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:

Section 1. Clause (viii) of subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law, as added by section 2 of part B of chapter 59 of the laws of 2025, is amended to read as follows:

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

If the New York taxable income is:	The tax is:
Not over $17,150	3.80% of the New York taxable income
Over $17,150 but not over $23,600	$652 plus 4.30% of excess over $17,150
Over $23,600 but not over $27,900	$929 plus 5.05% of excess over $23,600
Over $27,900 but not over $161,550	$1,146 plus 5.30% of excess over $27,900
Over $161,550 but not over $323,200	$8,229 plus 5.80% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,605 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,107 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$417,616 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,477,616 plus 10.90% of excess over $25,000,000

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

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

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

If the New York taxable income is:	The tax is:
Not over $17,150	3.80% of the New York taxable income
Over $17,150 but not over $23,600	$652 plus 4.30% of excess over $17,150
Over $23,600 but not over $27,900	$929 plus 5.05% of excess over $23,600
Over $27,900 but not over $161,550	$1,146 plus 5.30% of excess over $27,900
Over $161,550 but not over $323,200	$8,229 plus 5.80% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,605 plus 6.85% of excess over $323,200
Over $2,155,350	$143,107 plus 8.82% of excess over $2,155,350

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

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

If the New York taxable income is:	The tax is:
Not over $12,800	3.80% of the New York taxable income
Over $12,800 but not over $17,650	$486 plus 4.30% of excess over $12,800
Over $17,650 but not over $20,900	$695 plus 5.05% of excess over $17,650
Over $20,900 but not over $107,650	$859 plus 5.30% of excess over $20,900
Over $107,650 but not over $269,300	$5,457 plus 5.80% of excess over $107,650
Over $269,300 but not over $1,616,450	$14,833 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,113 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$433,626 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,493,626 plus 10.90% of excess over $25,000,000

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

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

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

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

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

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

If the New York taxable income is:	The tax is:
Not over $8,500	3.80% of the New York taxable income
Over $8,500 but not over $11,700	$323 plus 4.30% of excess over $8,500
Over $11,700 but not over $13,900	$461 plus 5.05% of excess over $11,700
Over $13,900 but not over $80,650	$572 plus 5.30% of excess over $13,900
Over $80,650 but not over $215,400	$4,110 plus 5.80% of excess over $80,650
Over $215,400 but not over $1,077,550	$11,926 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$70,983 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,499 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,509,499 plus 10.90% of excess over $25,000,000

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

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

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

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

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

§ 601-a. Cost of living adjustment. (a) For tax year two thousand thirteen, the commissioner, not later than September first, two thousand twelve, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand twelve by one plus the cost of living adjustment described in subsection (c) of this section. For tax year two thousand fourteen, the commissioner, not later than September first, two thousand thirteen, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand thirteen by one plus the cost of living adjustment. For each succeeding tax year after tax year two thousand fourteen and before tax year two thousand eighteen, the commissioner, not later than September first of such tax year, shall multiply the amounts specified in subsection (b) of this section for such tax year by one plus the cost of living adjustment described in subsection (c) of this section for such tax year. **For tax year two thousand twenty-seven, the commissioner, not later than September first, two thousand twenty-six, shall multiply the amounts specified in subsection (b) of this section for such tax year by one plus the cost of living adjustment described in subsection (c) of this section for the tax year. For each tax year succeeding tax year two thousand twenty-seven, the commissioner shall complete the multiplication described herein no later than September first of the year prior.**

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

(1) The dollar amounts in the tax tables set forth in paragraph one of subsection (a), paragraph one of subsection (b) and paragraph one of subsection (c) of section six hundred one of this part. **For tax years beginning on or after two thousand twenty-seven and before tax year two thousand thirty-three, the dollar amounts in the tax tables set forth in clause (viii) of subparagraph (B) of paragraph one of subsection (a), clause (viii) of subparagraph (B) of paragraph one of subsection (b), and clause (viii) of paragraph (B) of paragraph one of subsection (c) of section six hundred one of this part shall be indexed by the cost of living adjustment. For tax years beginning on or after two thousand thirty-two, the dollar amounts in the tax tables set forth in clause (ix) of subparagraph (B) of paragraph one of subsection (a), clause (ix) of subparagraph (B) of paragraph one of subsection (b), and clause (ix) of subparagraph (B) of paragraph one of subsection (c) of section six hundred one of this part shall be indexed by the cost of living adjustment.**

