

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-M-90 (3) I
Income Tax
August 10, 1990

New Income Tax Rates for Taxable Years
Beginning After 1989

General

Chapter 190 of the Laws of 1990 amended various sections of the New York State Tax Law to establish new tax rates to be imposed on individuals, estates and trusts. The new law, explained below, applies to taxable years beginning after 1989.

The Tax Reform and Reduction Act of 1987 enacted a four-year personal income tax reduction. Under the act, the top tax rate was to have been reduced in each of the four years, ultimately reaching 7% for taxable years beginning after 1990. Chapter 190 amended the law to delay the tax rate cut scheduled for 1990, and then to phase in the remaining tax rate reduction over a four-year period beginning in 1991. As a result, the rates that were in effect for 1989 will also apply to 1990, and the top rate of 7% will be effective for taxable years beginning after 1993.

The new tax rate schedules are shown on the following pages. The tax rate schedules for 1990 and 1991 shown in TSB-M-87-(10)I are now obsolete.

1990 Estimated Tax

There is no provision in the new law to waive the penalty for underpayment of estimated tax where the underpayment results solely from enactment of the new rates. Therefore, in order to avoid owing a penalty, taxpayers who based their 1990 estimates on the original 1990 tax rates must amend their September 17, 1990 and January 15, 1991 estimated tax payments to take into account the new rates. Any shortfall in the April 16, 1990 and June 15, 1990 payments must also be made up with the September 17 payment. However, taxpayers who based their 1990 estimate on 100% of their 1989 tax need not amend their 1990 estimate. In addition, the new rates may result in taxpayers being required to make estimated tax payments beginning with the September 17 installment.

For information concerning the requirements for paying estimated tax and on amending an original estimate, see Estimated Tax Voucher Forms IT-2105, IT-2105.6 and instructions.

1990 Withholding

Since the new law continues the 1989 tax rates in 1990, no changes in withholding to reflect the rate changes will be required. In those instances where withholding is required at the highest effective rate (such as on supplemental wages and lottery and certain gambling winnings) the rate of 7.875% continues for 1990.

1990

New paragraph (4) of sections 601(a), (b) and (c) establishes new tax rate schedules effective on the first day of a taxpayer's taxable year beginning in 1990. These rate schedules are the same as the rate schedules in effect under section 699 of the Tax Law for 1989.

The 1990 income tax is to be computed using the following schedules:

Married Filing Jointly and Surviving Spouse

If the New York taxable income is:

over	not over	tax				
\$ 0	\$11,000	4%	of amount	over	\$ 0	
11,000	16,000	\$ 440 plus 5%	"	"	11,000	
16,000	22,000	690 plus 6%	"	"	16,000	
22,000	26,000	1,050 plus 7%	"	"	22,000	
26,000	1,330 plus 7.875%	"	"	26,000	

Single, Married Filing Separately and Estates and Trusts

If the New York taxable income is:

over	not over	tax				
\$ 0	\$ 5,500	4%	of amount	over	\$ 0	
5,500	8,000	\$220 plus 5%	"	"	5,500	
8,000	11,000	345 plus 6%	"	"	8,000	
11,000	13,000	525 plus 7%	"	"	11,000	
13,000	665 plus 7.875%	"	"	13,000	

Head of a Household

If the New York taxable income is:

over	not over	tax				
\$ 0	\$ 7,500	4%	of amount	over	\$ 0	
7,500	11,000	\$300 plus 5%	"	"	7,500	
11,000	15,000	475 plus 6%	"	"	11,000	
15,000	17,000	715 plus 7%	"	"	15,000	
17,000	855 plus 7.875%	"	"	17,000	

1991

New paragraph (3) of sections 601(a), (b) and (c) establishes new tax rate schedules effective on the first day of a taxpayer's taxable year beginning in 1991.

