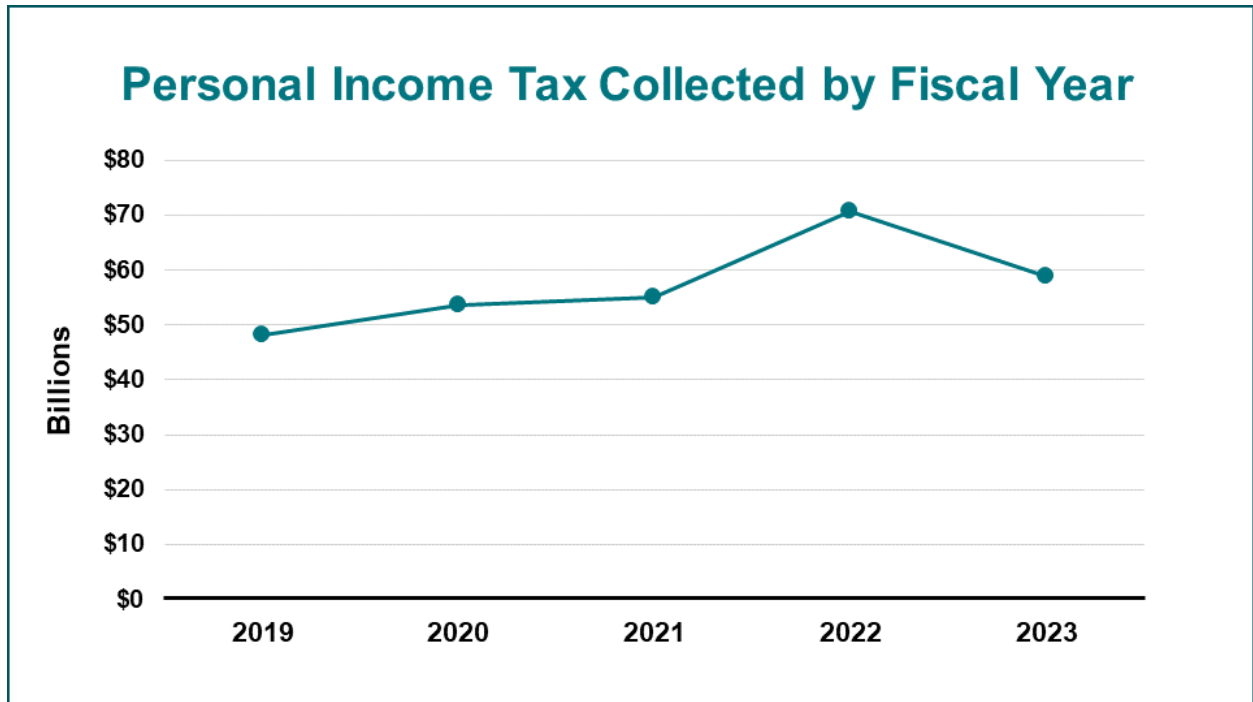


# Personal income tax

## New York State's largest revenue source

The Tax Department collected nearly \$59 billion in personal income taxes in fiscal year 2023. This is the state's largest revenue source, supporting programs and services including education, health, and public safety.



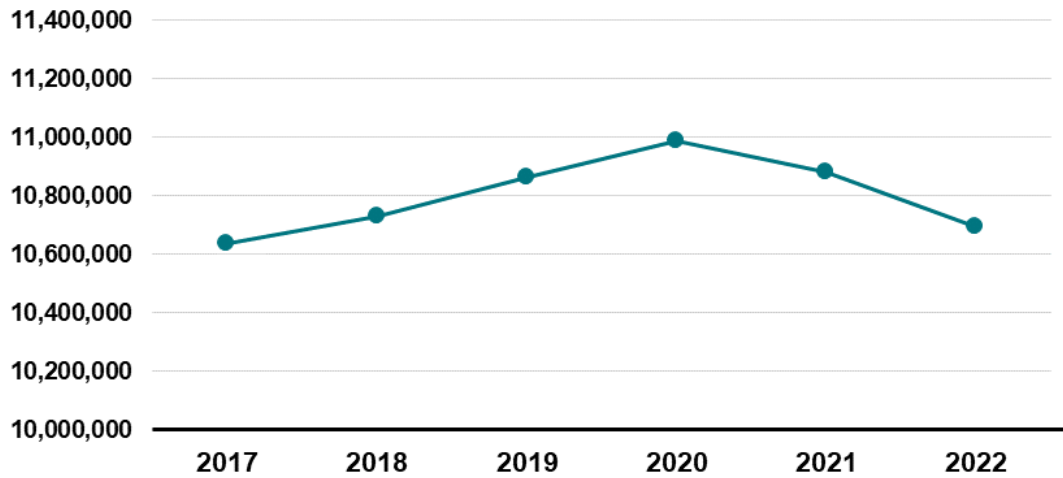
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## Fewer tax filers

Taxpayers filed fewer than 10.7 million personal income tax returns in New York State in 2022, down from almost 11 million in 2020 when the COVID-19 pandemic drove an expansion in government relief programs.

