

STATE OF NEW YORK

7667

2023-2024 Regular Sessions

IN ASSEMBLY

May 31, 2023

Introduced by M. of A. BRAUNSTEIN -- read once and referred to the Committee on Ways and Means

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 section 1 of subpart G of part XXX of chapter 58 of
3 the laws of 2020, is amended to read 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-three~~]
22 twenty-six.

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

LBD11209-01-3

1 § 2. Subsection (a) of section 1301 of the tax law, as amended by
 2 section 2 of subpart G of part XXX of chapter 58 of the laws of 2020, is
 3 amended to read as follows:

4 (a) Notwithstanding any other provision of law to the contrary, any
 5 city in this state having a population of one million or more inhabit-
 6 ants, acting through its local legislative body, is hereby authorized
 7 and empowered to adopt and amend local laws imposing in any such city,
 8 for taxable years beginning after nineteen hundred seventy-five:

9 (1) a tax on the personal income of residents of such city, at the
 10 rates provided for under subsection (a) of section thirteen hundred four
 11 of this article for taxable years beginning before two thousand [~~twen-~~
 12 ~~ty-four~~] twenty-seven, and at the rates provided for under subsection
 13 (b) of section thirteen hundred four of this article for taxable years
 14 beginning after two thousand [~~twenty-three~~] twenty-six, provided, howev-
 15 er, that if, for any taxable year beginning after two thousand [~~twenty-~~
 16 ~~three~~] twenty-six, the rates set forth in such subsection (b) are
 17 rendered inapplicable and the rates set forth in such subsection (a) are
 18 rendered applicable, then the tax for such taxable year shall be at the
 19 rates provided under subparagraphs (A) of paragraphs one, two and three
 20 of such subsection (a),

21 (2) for taxable years beginning after nineteen hundred seventy-six, a
 22 separate tax on the ordinary income portion of lump sum distributions of
 23 such residents, at the rates provided for herein, such taxes to be
 24 administered, collected and distributed by the commissioner as provided
 25 for in this article.

26 § 3. Subsection (b) of section 1304 of the tax law, as amended by
 27 section 3 of subpart G of part XXX of chapter 58 of the laws of 2020, is
 28 amended to read as follows:

29 (b) A tax other than the city separate tax on the ordinary income
 30 portion of lump sum distributions imposed pursuant to the authority of
 31 section thirteen hundred one of this article shall be determined as
 32 follows:

33 (1) Resident married individuals filing joint returns and resident
 34 surviving spouses. The tax under this section for each taxable year on
 35 the city taxable income of every city resident married individual who
 36 makes a single return jointly with his or her spouse under subsection
 37 (b) of section thirteen hundred six of this article and on the city
 38 taxable income of every city resident surviving spouse shall be deter-
 39 mined in accordance with the following table:

40 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
 41 six:

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

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

1 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
2 six:

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

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

20 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
21 six:

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

30 § 4. Subsection (a) of section 1304-B of the tax law, as amended by
31 section 4 of subpart G of part XXX of chapter 58 of the laws of 2020, is
32 amended to read as follows:

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

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

1 filing status and city taxable income of such city resident individual,
2 estate or trust.

3 (3) A local law enacted pursuant to paragraph two of this subsection
4 shall be applicable with respect to any taxable year only if it has been
5 enacted on or before July thirty-first of such year. A certified copy of
6 such local law shall be mailed by registered mail to the department at
7 its office in Albany within fifteen days of its enactment. However, the
8 department may allow additional time for such certified copy to be
9 mailed if it deems such action to be consistent with its duties under
10 this article.

11 § 5. Paragraph E of subdivision 1 of section 11-604 of the administra-
12 tive code of the city of New York, as amended by section 5 of subpart G
13 of part XXX of chapter 58 of the laws of 2020, is amended to read as
14 follows:

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

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

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

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

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

47 (4) for taxable years ending on or before June thirtieth, nineteen
48 hundred eighty-nine, one hundred twenty-five dollars, for taxable years
49 ending after June thirtieth, nineteen hundred eighty-nine and beginning
50 before two thousand nine, three hundred dollars, and for taxable years
51 beginning after two thousand eight:

52 If New York city receipts are:	Fixed dollar minimum tax is:
53 Not more than \$100,000	\$25
54 More than \$100,000 but not over \$250,000	\$75
55 More than \$250,000 but not over \$500,000	\$175
56 More than \$500,000 but not over \$1,000,000	\$500

1	More than \$1,000,000 but not over \$5,000,000	\$1,500
2	More than \$5,000,000 but not over \$25,000,000	\$3,500
3	Over \$25,000,000	\$5,000

4 For purposes of this clause, New York city receipts are the receipts
5 computed in accordance with subparagraph two of paragraph (a) of subdivi-
6 sion three of this section for the taxable year. For taxable years
7 beginning after two thousand eight, if the taxable year is less than
8 twelve months, the amount prescribed by this clause shall be reduced by
9 twenty-five percent if the period for which the taxpayer is subject to
10 tax is more than six months but not more than nine months and by fifty
11 percent if the period for which the taxpayer is subject to tax is not
12 more than six months. If the taxable year is less than twelve months,
13 the amount of New York city receipts for purposes of this clause is
14 determined by dividing the amount of the receipts for the taxable year
15 by the number of months in the taxable year and multiplying the result
16 by twelve, plus;

