



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION**

LATONIA MCKINNEY, ACTING DIRECTOR

FISCAL IMPACT STATEMENT

PRECONSIDERED M: S. 7386, A. 9462

COMMITTEE: State and Federal Legislation

TITLE: AN ACT to amend the tax law, the administrative code of the city of New York, chapter 877 of the laws of 1975, chapter 884 of the laws of 1975 and chapter 882 of the laws of 1977, relating to the imposition of certain taxes in the city of New York, in relation to postponing the expiration of certain tax rates and taxes in the city of New York.

SPONSOR(S): Council Member Koslowitz

SUMMARY OF LEGISLATION: Extends the authority beneath a variety of taxes and/or associated rates for a further three (3) years. For example, it would extend: the City's current personal income tax rates, which will otherwise revert at the end of 2014 to lower tax rates; general corporation tax rates, preventing reversion at the end of calendar year 2014 to lower rates; sales taxes on credit rating and reporting services and on beauty and barbering services, which are set to sunset November 30, 2014, and; the cigarette tax rate, which is set to decline (the current rate is 75 cents for each ten cigarettes, but is set to decline to between 2 and 4 cents for each ten cigarettes, depending on tar and nicotine content) on December 31, 2014.

EFFECTIVE DATE: The State act would take effect immediately.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: 2015

FISCAL IMPACT STATEMENT:

	Effective FY14	FY Succeeding Effective FY15	Full Fiscal Impact FY14
Revenues	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0
Net	\$0	\$0	\$0

IMPACT ON REVENUES: There would be no impact on revenues from this legislation. The financial plan assumes the authority regarding taxes covered by this legislation will continue beyond their respective sunset dates this year. Legislative sponsors note that most of these taxes have been in effect for nearly four (4) decades years and have become an accepted and expected part of the City's tax and budgeting structure.

IMPACT ON EXPENDITURES: None

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: N/A

SOURCE OF INFORMATION: New York City Council Finance Division

ESTIMATE PREPARED BY: Christopher Eshleman, Senior Legislative Financial Analyst

ESTIMATED REVIEWED BY: Ray Majewski, Deputy Director & Chief Economist
Tanisha Edwards, Finance Counsel

LEGISLATIVE HISTORY: The committee will vote on the Preconsidered M on May 28, 2014. Upon successful committee vote, the Preconsidered M will be submitted for introduction to the Full Council on May 29, 2014, and immediately thereafter, will be voted upon by the Full Council.

DATE SUBMITTED TO THE COUNCIL: MAY 29, 2014

DATE PREPARED: May 20, 2014

EXPECTED VOTE: MAY 28, 2014 – STATE AND FEDERAL LEGISLATION; MAY 29, 2014 – COUNCIL