## Personal Income Tax Returns Filed By Tax Year

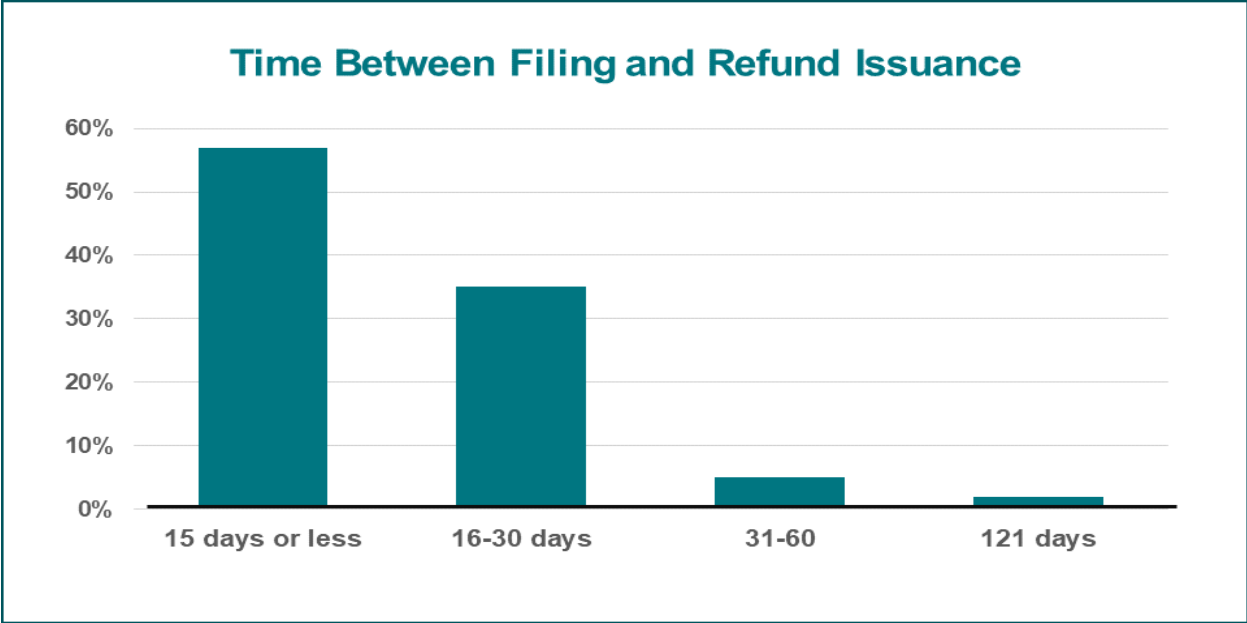


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## Fast refunds

The Tax Department processes most personal income tax refunds in 30 days or less. In 2023, the department issued 7.4 million personal income tax refunds from tax year 2022 for a total of \$14.4 billion.