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

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

32 § 6. The opening paragraph of section 11-1701 of the administrative
33 code, as amended by section 6 of subpart G of part XXX of chapter 58 of
34 the laws of 2020, is amended to read as follows:

35 A tax is hereby imposed on the city taxable income of every city resi-
36 dent individual, estate and trust determined in accordance with the
37 rates set forth in subdivision (a) of this section for taxable years
38 beginning before two thousand [~~twenty-four~~] twenty-seven, and in accord-
39 ance with the rates set forth in subdivision (b) of this section for
40 taxable years beginning after two thousand [~~twenty-three~~] twenty-six.
41 Provided, however, that if, for any taxable year beginning after two
42 thousand [~~twenty-three~~] twenty-six, the rates set forth in such subdivi-
43 sion (b) are rendered inapplicable and the rates set forth in such subdivi-
44 sion (a) are rendered applicable, then the tax for such taxable
45 year shall be at the rates provided under subparagraph (A) of paragraphs
46 one, two and three of such subdivision (a).

47 § 7. Subdivision (b) of section 11-1701 of the administrative code of
48 the city of New York, as amended by section 7 of subpart G of part XXX
49 of chapter 58 of the laws of 2020, is amended to read as follows:

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

52 (1) Resident married individuals filing joint returns and resident
53 surviving spouses. The tax under this section for each taxable year on
54 the city taxable income of every city resident married individual who
55 makes a single return jointly with his or her spouse under subdivision
56 (b) of section 11-1751 of this title and on the city taxable income of

1 every city resident surviving spouse shall be determined in accordance
2 with the following table:

3 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
4 six:

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

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

16 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
17 six:

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

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

35 For taxable years beginning after two thousand [~~twenty-three~~] twenty-
36 six:

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

45 § 8. Paragraph 1 of subdivision (a) of section 11-1704.1 of the admin-
46 istrative code of the city of New York, as amended by section 8 of
47 subpart G of part XXX of chapter 58 of the laws of 2020, is amended to
48 read as follows:

49 (1) In addition to any other taxes imposed by this chapter, there is
50 hereby imposed for each taxable year beginning after nineteen hundred
51 ninety but before two thousand [~~twenty-four~~] twenty-seven, an additional

1 tax on the city taxable income of every city resident individual, estate
2 and trust, to be calculated for each taxable year as follows: (i) for
3 each taxable year beginning after nineteen hundred ninety but before
4 nineteen hundred ninety-nine, at the rate of fourteen percent of the sum
5 of the taxes for each such taxable year determined pursuant to section
6 11-1701 and section 11-1704 of this subchapter; and (ii) for each taxa-
7 ble year beginning after nineteen hundred ninety-eight, at the rate of
8 fourteen percent of the tax for such taxable year determined pursuant to
9 such section 11-1701.

10 § 9. Subdivision (a) of section 11-2002 of the administrative code of
11 the city of New York, as amended by section 9 of subpart G of part XXX
12 of chapter 58 of the laws of 2020, is amended to read as follows:

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

29 § 10. The opening paragraph of subdivision (a) of section 11-2040 of
30 the administrative code of the city of New York, as amended by section
31 10 of subpart G of part XXX of chapter 58 of the laws of 2020, is
32 amended to read as follows:

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

39 § 11. Section 4 of chapter 877 of the laws of 1975, relating to the
40 imposition of certain taxes in the city of New York, as amended by
41 section 11 of subpart G of part XXX of chapter 58 of the laws of 2020,
42 is amended to read as follows:

43 § 4. This act shall expire on December 31, [~~2023~~] 2026, provided,
44 however, that it is hereby declared to be the express intention of the
45 legislature that the provisions of sections two and three of this act,
46 except with respect to the enforcement and collection of any tax arising
47 thereunder, shall remain in full force and effect only until the date of
48 such expiration, at which time the provisions of law amended by this act
49 shall be continued in full force and effect as they existed prior to the
50 enactment of this act.

51 § 12. Section 6 of chapter 884 of the laws of 1975, relating to the
52 imposition of certain taxes in the city of New York, as amended by
53 section 12 of subpart G of part XXX of chapter 58 of the laws of 2020,
54 is amended to read as follows:

55 § 6. This act shall expire on December 31, [~~2023~~] 2026, provided,
56 however, that it is hereby declared to be the express intention of the

1 legislature that the provisions of sections two, three and four of this
2 act, except with respect to the enforcement and collection of any tax
3 arising thereunder, shall remain in full force and effect only until the
4 date of such expiration, at which time the provisions of law amended by
5 this act shall be continued in full force and effect as they existed
6 prior to the enactment of this act.

7 § 13. Section 2 of chapter 882 of the laws of 1977, relating to the
8 imposition of certain taxes in the city of New York, as amended by
9 section 13 of subpart G of part XXX of chapter 58 of the laws of 2020,
10 is amended to read as follows:

11 § 2. This act shall expire on December 31, [~~2023~~] 2026, provided,
12 however, that it is hereby declared to be the express intention of the
13 legislature that the provisions of section one of this act, except with
14 respect to the enforcement and collection of any tax arising thereunder,
15 shall remain in full force and effect only until the date of such expi-
16 ration, at which time the provisions of law amended by this act shall be
17 continued in full force and effect as they existed prior to the enact-
18 ment of this act.

19 § 14. This act shall take effect immediately.