



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

## Senator Fuschillo: New Year Brings Lower State Income Tax Rates

CHARLES J. FUSCHILLO JR. December 29, 2011

| ISSUE: **INCOME TAX**

Senator Charles J. Fuschillo, Jr. (R-Merrick) is reminding residents that lower state income tax rates take effect on January 1<sup>st</sup>.

“Cutting taxes for hardworking families is a great way to begin the new year,” said Senator Fuschillo. “This law puts more money back in people’s pockets and is another positive step in the right direction for New York State. After a very productive 2011 in which we closed a \$10 billion budget deficit without raising taxes, cut government spending, approved new job creation and economic development measures, and enacted a property tax cap, we must continue to build upon these achievements in the coming year.”

A law approved by the State Legislature and Governor Cuomo earlier this month delivers \$690 million in personal income tax relief for over 4.4 million taxpayers, allowing them to keep more of their hard-earned money. Middle-class taxpayers will see the lowest tax rates in over 50 years and no New York State resident will see an increase in the income tax rate they are currently paying.

The new tax bracket structure is as follows:

| Annual Income (Married): | Previous Tax Rate | New Tax Rate |
|--------------------------|-------------------|--------------|
| \$40,000-\$150,000       | 6.85%             | 6.45%        |
| \$150,000-\$300,000      | 6.85%             | 6.65%        |
| \$300,000-\$2 million    | 7.78%-8.97%       | 6.85%        |
| \$2 million+             | 8.97%             | 8.82%        |

| Annual Income (Single): | Previous Tax Rate | New Tax Rate |
|-------------------------|-------------------|--------------|
| \$20,000-\$75,000       | 6.85%             | 6.45%        |
| \$75,000-\$200,000      | 6.85%             | 6.65%        |
| \$200,000-\$1 million   | 7.78%-8.97%       | 6.85%        |
| \$1 million+            | 8.97%             | 8.82%        |

In addition, the new law also adjusts these income brackets and the standard deduction for the rate of inflation. This will save taxpayers money by eliminating “bracket creep,” in which individuals get pushed into a higher tax bracket because their income changes with inflation but the tax brackets do not.

Senator Fuschillo supported the tax cut law in the Senate.