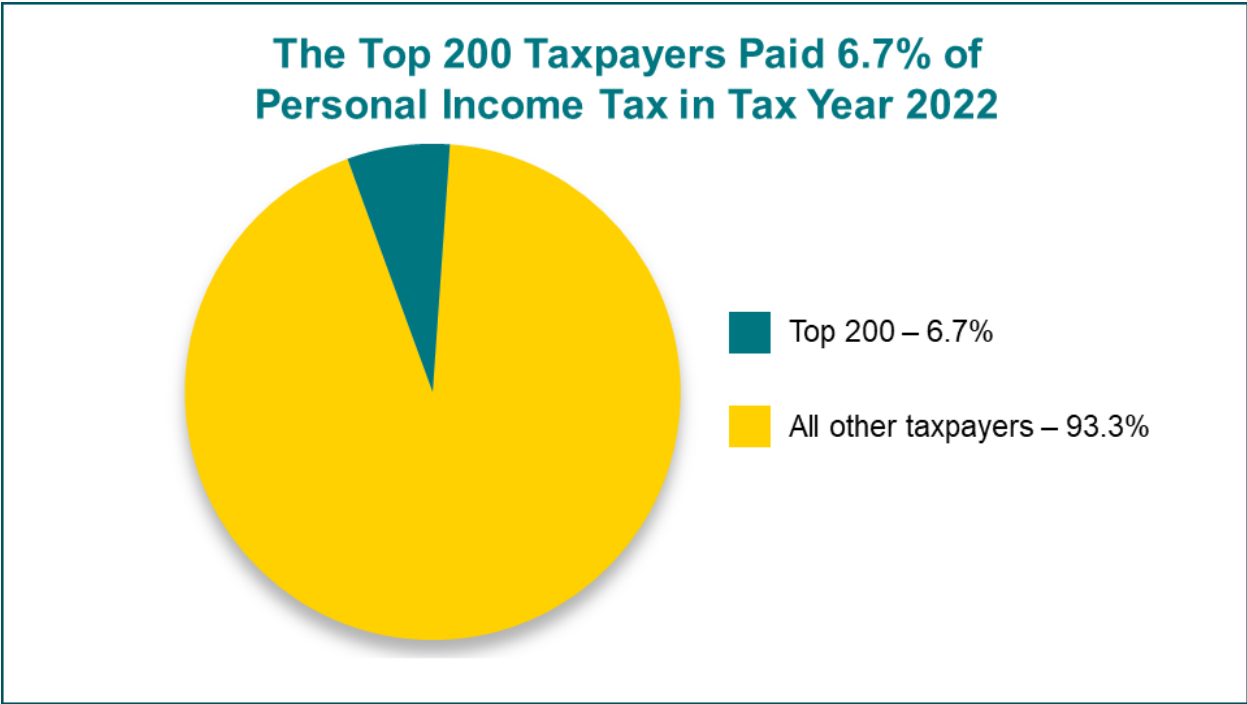


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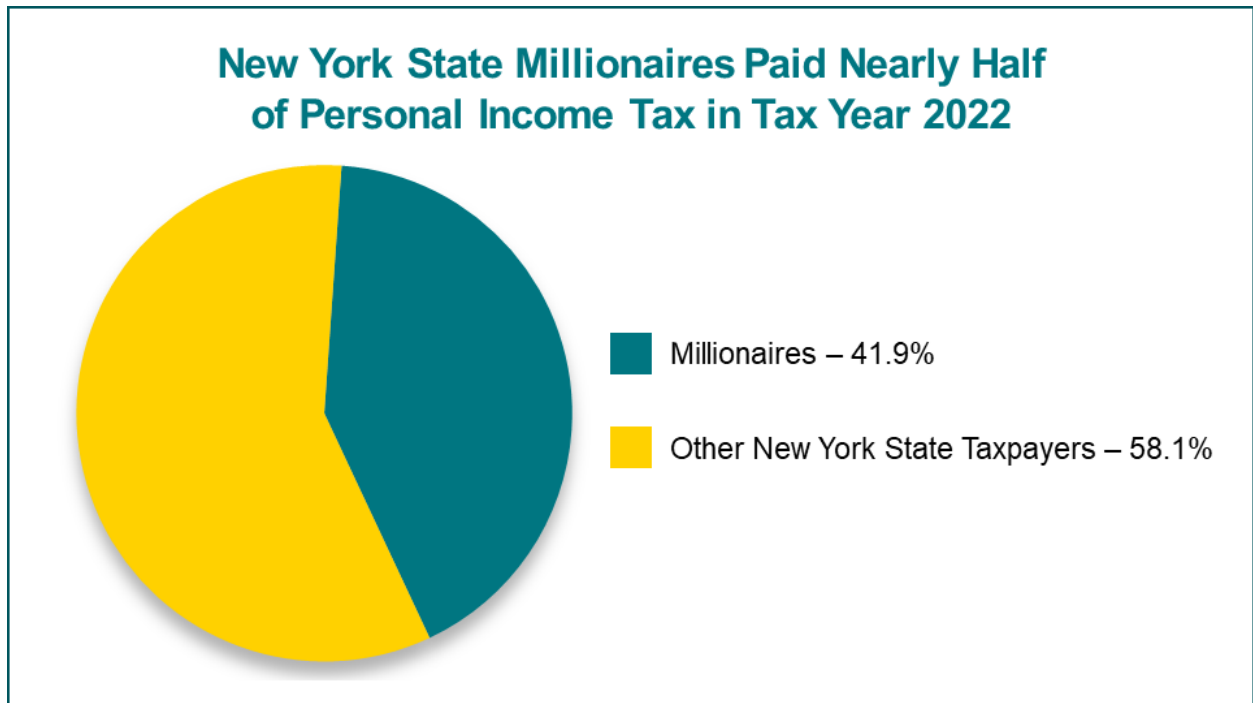
## Progressive tax system

New York State's progressive tax system imposes a lower tax rate on lower-income taxpayers. A small number of high-income taxpayers pay most personal income tax.



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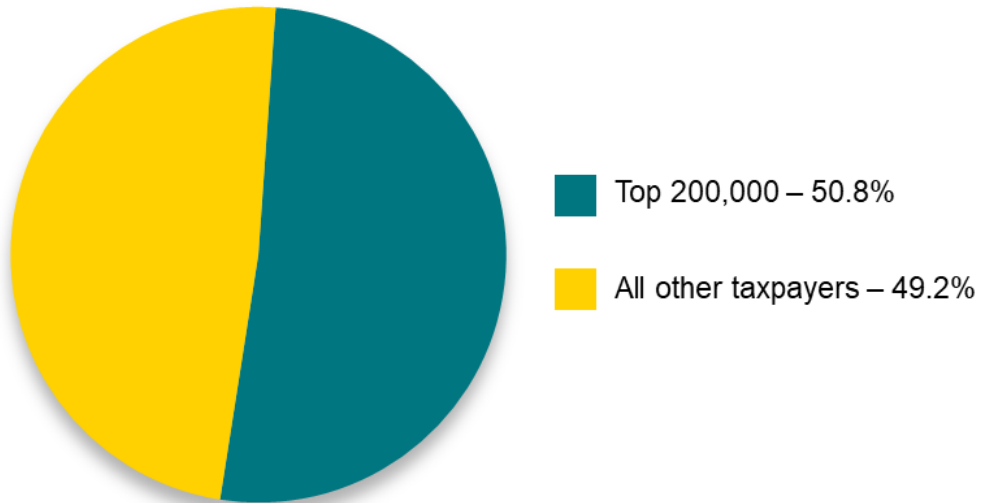
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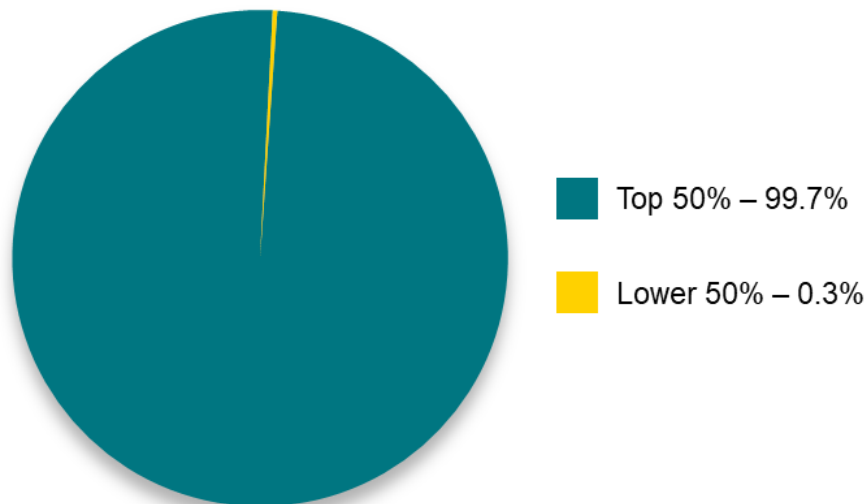
## The Top 200,000 Taxpayers Paid Half of Personal Income Tax in Tax Year 2022



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## The Top 50% of Taxpayers Paid Nearly All Personal Income Tax in Tax Year 2022

