
46 Over \$5,000,000 but not over 47 \$25,000,000	\$433,626 plus 10.30% of excess over \$5,000,000
48 Over \$25,000,000	\$2,493,626 plus 10.90% of excess 49 over \$25,000,000

50 § 4. Clause (ix) of subparagraph (B) of paragraph 1 of subsection (b)  
 51 of section 601 of the tax law, as added by section 4 of part B of chap-  
 52 ter 59 of the laws of 2025, is amended to read as follows:

53 (ix) For taxable years beginning after two thousand thirty-two the  
 54 following rates and dollar amounts shall apply, provided however that

1 such dollar amounts shall be adjusted by the cost of living adjustment  
 2 prescribed in section six hundred one-a of this part:

3 If the New York taxable income is:	The tax is:
4 Not over \$12,800	3.80% of the New York taxable
5	income
6 Over \$12,800 but not over	\$486 plus 4.30% of excess over
7 \$17,650	\$12,800
8 Over \$17,650 but not over	\$695 plus 5.05% of excess over
9 \$20,900	\$17,650
10 Over \$20,900 but not over	\$859 plus 5.30% of excess over
11 \$107,650	\$20,900
12 Over \$107,650 but not over	\$5,457 plus 5.80% of excess
13 \$269,300	over \$107,650
14 Over \$269,300 but not over	\$14,833 plus 6.85% of excess
15 \$1,616,450	over \$269,300
16 Over \$1,616,450	\$107,113 plus 8.82% of excess
17	over \$1,616,450

18 § 5. Clause (viii) of subparagraph (B) of paragraph 1 of subsection  
 19 (c) of section 601 of the tax law, as added by section 6 of part B of  
 20 chapter 59 of the laws of 2025, is amended to read as follows:

21 (viii) For taxable years beginning after two thousand twenty-six and  
 22 before two thousand thirty-three the following rates and dollar amounts  
 23 shall apply, provided however that such dollar amounts shall be adjusted  
 24 by the cost of living adjustment prescribed in section six hundred one-a  
 25 of this part:

26 If the New York taxable income is:	The tax is:
27 Not over \$8,500	3.80% of the New York taxable income
28 Over \$8,500 but not over \$11,700	\$323 plus 4.30% of excess over
29	\$8,500
30 Over \$11,700 but not over \$13,900	\$461 plus 5.05% of excess over
31	\$11,700
32 Over \$13,900 but not over \$80,650	\$572 plus 5.30% of excess over
33	\$13,900
34 Over \$80,650 but not over \$215,400	\$4,110 plus 5.80% of excess
35	over \$80,650
36 Over \$215,400 but not over	\$11,926 plus 6.85% of excess
37 \$1,077,550	over \$215,400
38 Over \$1,077,550 but not over	\$70,983 plus 9.65% of excess
39 \$5,000,000	over \$1,077,550
40 Over \$5,000,000 but not over	\$449,499 plus 10.30% of excess
41 \$25,000,000	over \$5,000,000
42 Over \$25,000,000	\$2,509,499 plus 10.90% of excess
43	over \$25,000,000

44 § 6. Clause (ix) of subparagraph (B) of paragraph 1 of subsection (c)  
 45 of section 601 of the tax law, as added by section 6 of part B of chap-  
 46 ter 59 of the laws of 2025, is amended to read as follows:

47 (ix) For taxable years beginning after two thousand thirty-two the  
 48 following rates and dollar amounts shall apply, provided however that  
 49 such dollar amounts shall be adjusted by the cost of living adjustment  
 50 prescribed in section six hundred one-a of this part:

51 If the New York taxable income is:	The tax is:
52 Not over \$8,500	3.80% of the New York taxable income
53 Over \$8,500 but not over \$11,700	\$323 plus 4.30% of excess over

1		\$8,500
2	Over \$11,700 but not over \$13,900	\$461 plus 5.05% of excess over
3		\$11,700
4	Over \$13,900 but not over \$80,650	\$572 plus 5.30% of excess over
5		\$13,900
6	Over \$80,650 but not over \$215,400	\$4,110 plus 5.80% of excess
7		over \$80,650
8	Over \$215,400 but not over	\$11,926 plus 6.85% of excess
9	\$1,077,550	over \$215,400
10	Over \$1,077,550	\$70,983 plus 8.82% of excess
11		over \$1,077,550

12 § 7. Section 601-a of the tax law, as added by section 9 of part A of  
 13 chapter 56 of the laws of 2011, subsection (a) as amended by section 10  
 14 of part FF of chapter 59 of the laws of 2013, is amended to read as  
 15 follows:

