



NEW YORK STATE SENATOR

Michael H. Ranzenhofer

Senate Passes Proactive Reforms to State Tax Law

SENATOR MICHAEL H. RANZENHOFER January 26, 2018

| ISSUE: **FEDERAL TAXES, INCOME TAXES, PROPERTY TAXES**

Prevents \$1.5 billion state income tax hike due to federal tax overhaul and stops \$1.5 billion windfall for state's coffers at the expense of taxpayers

Albany, NY– State Senator Michael H. Ranzenhofer has announced today that the New York State Senate has unanimously passed legislation (S6974A) that would protect Western New York taxpayers from a new \$1.5 billion state income tax burden created by the recently enacted federal tax overhaul.

Senator Ranzenhofer is a co-sponsor of the bill.

“As your State Senator, protecting taxpayers has always been one of my top priorities. If action had not been taken to address recent changes in the federal tax code, state coffers would receive a \$1.5 billion windfall. This legislation modifies state law to return \$1.5 billion directly to hard-working taxpayers and prevent Albany bureaucrats from spending more of your tax dollars,” said Ranzenhofer.

The legislative proposal mitigates the potential for New York taxpayers to see a state income tax increase as a result of changes on the federal level in several ways, including:

- **\$400 million in estimated savings by allowing state taxpayers to deduct their full property tax payments and an additional \$300 million in savings by restoring other deductions:** Currently, state personal income taxes are based on the federal tax code. This change effectively decouples the state tax code from the federal tax code.

- **\$800 million in savings by ensuring single filers can claim their full New York State standard deduction.** This technical amendment changes the definition of a single non-dependent filer in the state's income tax code.

- **\$45 million in savings by removing the existing state prohibition on itemizing a state income tax return if a taxpayer chooses to take the new higher federal standard deduction.** Under current state law, filers cannot itemize their state deductions if they take the federal standard deduction.

The bill will be sent to the State Assembly. Assemblyman Thomas J. Abinanti is the sponsor of the bill in the Assembly. If enacted, the act would take effect immediately.

The legislation is a part of the new Affordability Agenda to help individuals, families and seniors continue to live, work and succeed in New York State. The state's excessively high

taxes and other factors make it difficult to live, raise a family, own a home or retire in New York. The Agenda makes New York more affordable by reducing energy costs and property taxes, and delivering an historic middle-class tax cut, on-time and as-promised.

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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

Sponsored by **Simcha Felder**

Do you support this bill?