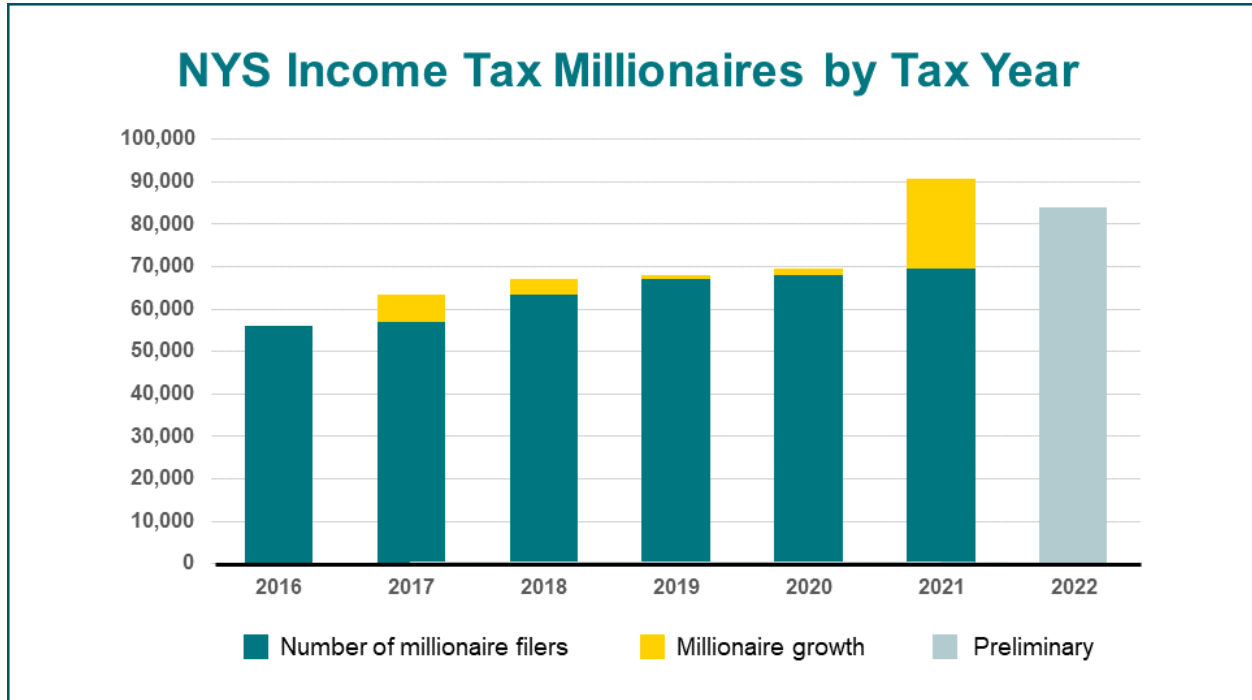


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## More millionaires

The number of tax returns reporting \$1 million or more in New York State adjusted gross income was greater than 90,000 in tax year 2021. The number shown below for 2022 is preliminary and likely to increase as the department continues to review and process tax year 2022 returns.

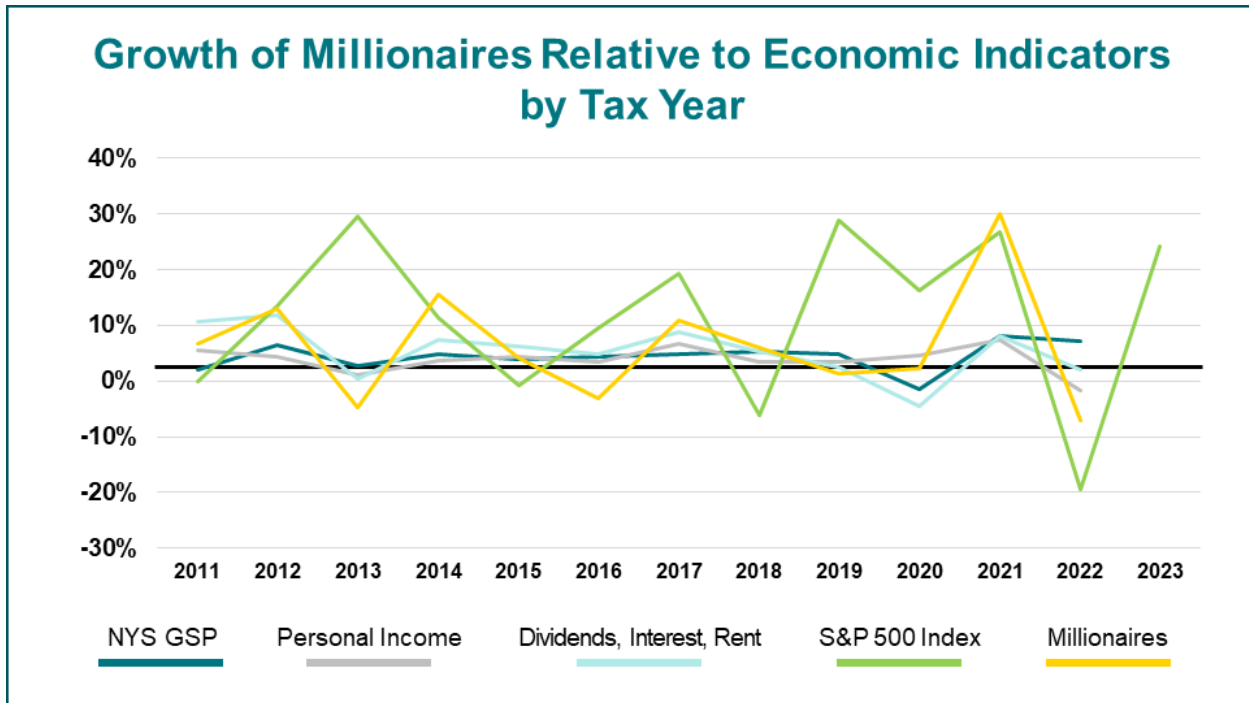


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## Growth of millionaires

The number of millionaires fluctuates with the New York State economy, but not with any single economic indicator.



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## Tax filing composition in New York State is changing

### More single filers

Tax filing status distribution has shifted, with single filers now comprising the majority of resident income tax returns.