16 § 601-a. Cost of living adjustment. (a) For tax year two thousand  
 17 thirteen, the commissioner, not later than September first, two thousand  
 18 twelve, shall multiply the amounts specified in subsection (b) of this  
 19 section for tax year two thousand twelve by one plus the cost of living  
 20 adjustment described in subsection (c) of this section. For tax year two  
 21 thousand fourteen, the commissioner, not later than September first, two  
 22 thousand thirteen, shall multiply the amounts specified in subsection  
 23 (b) of this section for tax year two thousand thirteen by one plus the  
 24 cost of living adjustment. For each succeeding tax year after tax year  
 25 two thousand fourteen and before tax year two thousand eighteen, the  
 26 commissioner, not later than September first of such tax year, shall  
 27 multiply the amounts specified in subsection (b) of this section for  
 28 such tax year by one plus the cost of living adjustment described in  
 29 subsection (c) of this section for such tax year. For tax year two  
 30 thousand twenty-seven, the commissioner, not later than September first,  
 31 two thousand twenty-six, shall multiply the amounts specified in  
 32 subsection (b) of this section for such tax year by one plus the cost of  
 33 living adjustment described in subsection (c) of this section for the  
 34 tax year. For each tax year succeeding tax year two thousand twenty-sev-  
 35 en, the commissioner shall complete the multiplication described herein  
 36 no later than September first of the year prior.

37 (b) The following amounts shall be indexed by the cost of living  
 38 adjustment.

39 (1) The dollar amounts in the tax tables set forth in paragraph one of  
 40 subsection (a), paragraph one of subsection (b) and paragraph one of  
 41 subsection (c) of section six hundred one of this part. For tax years  
 42 beginning on or after two thousand twenty-seven and before tax year two  
 43 thousand thirty-three, the dollar amounts in the tax tables set forth in  
 44 clause (viii) of subparagraph (B) of paragraph one of subsection (a),  
 45 clause (viii) of subparagraph (B) of paragraph one of subsection (b),  
 46 and clause (viii) of paragraph (B) of paragraph one of subsection (c) of  
 47 section six hundred one of this part shall be indexed by the cost of  
 48 living adjustment. For tax years beginning on or after two thousand  
 49 thirty-two, the dollar amounts in the tax tables set forth in clause  
 50 (ix) of subparagraph (B) of paragraph one of subsection (a), clause (ix)  
 51 of subparagraph (B) of paragraph one of subsection (b), and clause (ix)  
 52 of subparagraph (B) of paragraph one of subsection (c) of section six  
 53 hundred one of this part shall be indexed by the cost of living adjust-  
 54 ment.

1 (2) The dollar amount in the numerator of the fractions in subsection  
2 (d) of section six hundred one of this part that is not fifty thousand  
3 dollars. For tax years beginning on or after two thousand twenty-seven  
4 and before tax year two thousand thirty-three, the dollar amount in the  
5 numerator of the fractions in subsection (d-6) of section six hundred  
6 one of this part that is not fifty thousand dollars shall be indexed by  
7 the cost of living adjustment. For tax years beginning on or after two  
8 thousand thirty-three, the dollar amount in the numerator of the frac-  
9 tions in subsection (d-7) of section six hundred one of this part that  
10 is not fifty thousand dollars shall be indexed by the cost of living  
11 adjustment.

12 (3) The New York standard deduction of a resident individual in  
13 section six hundred fourteen of this article.

14 (c) The cost of living adjustment for a tax year is the percentage if  
15 any, by which the average monthly value of the consumer price index for  
16 the twelve month period ending on June thirtieth of the year immediately  
17 preceding the tax year for which the adjustment is being made (referred  
18 to as the adjustment year) exceeds the average monthly value of the  
19 consumer price index for the twelve month period ending on June thirti-  
20 eth of the year immediately preceding the adjustment year. For purposes  
21 of this section, the consumer price index means the consumer price index  
22 for all urban consumers published by the United States department of  
23 labor.

24 (d) If the product of the amounts in subsection (b) and subsection (c)  
25 of this section is not a multiple of fifty dollars, such increase shall  
26 be rounded to the next lowest multiple of fifty dollars. Provided,  
27 however, that for tax years beginning on or after two thousand twenty-  
28 seven, if the product of the amounts in subsections (b) and (c) of this  
29 section is not a multiple of fifty dollars, such increase shall be  
30 rounded to the next highest multiple of fifty dollars.

31 § 8. Section 614 of the tax law, as amended by chapter 170 of the laws  
32 of 1994, subsection (a) as amended by section 1 of part JJ of chapter 59  
33 of the laws of 2018, subsections (b) and (d) as amended by section 1 of  
34 part C of chapter 62 of the laws of 2006 and subsection (f) as amended  
35 by section 11 of part FF of chapter 59 of the laws of 2013, is amended  
36 to read as follows:

37 § 614. New York standard deduction of a resident individual. (a)  
38 Unmarried individual. For taxable years beginning on or after two thou-  
39 sand twenty-seven, the New York standard deduction of a resident indi-  
40 vidual who is not married nor the head of a household nor a surviving  
41 spouse nor an individual who is claimed as a dependent by another New  
42 York state taxpayer shall be eight thousand dollars. For taxable years  
43 beginning after nineteen hundred ninety-six, the New York standard  
44 deduction of a resident individual who is not married nor the head of a  
45 household nor a surviving spouse nor an individual who is claimed as a  
46 dependent by another New York state taxpayer shall be seven thousand  
47 five hundred dollars; for taxable years beginning in nineteen hundred  
48 ninety-six, such standard deduction shall be seven thousand four hundred  
49 dollars; for taxable years beginning in nineteen hundred ninety-five,  
50 such standard deduction shall be six thousand six hundred dollars; and  
51 for taxable years beginning after nineteen hundred eighty-nine and  
52 before nineteen hundred ninety-five, such standard deduction shall be  
53 six thousand dollars.

