



2018 New York State YMCA

Youth And Government

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Committee Assignment: Assembly Liberty 2

Bill #: AL-14

1 **Sponsors:** Sydney Martinez, James Gocke, Tiffany Brace, and Judit Segura
2 Martinez

3 4 **An Act To**

5 Add subdivision i to § 601 of New York State Tax Law exempting New York City
6 from paying income taxes and subdivision g to § 1105 of New York State Tax Law
7 stating that sales tax will be increased in New York City .

8
9 ***The People of the State of New York, represented in the Senate and***
10 ***Assembly do enact as follows:***

11 12 **Purpose**

13 This bill will be placed in order to eliminate New York City income taxes and
14 increase the New York City sales taxes.

15 16 **Summary of Provisions**

17 Section 1:

18 § 601. (a) Resident married individuals filing joint returns and resident surviving
19 spouses. There is hereby imposed for each taxable year on the New York taxable
20 income of every resident married individual who makes a single return jointly with
21 his spouse under subsection (b) of section six hundred fifty-one and on the New
22 York taxable income of every resident surviving spouse a tax determined in
23 accordance with the following tables:

24 (i) Exempt New York City residents from paying New York State income taxes.

25 Section 2:

26 § 1105. On and after June first, nineteen hundred seventy-one, there is hereby
27 imposed and there shall be paid a tax of four percent upon:

28 (a) The receipts from every retail sale of tangible personal property, except as
29 otherwise provided in this article.

30 (b)(1) The receipts from every sale, other than sales for resale, of the following:

31 (A) gas, electricity, refrigeration and steam, and gas, electric, refrigeration and
32 steam service of whatever nature; (B) telephony and telegraphy and telephone
33 and telegraph service of whatever nature except interstate and international
34 telephony and telegraphy and telephone and telegraph service and except any
35 telecommunications service the receipts from the sale of which are subject to tax
36 under paragraph two of this subdivision; (C) a telephone answering service;
37 and (D) a prepaid telephone calling service.

38 (g) Increase sales tax in New York City to 20%. The increase will take place in
39 order to replace the revenue loss from the removal of New York City's income
40 taxes.

41 42 **Justification**

43 Currently in the U.S.A. there are seven states that do not have to pay income
44 taxes. These states include Alaska, Florida, Nevada, South Dakota, Texas,



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45 Washington, Wyoming and two states with nearly no income taxes, New Hampshire
46 and Tennessee. While eliminating income taxes will decrease the states tax
47 revenue, lost revenue will be recouped by increasing sales tax to 20%. In doing
48 this, we will be helping local residents that are forced to pay draining income taxes.
49 At the same time by increasing the sales tax, the bustling New York City will prove
50 to be just as lucrative for New York State, placing a smaller amount of the tax
51 burden on the working class of New York City.

52

53 **Fiscal Implications**

54 This bill will remove any income taxes being paid by residents and increase the
55 sales tax to 20%.

56

57 **Effective Date**

58 This bill will go into effect one year after passage.