



New York City Comptroller
John C. Liu

NEWS RELEASE

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LIU CALLS FOR NYC TAX RELIEF AND REFORM

Plan Would Cut Local Income Taxes for 99% of NYC Tax Filers

NEW YORK, NY – City Comptroller John C. Liu today announced a plan to reform the City’s unfair Personal Income Tax. Comptroller Liu’s “NYC Tax Relief Proposal” would cut local income taxes for 99% of New Yorkers and raise an additional \$250 million to \$1 billion in revenue for the City’s budget.

“It makes little sense that a family with an income of \$50,000 pays nearly the same tax rate as a family that makes \$1,000,000,” Comptroller Liu said. “New Yorkers are willing to pay fair taxes and this proposal makes the City’s rates truly progressive, as they were always intended. Overall, it carries the added benefit of increased resources to help close budget deficits that loom in the near future.”

Currently, New York City’s local effective tax rates are relatively flat. For example, a family that earns \$50,000 pays a tax rate of 3.3%, while a family that earns \$1,000,000 pays a rate of 3.7%. Under the Tax Relief all joint filers earning less than \$500,000 per year and single filers earning less than \$200,000 would pay a lower local NYC income tax rate than they do now.

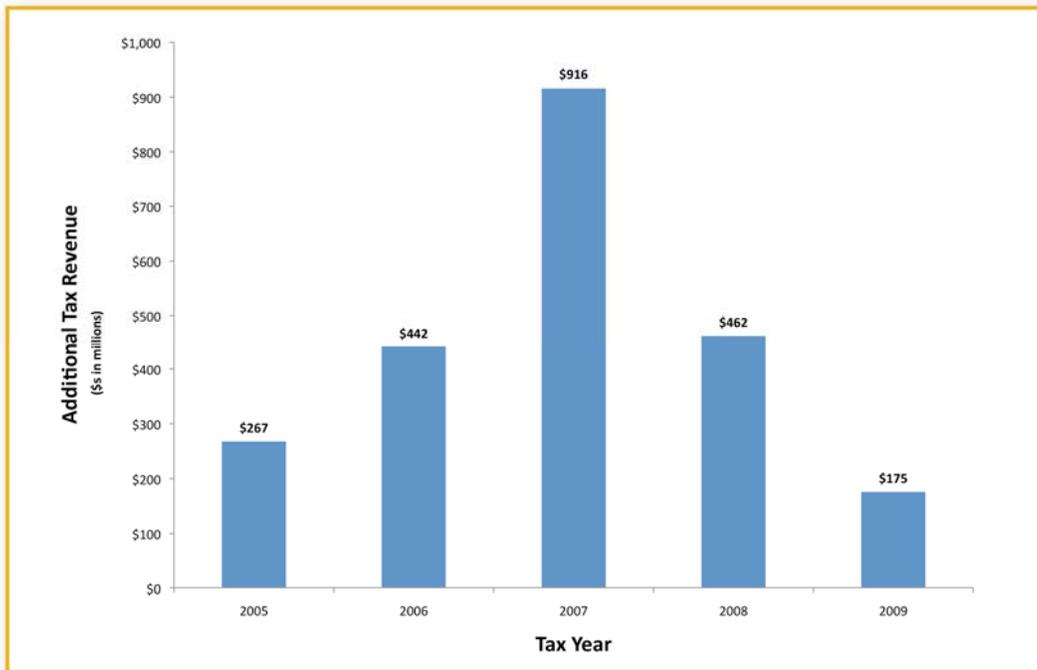
Comparison of Existing and Proposed NYC Personal Income Tax			
<small>(For Married Filing Jointly and Qualifying Widows/ers)</small>			
TAXABLE INCOME	TAX LIABILITY		NET CHANGE
	Existing	Proposed	
\$30,000	\$925	\$642	-\$283
\$50,000	\$1,635	\$1,167	-\$468
\$80,000	\$2,712	\$2,067	-\$645
\$100,000	\$3,436	\$2,717	-\$719
\$125,000	\$4,348	\$3,592	-\$756
\$175,000	\$6,172	\$5,342	-\$830
\$250,000	\$8,908	\$7,967	-\$941
\$300,000	\$10,732	\$9,967	-\$765
\$500,000	\$18,028	\$17,967	-\$61
\$1,000,000	\$37,408	\$42,967	\$5,559
\$5,000,000	\$192,448	\$252,967	\$60,519

Source: Office of the New York City Comptroller

According to the Mayor’s recently-unveiled Executive Budget forecasts, the City now faces multi-billion budget shortfalls into the foreseeable future. Specifically, the Mayor’s Office of Management &

Budget is predicting gaps of \$3.04 billion for FY 2014, \$3.68 billion for FY 2015, and \$3.15 billion for FY 2016.

The progressive local tax rates proposed by Comptroller Liu would increase revenue to the City by requiring those in the highest income brackets, joint filers earning more than \$500,000, to pay their fair share. When applied to previous years, the proposed tax rates increased revenue by an average of \$452 million per year.



Local income tax collections would increase by about 6 percent under Comptroller Liu’s proposal through an equitable tax structure that ensures more New Yorkers have a chance to enjoy the City’s ongoing economic recovery.

“The NYC Tax Relief Proposal is intended to promote shared prosperity so that the benefits of economic recovery are spread to the 99% more evenly than they were the last time around,” Comptroller Liu said.

A Fact Sheet on Comptroller Liu’s Tax Relief Proposal is available here:

<http://www.comptroller.nyc.gov/>

Background

Last month, the Comptroller’s Office released a report that details the income disparity in New York City. The study found that the top 1% of income tax filers receive one-third of all City personal income, a share that is almost twice the national average. The income gap is further highlighted by the concentration of income among the very wealthiest. The most affluent 15,000 New York City households (the top 0.5% of filers) took in 26.7% of the City’s income. The top 2,000 households (the top 0.05% of filers) accounted for 18.9% of all income reported in the City. The report, “Income Inequality in New York City,” is available for download here:

http://www.comptroller.nyc.gov/bureaus/cac/pdf/NYC_IncomeInequality_v17.pdf