LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2026

No. 133

Introduced by Council Member Lee.

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to decreasing the credit against the city personal income tax on residents for such residents' share of city unincorporated business tax paid by partnerships in which such residents are partners or businesses of which such residents are proprietors

Be it enacted by the Council as follows:

Section 1. Subparagraph (A) of paragraph (2) of subdivision (c) of section 11-1706 of the administrative code of the city of New York, as amended by local law number 35 for the year 2007, is amended to read as follows:

(A) Subject to the limitation set forth in subparagraph (B) of this paragraph, the credit allowed to a taxpayer for a taxable year under this subdivision shall be determined as follows:

(i) For taxable years beginning on or after January [first, nineteen hundred ninety-seven] *1, 1997,* and before January [first, two thousand seven] *1, 2007*:

(I) If the city taxable income is [forty-two thousand dollars] *$42,000* or less, the credit shall be [sixty-five] *65* percent of the amount determined in paragraph [three] *3* of this subdivision.

(II) If the city taxable income is greater than [forty-two thousand dollars] *$42,000* but not greater than [one hundred forty-two thousand dollars] *$142,000*, the amount of the credit shall be a percentage of the amount determined in paragraph [three] *3* of this subdivision, such percentage to be determined by subtracting from [sixty-five] *65* percent, one-tenth of a percentage point (.001) for every increment of [two hundred dollars] *$200*, or fractional part thereof, of city taxable income in excess of [forty-two thousand dollars] *$42,000*.

(III) If the city taxable income is greater than [one hundred forty-two thousand dollars] *$142,000*, the credit shall be [fifteen] *15* percent of the amount determined in paragraph [three] *3* of this subdivision.

(ii) For taxable years beginning on or after January [first, two thousand seven] *1, 2007, and before January 1, 2026*:

(I) If the city taxable income is [forty-two thousand dollars] *$42,000* or less, the credit shall be [one hundred] *100* percent of the amount determined in paragraph [three] *3* of this subdivision.

(II) If the city taxable income is greater than [forty-two thousand dollars] *$42,000* but less than [one hundred forty-two thousand dollars] *$142,000*, the amount of the credit shall be a percentage of the amount determined in paragraph [three] *3* of this subdivision, such percentage to be determined by subtracting from [one hundred] *100* percent, a percentage determined by subtracting [forty-two thousand dollars] *$42,000* from city taxable income, dividing the result by [one hundred thousand dollars] *$100,000* and multiplying by [seventy-seven] *77* percent.

(III) If the city taxable income is [one hundred forty-two thousand dollars] *$142,000* or greater, the credit shall be [twenty-three] *23* percent of the amount determined in paragraph [three] 3 of this subdivision.

(iii) For taxable years beginning on or after January 1, 2026:

(I) If the city taxable income is $42,000 or less, the credit shall be 100 percent of the amount determined in paragraph 3 of this subdivision.

(II) If the city taxable income is greater than $42,000 but less than $142,000, the amount of the credit shall be a percentage of the amount determined in paragraph 3 of this subdivision, such

percentage to be determined by subtracting from 100 percent, a percentage determined by subtracting $42,000 from city taxable income, dividing the result by $100,000 and multiplying by 77 percent.

(III) If the city taxable income is $142,000 but less than $1,000,000, the amount of the credit shall be 23 percent of the amount determined in paragraph 3 of this subdivision.

(IV) If the city taxable income is $1,000,000 or greater but less than $1,250,000, the amount of the credit shall be a percentage of the amount determined in paragraph 3 of this subdivision, such percentage to be determined by subtracting from 23 percent, a percentage determined by subtracting $1,000,000 from city taxable income, dividing the result by $250,000 and multiplying by 8 percent.

(V) If the city taxable income is $1,250,000 or greater, the credit shall be 15 percent of the amount determined in paragraph 3 of this subdivision.

§ 2. This local law takes effect immediately, and is retroactive to and deemed to have been in effect as of January 1, 2026.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on July 16, 2026 and returned unsigned by the Mayor on August 18, 2026.

ALISA FUENTES, Acting City Clerk, Acting Clerk of the Council.

CERTIFICATION OF CORPORATION COUNSEL

I hereby certify that the form of the enclosed local law (Local Law No. 133 of 2026, Council Preconsidered Int. No. 972 of 2026) to be filed with the Secretary of State contains the correct text of the local law passed by the New York City Council, presented to the Mayor, and neither approved nor disapproved within thirty days thereafter.

MOLLY MURPHY, Acting Corporation Counsel.