

Change in Federal/State Tax Liability for a Family of Four Residing in New York City

Based on proposal to increase the top state personal income tax rate from 6.85% to (a) 7.5% for taxable income between \$150,000 and \$500,000 and (b) 7.7% for taxable income over \$500,000; and to increase the top NYC tax rate increase from 3.648% to (a) 4.25% for taxable income between \$150,000 and \$500,000 and (b) 4.45% for taxable income over \$500,000.

	<u>Adjusted Gross Income</u>					
	<u>\$200,000</u>	<u>\$250,000</u>	<u>\$300,000</u>	<u>\$500,000</u>	<u>\$1,000,000</u>	<u>\$1,663,000</u>
<u>2000 Federal Law</u>						
Federal Itemized Deductions - 2000	\$44,983	\$60,435	\$65,762	\$93,325	\$169,709	\$261,175
Federal Exemptions -- 2000	<u>\$10,528</u>	<u>\$6,048</u>	<u>\$1,568</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Federal Taxable Income - 2000	\$144,489	\$183,517	\$232,670	\$406,675	\$830,291	\$1,401,825
Federal Tax - 2000	\$35,912	\$49,115	\$66,810	\$133,711	\$301,463	\$527,791
<u>2003 Federal Law - Current</u>						
Federal Itemized Deductions - 2003	\$45,185	\$60,617	\$65,965	\$93,561	\$169,957	\$261,432
Federal Exemptions - 2003	<u>\$12,400</u>	<u>\$8,680</u>	<u>\$3,720</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Federal Taxable Income - 2003	\$142,415	\$180,703	\$230,315	\$406,439	\$830,043	\$1,401,568
Federal Tax - 2003	\$32,866	\$44,533	\$61,897	\$126,788	\$290,299	\$510,907
<u>New York State Current Law</u>						
NYS Itemized Deductions - 2003	\$28,633	\$29,729	\$30,762	\$33,223	\$46,018	\$68,160
NYS Exemptions - 2003	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>
NYS Taxable Income - 2003	\$169,367	\$218,271	\$267,238	\$464,777	\$951,982	\$1,592,840
NYS Tax - 2003	\$11,602	\$14,952	\$18,306	\$31,837	\$65,211	\$109,110
NYC Tax - 2003	\$5,966	\$7,750	\$9,537	\$16,743	\$34,516	\$57,895
<u>Proposed Tax Changes</u>						
NYS Tax with Proposed Rate Increase	\$12,703	\$16,370	\$20,043	\$34,858	\$73,303	\$122,649
NYC Tax with Proposed Rate Increase	\$7,198	\$9,277	\$11,358	\$19,753	\$42,363	\$70,881
<u>Impact of Proposed NYS/ NYC Tax Changes on Federal Taxes</u>						
Federal Deductions with Proposed NYS/ NYC Tax Changes	\$47,383	\$63,338	\$69,153	\$98,577	\$182,410	\$281,304
Federal Exemptions with Proposed NYS/ NYC Tax Changes	<u>\$12,400</u>	<u>\$8,680</u>	<u>\$3,720</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Federal Taxable Income with Proposed NYS/ NYC Tax Changes	\$140,217	\$177,982	\$227,127	\$401,423	\$817,590	\$1,381,696
Federal Tax for 2003 with Proposed NYS/ NYC Tax Changes	\$32,207	\$43,581	\$60,781	\$124,851	\$285,492	\$503,237
<u>Overall Impact of Proposed NYS/ NYC Tax Changes</u>						
Proposed NYS Tax Increase	\$1,101	\$1,419	\$1,737	\$3,021	\$8,092	\$13,539
Proposed NYC Tax Increase	\$1,232	\$1,526	\$1,821	\$3,010	\$7,847	\$12,987
Change in Federal Taxes due to Federal Tax Changes since 2000	-\$3,046	-\$4,582	-\$4,912	-\$6,924	-\$11,164	-\$16,883
Change in Federal Taxes due to Proposed NYS/ NYC Tax Changes	-\$659	-\$952	-\$1,116	-\$1,936	-\$4,807	-\$7,671
Net Change in Total Federal/State/City Income Taxes	-\$1,373	-\$2,589	-\$2,470	-\$2,829	-\$32	\$1,972