



NEW YORK STATE SENATOR

Pete Harckham

On “Tax Day,” Harckham Applauds Savings for the Middle Class in 2020-2021 State Budget

PETE HARCKHAM April 15, 2020

| ISSUE: **CUTTING TAXES, FINANCE AND TAXATION, 2020-2021 NEW YORK STATE BUDGET, MIDDLE CLASS TAX CUT**



South Salem, NY – On what is normally known as “Tax Day,” New York State Senator Pete Harckham applauded the savings for middle-class taxpayers in the 2020-2021 State Budget, which he recently helped enact.

“Taxpayers in New York need as much help as possible in these challenging financial times,” said Harckham, “which is why I am especially pleased that we are continuing to slide back

tax rates for middle-class residents. This budget was impacted greatly by the economic downfall caused by the coronavirus pandemic, but incorporating these tax provisions to help taxpayers remained a priority. Both Governor Andrew M. Cuomo and Senate Majority Leader Andrea Stewart-Cousins deserve thanks for their strong leadership on this issue.”

Personal Income Tax rates continue to be decreased for middle-class New Yorkers in the new budget. Now in the third year of the multi-year tax cuts enacted in 2016, the 2020 income tax rates are lowered from 6.85 percent to 6.09 percent for taxpayers in the \$43,000-\$161,550 income bracket, and to 6.41 percent in the \$161,550-\$323,200 income bracket. These tax rate cuts are expected to save 4.7 million New Yorkers over \$1.8 billion this year.

Additionally, income tax rates will continue to drop to 5.5 percent for taxpayers in the \$27,900-\$161,550 tax bracket and 6 percent in the \$161,550-\$323,200 bracket. When the cuts are fully phased in, middle class taxpayers will have received an income tax rate cut up to 20 percent, amounting to a projected \$4.2 billion in annual savings for six million filers by 2025.

The 2020-2021 New York State Budget also included the permanent 2% property tax cap, which will build on the approximately \$25 billion in taxpayer savings since the cap was enacted by Governor Cuomo and the Legislature in 2012. The new budget keeps in place the 6.85 % tax rate on those earning \$2,140,900 and over as well, providing revenue for vital investments in infrastructure and education across the New York.

Last month, the U. S. Internal Revenue Service automatically extended the federal income tax filing date from April 15, 2020, to July 15, 2020, without penalties and interest—a deferment that applies to all taxpayers and non-corporate tax filers. The New York State Department of Taxation and Finance has also extended the filing date for state taxes to July 15, 2020.