STATE OF NEW YORK

10048

IN SENATE

April 24, 2026

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law, in relation to the election to have federal and/or state income tax deducted and withheld from an individual's unemployment insurance benefits

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

Section 1. Paragraph (a) of subdivision 6 of section 596 of the labor law, as amended by chapter 369 of the laws of 2008, is amended to read as follows:

(a)(1) Unemployment benefits are subject to federal, state and local income tax;

(2) Requirements exist pertaining to estimated tax payments;

(3) The individual may elect to have federal and/or state income tax deducted and withheld from the individual's payment of unemployment benefits at the amount specified under the federal internal revenue code (26 U.S.C.A. 3402(p)(2)) and/or [~~the~~] **an amount equal to four percent of such payment for the purpose of** the state income tax withholding [~~tax schedules as specified under the tax law and relevant regulations~~]; [~~and~~]

(4) The individual shall be permitted to change a previously elected withholding status[~~.~~]**; and**

(5) Even if the individual elects to have federal and/or state income tax deducted and withheld from the individual's payment of unemployment benefits, additional tax may still be due as prescribed for such tax payment under the tax law.

§ 2. This act shall take effect immediately.

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

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