



NEW YORK STATE SENATOR

Patty Ritchie

Senate Votes to Protect Taxpayers from \$1.5 Billion 'Hidden' State Tax Hike

BRIAN DWYER January 23, 2018

| ISSUE: **FEDERAL TAXES, TAXES**



State Senator Patty Ritchie today voted for legislation that would block a hidden, \$1.5 billion hike in state tax bills affecting nearly every single New York taxpayer as a result of recent changes to the federal tax code.

The measure, S6974-A, co-sponsored by Senator Ritchie, was approved unanimously by the Senate. It would allow New Yorkers to continue to claim tax-saving deductions on their state returns, including allowing full deductions for school and property taxes, medical expenses

and charitable contributions.

“In the Senate, we’ve worked hard to lower taxes—including enacting the largest-ever income tax cut in state history—in order to help hardworking families and make living in New York more affordable,” Senator Ritchie said. “But much of that relief would be lost if we don’t take this step to protect taxpayers from a hidden tax increase resulting from changes to the federal tax code.”

Because New York’s tax code is “coupled” with federal law, key changes enacted by Congress as a result of the Tax Cuts and Jobs Act will have a direct impact on the way that New Yorkers complete their state tax returns. For example, more New Yorkers will choose to claim the new, higher standard deduction instead of itemizing individual expenses to reduce their federal tax bill. Under current law, those taxpayers would not be allowed to itemize their state return, which could result in a higher state tax bill.

The Senate bill “decouples” the tax codes to preserve deductions for state tax purposes. The Governor’s Executive Budget proposal did not include this step to prevent the automatic tax increase.

“It doesn’t make sense to offer taxpayers a break on their federal taxes, only to take it away on their state returns,” Senator Ritchie said. “That’s why it’s so important that the Assembly follow our lead and pass this common sense bill to protect taxpayers and prevent Albany from gaining an undeserved windfall from federal tax reform.”

According to analysis by the State Tax Department, nearly every New Yorker could be impacted and face higher state taxes as a result of the federal changes. Among the hardest hit would be so-called “single” filers who would lose a key personal exemption that alone is worth hundreds of dollars in tax savings.

“Hardworking New Yorkers pay enough in taxes, and we don’t need to reverse the gains we’ve made in making New York more affordable,” Senator Ritchie said. “That’s why this bill is a top priority, but also just a first step in ensuring that recent federal tax changes don’t result in higher taxes here in New York.”

Since taking office, Senator Ritchie has sponsored and repeatedly voted to lower taxes for New Yorkers, including the largest-ever state income tax cut that took effect January 1. She also has voted to stop cuts to the popular STAR property tax relief program and for restoration of the STAR rebate checks for homeowners.

RELATED LEGISLATION

2017-S6974A

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate

- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate

- ◦ Passed Assembly

- Passed Senate

- Delivered to Governor

- Signed By Governor

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Relates to federal income tax terms and their applicability to state tax law

December 21, 2017

In Assembly Committee

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Do you support this bill?