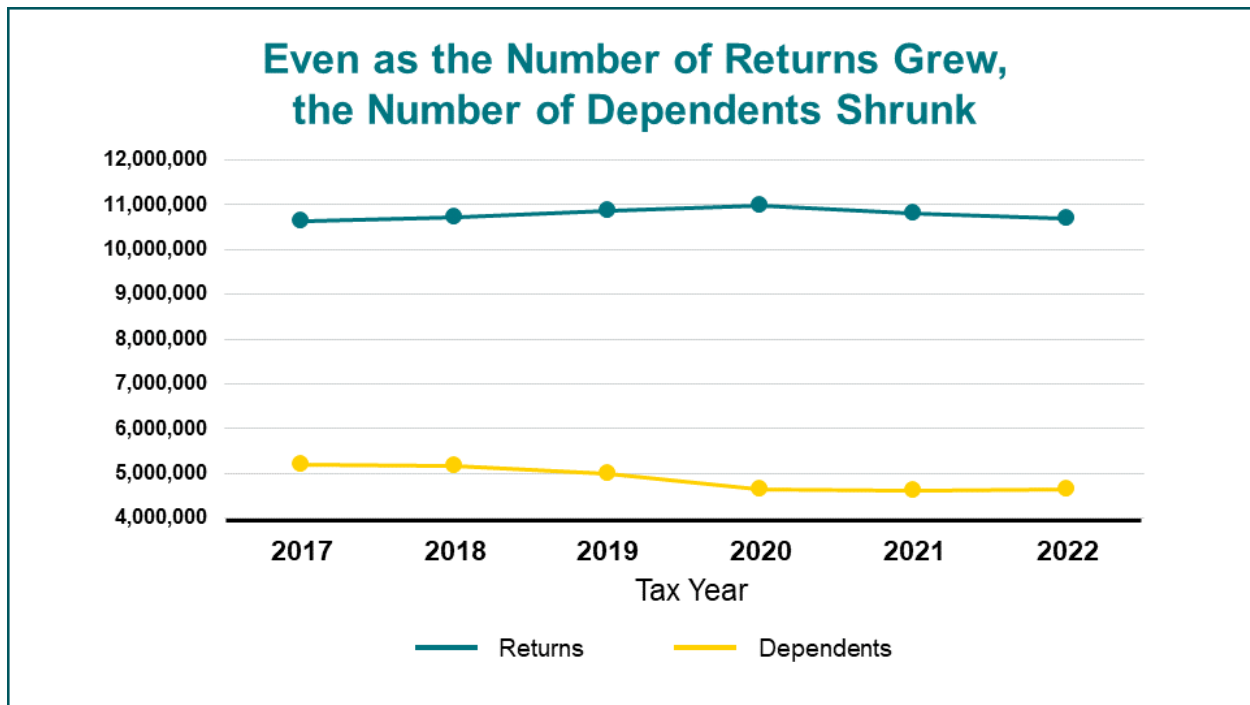
Filing status: personal income tax returns, tax years 2017–2022

Filing status	2017	2018	2019	2020	2021	2022
<b>Single</b>	48.4%	48.9%	49.9%	52.1%	51.6%	51.1%
<b>Married filing jointly</b>	32.8%	32.6%	31.9%	30.3%	30.3%	30.7%
<b>Head of household</b>	16.3%	16.1%	15.5%	14.7%	15.1%	15.3%
<b>Married filing separately</b>	2.3%	2.4%	2.6%	2.8%	2.9%	2.8%

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### Fewer dependents

The number of dependents reported on New Yorkers' tax returns markedly declined over the past 6 years. Residents claimed 600,000 fewer dependents in 2022 than 6 years ago.



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### Share of returns with dependents

The share of residents claiming dependents on their tax filings dropped by more than 3 percentage points between 2017 and 2022.

#### Returns with dependents by tax year

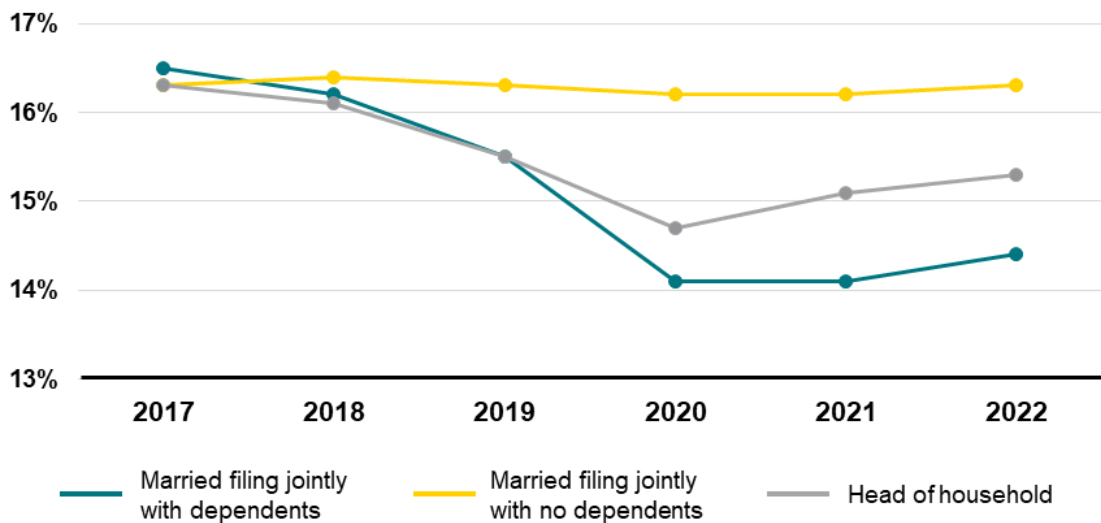
Tax year	2017	2018	2019	2020	2021	2022
Percentage of returns with dependents	33.60%	33.10%	31.70%	29.10%	29.60%	30.06%

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As the share of single filers increased, the share of married filing jointly returns with no dependents was largely unchanged. However, married filing jointly returns with dependents declined 2 percentage points and head of household filings with dependents dropped 1 percentage point over the same period.