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

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

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

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

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

§ 614. New York standard deduction of a resident individual. (a) Unmarried individual. **For taxable years beginning on or after two thousand twenty-seven, the New York standard deduction of a resident individual who is not married nor the head of a household nor a surviving spouse nor an individual who is claimed as a dependent by another New York state taxpayer shall be eight thousand dollars.** For taxable years beginning after nineteen hundred ninety-six, the New York standard deduction of a resident individual who is not married nor the head of a household nor a surviving spouse nor an individual who is claimed as a dependent by another New York state taxpayer shall be seven thousand five hundred dollars; for taxable years beginning in nineteen hundred ninety-six, such standard deduction shall be seven thousand four hundred dollars; for taxable years beginning in nineteen hundred ninety-five, such standard deduction shall be six thousand six hundred dollars; and for taxable years beginning after nineteen hundred eighty-nine and before nineteen hundred ninety-five, such standard deduction shall be six thousand dollars.

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

determined jointly or a surviving spouse shall be sixteen thousand fifty dollars. For taxable years beginning after two thousand five, the New York standard deduction of [~~a husband and wife~~] **spouses** whose New York taxable income is determined jointly or a surviving spouse shall be fifteen thousand dollars; for taxable years beginning after two thousand two and before two thousand six, such standard deduction shall be fourteen thousand six hundred dollars; for taxable years beginning in two thousand two, such standard deduction shall be fourteen thousand two hundred dollars; for taxable years beginning in two thousand one, such standard deduction shall be thirteen thousand four hundred dollars; for taxable years beginning after nineteen hundred ninety-six and before two thousand one, such standard deduction shall be thirteen thousand dollars; for taxable years beginning in nineteen hundred ninety-six, such standard deduction shall be twelve thousand three hundred fifty dollars; for taxable years beginning in nineteen hundred ninety-five, such standard deduction shall be ten thousand eight hundred dollars; and for taxable years beginning after nineteen hundred eighty-nine and before nineteen hundred ninety-five, such standard deduction shall be nine thousand five hundred dollars.

(c) Head of household. **For taxable years beginning on or after two thousand twenty-seven, the New York standard deduction of an individual who is a head of household shall be eleven thousand two hundred dollars.** For taxable years beginning after nineteen hundred ninety-six, the New York standard deduction of an individual who is a head of household shall be ten thousand five hundred dollars; for taxable years beginning in nineteen hundred ninety-six, such standard deduction shall be ten thousand dollars; for taxable years beginning in nineteen hundred ninety-five, such standard deduction shall be eight thousand one hundred fifty dollars; and for taxable years beginning after nineteen hundred eighty-nine and before nineteen hundred ninety-five, such standard deduction shall be seven thousand dollars.

(d) Married individuals filing separately. **For taxable years beginning on or after two thousand twenty-seven, the New York standard deduction of a married individual filing a separate return shall be eight thousand dollars.** For taxable years beginning after two thousand five, the New York standard deduction of a married individual filing a separate return shall be seven thousand five hundred dollars; for taxable years beginning after nineteen hundred ninety-six and before two thousand six, such standard deduction shall be six thousand five hundred dollars; for taxable years beginning in nineteen hundred ninety-six, such standard deduction shall be six thousand one hundred seventy-five dollars; for taxable years beginning in nineteen hundred ninety-five, such standard deduction shall be five thousand four hundred dollars; and for taxable years beginning after nineteen hundred eighty-nine and before nineteen hundred ninety-five, such standard deduction shall be four thousand seven hundred fifty dollars.

(e) Standard deduction of a dependent individual. **For taxable years beginning on or after two thousand twenty-seven, the New York standard deduction of a resident individual whose federal exemption amount is zero shall be three thousand one hundred dollars.** For taxable years beginning after nineteen hundred ninety-six, the New York standard deduction of a resident individual whose federal exemption amount is zero shall be three thousand dollars; for taxable years beginning in nineteen hundred ninety-six, such standard deduction shall be two thousand nine hundred dollars; and for taxable years beginning after nineteen hundred eighty-nine and before nineteen hundred ninety-six, such standard deduction shall be two thousand eight hundred dollars.

(f) Adjusted standard deduction. For taxable years beginning after two thousand seventeen, the standard deductions set forth in this section shall be the amounts set forth in this section adjusted by the cost of living adjustment prescribed in section six hundred one-a of this [~~part~~] **article** for tax years two thousand thirteen through two thousand seventeen. **For taxable years beginning on or after two thousand twenty-seven, the standard deductions set forth in this section shall be the amounts set forth in this section adjusted by the cost of living adjustment prescribed in section six hundred one-a of this article.**

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