54 (b) [~~Husband and wife~~] Spouses filing jointly and surviving spouse.  
55 For taxable years beginning on or after two thousand twenty-seven, the  
56 New York standard deduction of spouses whose New York taxable income is

1 determined jointly or a surviving spouse shall be sixteen thousand fifty  
2 dollars. For taxable years beginning after two thousand five, the New  
3 York standard deduction of [~~a husband and wife~~] spouses whose New York  
4 taxable income is determined jointly or a surviving spouse shall be  
5 fifteen thousand dollars; for taxable years beginning after two thousand  
6 two and before two thousand six, such standard deduction shall be four-  
7 teen thousand six hundred dollars; for taxable years beginning in two  
8 thousand two, such standard deduction shall be fourteen thousand two  
9 hundred dollars; for taxable years beginning in two thousand one, such  
10 standard deduction shall be thirteen thousand four hundred dollars; for  
11 taxable years beginning after nineteen hundred ninety-six and before two  
12 thousand one, such standard deduction shall be thirteen thousand  
13 dollars; for taxable years beginning in nineteen hundred ninety-six,  
14 such standard deduction shall be twelve thousand three hundred fifty  
15 dollars; for taxable years beginning in nineteen hundred ninety-five,  
16 such standard deduction shall be ten thousand eight hundred dollars; and  
17 for taxable years beginning after nineteen hundred eighty-nine and  
18 before nineteen hundred ninety-five, such standard deduction shall be  
19 nine thousand five hundred dollars.

20 (c) Head of household. For taxable years beginning on or after two  
21 thousand twenty-seven, the New York standard deduction of an individual  
22 who is a head of household shall be eleven thousand two hundred dollars.  
23 For taxable years beginning after nineteen hundred ninety-six, the New  
24 York standard deduction of an individual who is a head of household  
25 shall be ten thousand five hundred dollars; for taxable years beginning  
26 in nineteen hundred ninety-six, such standard deduction shall be ten  
27 thousand dollars; for taxable years beginning in nineteen hundred nine-  
28 ty-five, such standard deduction shall be eight thousand one hundred  
29 fifty dollars; and for taxable years beginning after nineteen hundred  
30 eighty-nine and before nineteen hundred ninety-five, such standard  
31 deduction shall be seven thousand dollars.

32 (d) Married individuals filing separately. For taxable years begin-  
33 ning on or after two thousand twenty-seven, the New York standard  
34 deduction of a married individual filing a separate return shall be  
35 eight thousand dollars. For taxable years beginning after two thousand  
36 five, the New York standard deduction of a married individual filing a  
37 separate return shall be seven thousand five hundred dollars; for taxa-  
38 ble years beginning after nineteen hundred ninety-six and before two  
39 thousand six, such standard deduction shall be six thousand five hundred  
40 dollars; for taxable years beginning in nineteen hundred ninety-six,  
41 such standard deduction shall be six thousand one hundred seventy-five  
42 dollars; for taxable years beginning in nineteen hundred ninety-five,  
43 such standard deduction shall be five thousand four hundred dollars; and  
44 for taxable years beginning after nineteen hundred eighty-nine and  
45 before nineteen hundred ninety-five, such standard deduction shall be  
46 four thousand seven hundred fifty dollars.

47 (e) Standard deduction of a dependent individual. For taxable years  
48 beginning on or after two thousand twenty-seven, the New York standard  
49 deduction of a resident individual whose federal exemption amount is  
50 zero shall be three thousand one hundred dollars. For taxable years  
51 beginning after nineteen hundred ninety-six, the New York standard  
52 deduction of a resident individual whose federal exemption amount is  
53 zero shall be three thousand dollars; for taxable years beginning in  
54 nineteen hundred ninety-six, such standard deduction shall be two thou-  
55 sand nine hundred dollars; and for taxable years beginning after nine-

1 teen hundred eighty-nine and before nineteen hundred ninety-six, such  
2 standard deduction shall be two thousand eight hundred dollars.

3 (f) Adjusted standard deduction. For taxable years beginning after two  
4 thousand seventeen, the standard deductions set forth in this section  
5 shall be the amounts set forth in this section adjusted by the cost of  
6 living adjustment prescribed in section six hundred one-a of this [~~part~~  
7 article for tax years two thousand thirteen through two thousand seven-  
8 teen. For taxable years beginning on or after two thousand twenty-sev-  
9 en, the standard deductions set forth in this section shall be the  
10 amounts set forth in this section adjusted by the cost of living adjust-  
11 ment prescribed in section six hundred one-a of this article.

12 § 9. This act shall take effect on the sixtieth day after it shall  
13 have become a law. Effective immediately, the addition, amendment and/or  
14 repeal of any rule or regulation necessary for the implementation of  
15 this act on its effective date are authorized to be made and completed  
16 on or before such date.