## Changes in Returns With Dependents by Tax Year

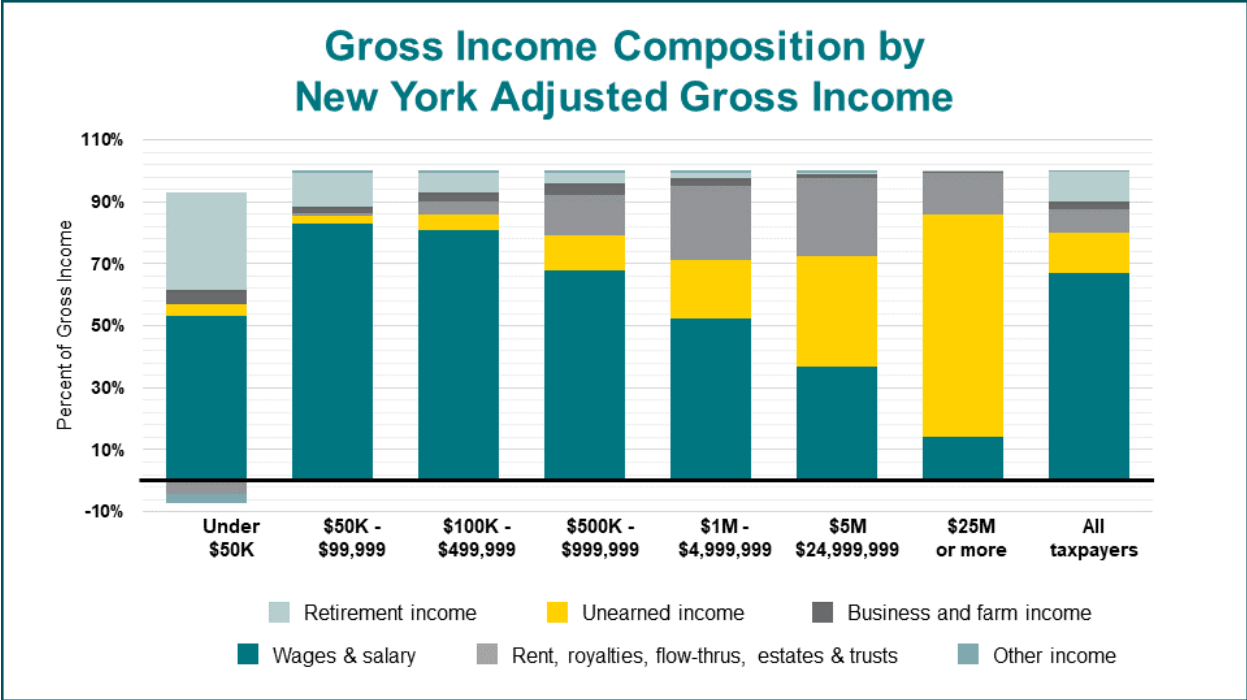


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## Composition of income for tax year 2022

The nature of income varies considerably as incomes rise. For taxpayers under \$1 million, the primary source of income is from wages and salary. As income rises above \$1 million, however, wages and salary are displaced by other sources of income, most notably "unearned income" such as dividends and capital gains.



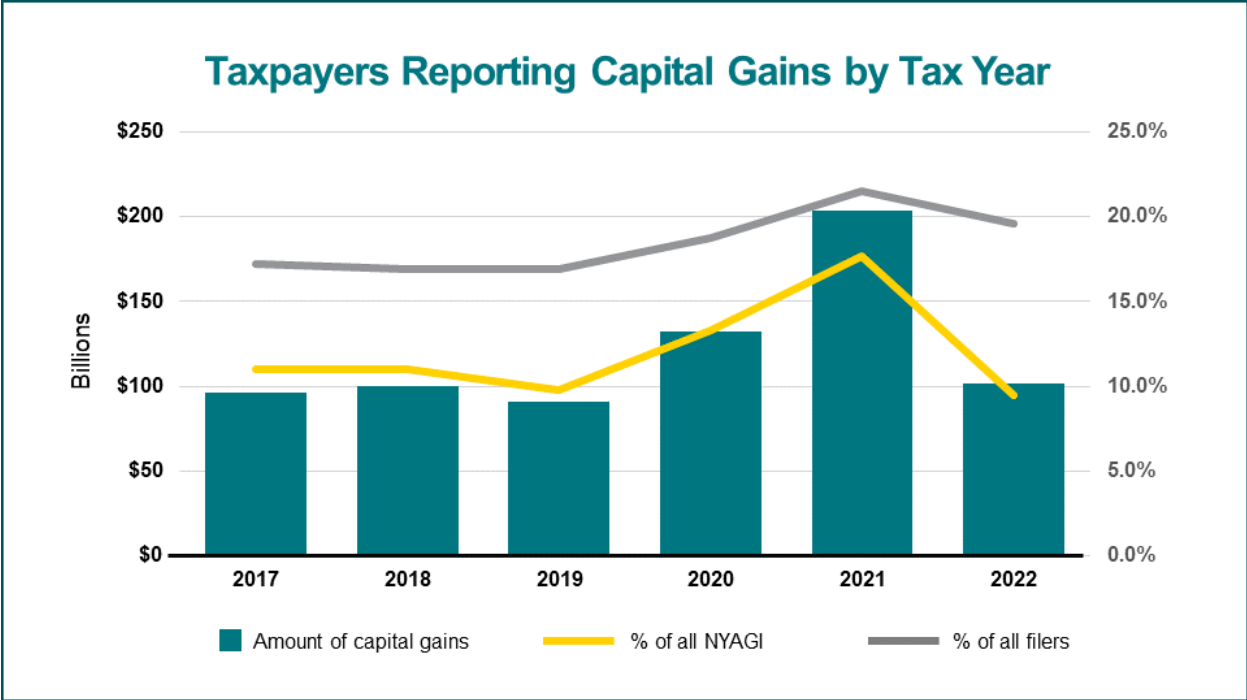
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### Capital gains are highly variable

Taxpayers reported over \$200 billion in net capital gains in 2021, nearly doubling the annual average amount from all other years since 2017. In 2022, the amount returned to a more typical level.

The share of filers reporting these gains is relatively stable, however, ranging from 17% to less than 20% of all returns over this same period.



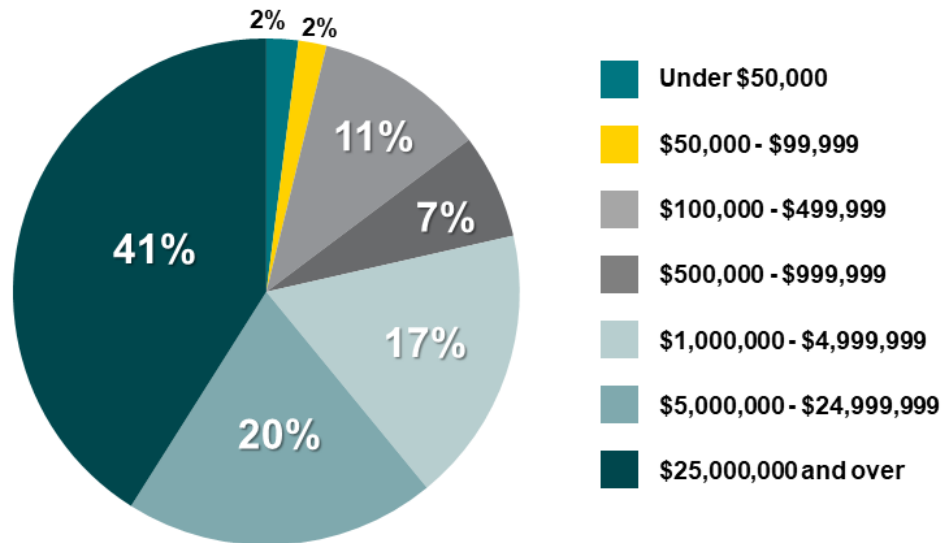
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### Distribution of capital gains for tax year 2022

Capital gains are more concentrated among high-income taxpayers, with millionaires accounting for over 75% of all reported capital gains.

