



NEW YORK STATE SENATOR

Jack M. Martins

Senator Martins: New Year Brings Lower State Income Tax Rates

JACK M. MARTINS January 3, 2012

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Senator Jack M. Martins is reminding residents that lower state income tax rates take effect on January 1st.

"This was an important step in providing some relief to our taxpayers," Senator Martins said. "Enacting the new tax code was a fitting way to end a very productive 2011 during 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 Marting supported the tax cut law in the Senate.