The 1991 income tax is to be computed using the following schedules:

Married Filing Jointly and Surviving Spouse

If the New York taxable income is:

over	not over	tax			
\$ 0	\$12,000	4.3%	of amount over	\$ 0	
12,000	18,000	\$ 516 plus 5.3%	" " "	12,000	
18,000	24,000	834 plus 6.3%	" " "	18,000	
24,000	28,000	1,212 plus 7.3%	" " "	24,000	
28,000		1,504 plus 7.7%	" " "	28,000	

Single, Married Filing Separately and Estates and Trusts

If the New York taxable income is:

over	not over	tax			
\$ 0	\$ 6,000	4.3%	of amount over	\$ 0	
6,000	9,000	\$258 plus 5.3%	" " "	6,000	
9,000	12,000	417 plus 6.3%	" " "	9,000	
12,000	14,000	606 plus 7.3%	" " "	12,000	
14,000		752 plus 7.7%	" " "	14,000	

Head of a Household

If the New York taxable income is:

over	not over	tax			
\$ 0	\$ 7,500	4.3%	of amount over	\$ 0	
7,500	11,000	\$323 plus 5.3%	" " "	7,500	
11,000	15,000	508 plus 6.3%	" " "	11,000	
15,000	17,000	760 plus 7.3%	" " "	15,000	
17,000		906 plus 7.7%	" " "	17,000	

1992

New paragraph (2) of sections 601(a), (b) and (c) establishes new tax rate schedules effective on the first day of a taxpayer's taxable year beginning in 1992. However, the reduction in the highest rate of tax from 7.7% to 7.5% does not take effect until the first day of the fourth month of the taxpayer's taxable year. For implementation purposes, section 699 provides that a top rate of 7.55% is effective for the entire year.

The 1992 income tax is to be computed using the following schedules:

Married Filing Jointly and Surviving Spouse

If the New York taxable income is:

over	not over	tax			
\$ 0	\$13,000	4.55%	of amount over	\$ 0	
13,000	19,000	\$ 592 plus 5.55%	" " "	13,000	
19,000	25,000	925 plus 6.55%	" " "	19,000	
25,000		1,318 plus 7.55%	" " "	25,000	

Single, Married Filing Separately and Estates and Trusts

If the New York taxable income is:

over	not over	tax			
\$ 0	\$ 6,500	4.55%	of amount over	\$ 0	
6,500	9,500	\$296 plus 5.55%	" " "	6,500	
9,500	12,500	462 plus 6.55%	" " "	9,500	
12,500		659 plus 7.55%	" " "	12,500	

Head of a Household

If the New York taxable income is:

over	not over	tax			
\$ 0	\$ 9,000	4.55%	of amount over	\$ 0	
9,000	14,000	\$ 410 plus 5.55%	" " "	9,000	
14,000	19,000	687 plus 6.55%	" " "	14,000	
19,000		1,015 plus 7.55%	" " "	19,000	

1993

New paragraph (1) of sections 601(a), (b) and (c) establishes new tax rate schedules effective on the first day of the fourth month of a taxpayer's taxable year beginning in 1993.

For implementation purposes, section 699 provides that the 1993 income tax is to be computed using the following schedules:

Married Filing Jointly and Surviving Spouse

If the New York taxable income is:

over	not over	tax				
\$ 0	\$14,000	5.125%	of amount over	\$ 0		
14,000	28,000	\$ 718 plus 6.125%	" " "	14,000		
28,000		1,575 plus 7.125%	" " "	28,000		

Single, Married Filing Separately and Estates and Trusts

If the New York taxable income is:

over	not over	tax				
\$ 0	\$ 7,000	5.125%	of amount over	\$ 0		
7,000	14,000	\$359 plus 6.125%	" " "	7,000		
14,000		788 plus 7.125%	" " "	14,000		

Head of a Household

If the New York taxable income is:

over	not over	tax				
\$ 0	\$ 9,000	5.125%	of amount over	\$ 0		
9,000	20,000	\$ 461 plus 6.125%	" " "	9,000		
20,000		1,135 plus 7.125%	" " "	20,000		

1994 and thereafter

For taxable years beginning after 1993 there are two income tax rates and two income tax brackets. The income tax for years 1994 and thereafter is to be computed using the following schedules:

Married Filing Jointly and Surviving Spouse

If the New York taxable income is:

over	not over	tax			
\$ 0	\$27,000	5.5%	of amount over	\$ 0	
27,000		\$1,485 plus 7%	" " "	27,000	

Single, Married Filing Separately and Estates and Trusts

If the New York taxable income is:

over	not over	tax			
\$ 0	\$12,500	5.5%	of amount over	\$ 0	
12,500		\$688 plus 7%	" " "	12,500	

Head of a Household

If the New York taxable income is:

over	not over	tax			
\$ 0	\$19,500	5.5%	of amount over	\$ 0	
19,500		\$1,073 plus 7%	" " "	19,500	