## Distribution of Capital Gains by New York Adjusted Gross Income in Tax Year 2022

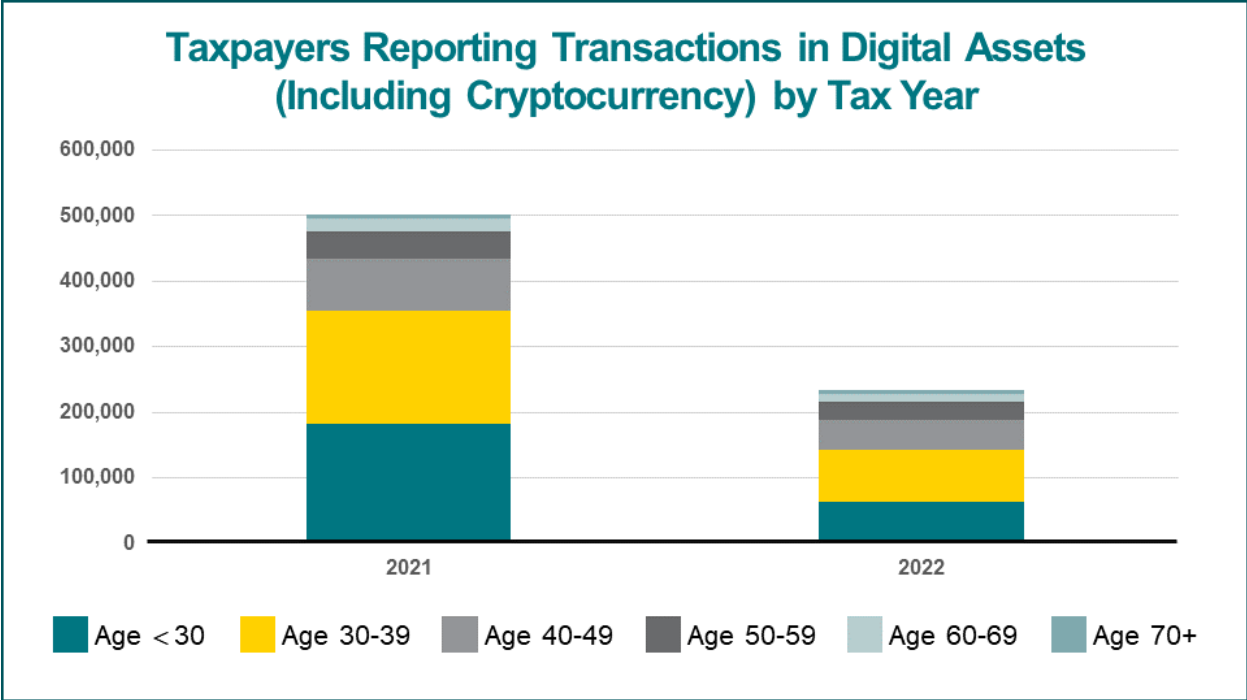


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## Digital assets (including cryptocurrency)

Tax filings now include information on the use of digital assets, including cryptocurrencies and non-fungible tokens. More than 200,000 returns indicated use of these assets in tax year 2022, about half the number of the previous year, with a concentration in younger taxpayers.

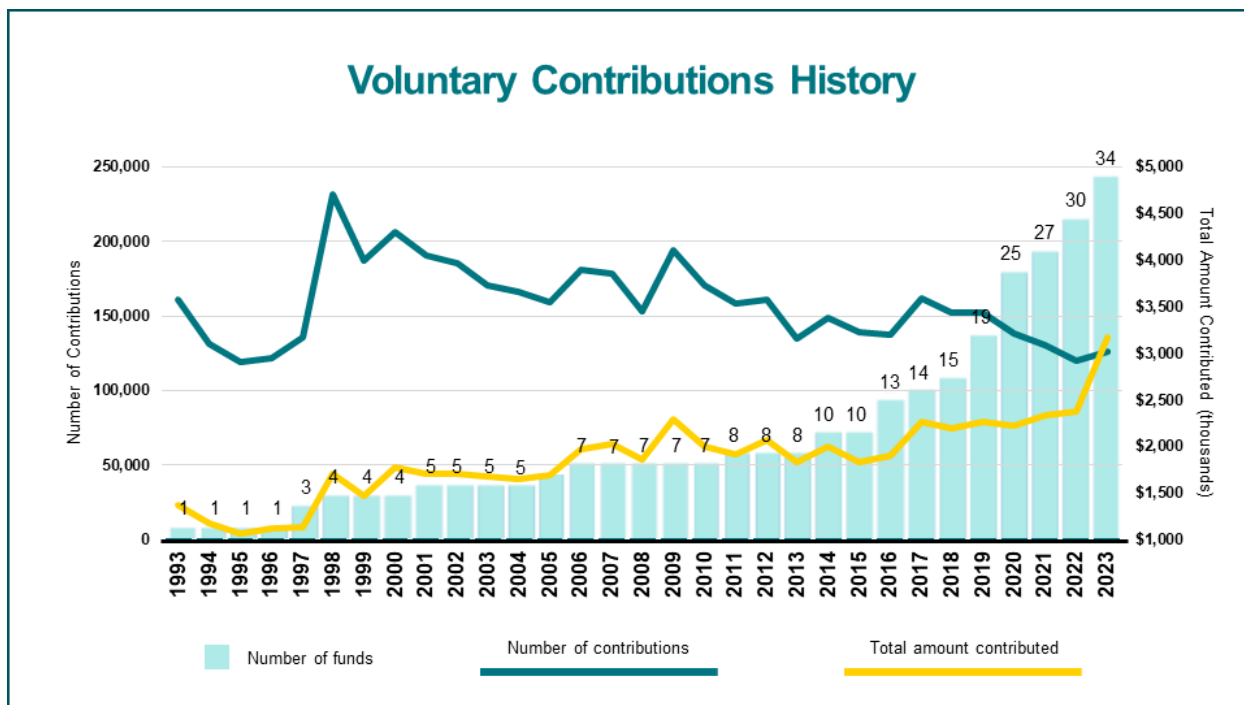


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## Voluntary contributions

The number of voluntary contribution funds has increased steadily, but the number of contributions has declined over the same period and the total amount contributed has remained largely unchanged.



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## Top state personal income tax rates

The following table shows the top marginal tax rate in each state. New York State currently imposes the 3<sup>rd</sup> highest rate in the nation. New York City residents must pay an additional tax of up to 3.876% to the city, resulting in a combined top marginal income tax rate of 14.776%, the highest in the nation.

### Top state personal income tax rates and brackets as of Jan. 1, 2023

State	Top rate	Bracket
California <sup>1,2,3</sup>	12.30%	\$677,275
Hawaii <sup>2</sup>	11.00%	\$200,000
<b>New York <sup>1</sup></b>	<b>10.90%</b>	<b>\$25,000,000</b>
Dist. Of Columbia	10.75%	\$1,000,000
New Jersey	10.75%	\$1,000,000
Oregon <sup>1,2</sup>	9.90%	\$125,000
Minnesota <sup>1,7</sup>	9.85%	\$183,341
Vermont <sup>1,12</sup>	8.75%	\$229,500
Wisconsin <sup>1,13</sup>	7.65%	\$304,170
Maine <sup>1,2</sup>	7.15%	\$58,050

Connecticut <sup>2</sup>		6.99%	\$500,000
Montana <sup>1,2</sup>		6.75%	\$21,600
Nebraska <sup>1,2,14</sup>		6.64%	\$35,730
Delaware		6.60%	\$60,001
West Virginia		6.50%	\$60,000
South Carolina <sup>1,14</sup>		6.40%	\$16,040
Iowa <sup>1,14</sup>		6.00%	\$75,000
Rhode Island <sup>1</sup>		5.99%	\$166,950
New Mexico <sup>9</sup>		5.90%	\$210,000
Idaho		5.80%	\$0
Georgia <sup>4</sup>		5.75%	\$7,001
Maryland <sup>5</sup>		5.75%	\$250,000
Virginia <sup>2</sup>		5.75%	\$17,001
Kansas <sup>2</sup>		5.70%	\$30,000
Alabama <sup>2</sup>		5.00%	\$3,001
Massachusetts <sup>6</sup>		5.00%	\$0
New Hampshire	5% on dividends and interest income only		
Mississippi <sup>8</sup>	5% above \$10,000 only		
Illinois <sup>1</sup>		4.95%	\$0
Missouri <sup>1</sup>		4.95%	\$8,449
Arkansas <sup>1</sup>		4.90%	\$8,501
Utah		4.85%	\$0
North Carolina		4.75%	\$0
Oklahoma <sup>11</sup>		4.75%	\$7,200
Kentucky		4.50%	\$0
Colorado		4.40%	\$0
Louisiana <sup>2,14</sup>		4.25%	\$50,001
Michigan		4.25%	\$0
Ohio <sup>1</sup>		3.99%	\$115,300
Indiana		3.15%	\$0
Pennsylvania		3.07%	\$0
North Dakota <sup>1,10</sup>		2.90%	\$491,350
Arizona		2.50%	\$0
Alaska	n/a		
Florida	n/a		
Nevada	n/a		
South Dakota	n/a		
Tennessee	n/a		
Texas	n/a		
Washington	n/a		

Wyoming	n/a
(1) 16 states have statutory provision for automatically adjusting to the rate of inflation the dollar values of the income tax brackets, standard deductions, and/or personal exemptions. Oregon does not index the income brackets for \$125,000 and over.	
(2) For joint returns, taxes are twice the tax on half the couple's income	
(3) California imposes an additional 1% tax on taxable income over \$1 million, making the maximum rate 13.3% over \$1 million.	
(4) The Georgia income brackets reported are for single individuals. For married couples filing jointly, the same tax rates apply to the top income bracket of \$10,000	
(5) The income brackets reported for Maryland are for single individuals. For married couples filing jointly, the same tax rates apply to the top income bracket of \$300,000.	
(6) Short-term capital gains in Massachusetts is taxed at 12% rate. An additional tax of 4% on income of \$1 million	
(7) The income brackets reported for Minnesota are for single individuals. For married couples filing jointly, the same tax rates apply to the top income bracket of \$304,971	
(8) Mississippi rate decreases in 2024 to 4.8% if net general revenue goal is met.	
(9) The income brackets reported for New Mexico are for single individuals. For married couples filing jointly, the same tax rates apply to the top income bracket of \$315,000.	
(10) The income brackets reported for North Dakota are for single individuals. For married couples filing jointly, the same tax rates apply to the top income bracket of \$491,350.	
(11) The income brackets reported for Oklahoma are for single persons. For married persons filing jointly, the same tax rates apply to the top income bracket of \$12,200.	
(12) Vermont's income brackets reported are for single individuals. For married taxpayers filing jointly, the same tax rates apply to the top income bracket of \$279,450.	
(13) The Wisconsin income brackets reported are for single individuals. For married taxpayers filing jointly, the same tax rates apply to the top income bracket of \$405,550	
(14) Louisiana tax rates may be adjusted down if revenue trigger is met on April 1st. Iowa is phasing-in a flat rate by 2027, while Nebraska and South Carolina is phasing-in a reduced top rate by 2027	

Source: [State Personal Income Tax Rates, 2023 | Federation of Tax Administrators](#)

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