

Tax cuts that apply to tax years that have begun for some affected taxpayers but for which final returns will not be filed until 2003 or late 2002.

1. Personal Income Tax - Increase in standard deduction for married couples filing joint returns, from \$13,400 to \$14,200, for tax years beginning on and after January 1, 2002 (2000 Part P)
2. Personal Income Tax - Increase in State Earned Income Tax Credit from 25% to 27.5% of Federal Earned Income Tax Credit, for tax years beginning on and after January 1, 2002 (2000 Part Q)
3. Personal Income Tax - For tax years beginning on and after January 1, 2002, increases from \$2,500 to \$5,000 the maximum amount of allowable undergraduate higher education tuition expenses for which an itemized deduction or a 4% refundable credit can be taken by New York residents. (2000 Part DD)
4. Insurance Tax - For tax years beginning on and after January 1, 2002, insurance companies can claim credits for 100% of any investments made on or after May 1, 2000, in CAPCOs (certified capital companies), up to a \$150 million statewide cap. (This is the state's third round of CAPCO credits for insurance companies.) (2000 Part FF)
5. Bank Tax - For tax years beginning on and after July 1, 2001, reduces the tax rate from 8.5% to 8% of net income. (Note: For virtually all banks this applies to tax years beginning on January 1, 2002.) (1999 Part O)
6. Insurance Tax - For tax years beginning on and after July 1, 2001, reduces the tax rate from 8.5% to 8% of net income. (Note: For virtually all insurance companies this applies to tax years beginning on January 1, 2002.) (1999 Part O)
7. Insurance Tax - For tax years beginning on and after July 1, 2001, reduces the Capital tax rate for non-life insurance companies from 2.4% to 2.2%. (Note: For virtually all insurance companies this applies to tax years beginning on January 1, 2002.) (1999 Part O)
8. Corporation and Utility Tax - For tax years beginning on and after January 1, 2002, eliminates the excess dividends tax (Section 183) for telecommunications companies principally engaged in local telephone with fewer than one million access lines. (1999 Part V)
9. Corporate Franchise Tax - For tax years beginning on and after July 1, 2001, reduces the tax rate from 8% to 7.5% of net income. (Note: Most corporations have calendar year fiscal years so that this reduction applies to tax years beginning on January 1, 2002.) (1998 Section 9)
10. S Corporation Differential - Reduces the S corporation differential rate from 0.825% to 0.65% for large S corporations for tax years beginning on and after July 1, 2001. (Note: 1. Most affected corporations have calendar year fiscal years so that this reduction applies to tax years beginning on January 1, 2002; 2. the differential rate for small S corporations was reduced previously from 0.125% to 0.05%.) (1998 Section 13)
11. Petroleum Business Tax - Provides for a 33% rate reduction for both diesel motor fuel and residual oil used for non-residential heating purposes effective September 1, 2002 (2000 Part X)
12. Bank Tax - For tax years beginning on and after July 1, 2002, reduces the tax rate from 8% to 7.5% of net income. (1999 Part O)
13. Insurance Tax - For tax years beginning on and after July 1, 2002, reduces the tax rate from 8% to 7.5% of net income. (1999 Part O)
14. Insurance Tax - For tax years beginning on and after July 1, 2002, reduces the Cap tax rate for non-life insurance companies from 2.2% to 2%. (1999 Part O)
13. Personal and Corporate Taxes - Provides, for tax years beginning on and after January 1, 2002, a 10% credit for cost of purchasing long-term care insurance. This credit applies to the corporation and utility tax, the corporate franchise tax, the personal income tax, the bank tax, and the insurance tax. Any unused portions of this credit can be carried over to future years. (2000 Part E)

Tax Cuts that apply to tax years that have not begun for any affected taxpayers.

1. Personal Income Tax - Increase in standard deduction for married couples filing joint returns, from \$14,200 to \$14,600, for tax years beginning on and after January 1, 2003 (2000 Part P)
2. Personal Income Tax - Increase in State Earned Income Tax Credit from 27.5% to 30% of Federal Earned Income Tax Credit, for tax years beginning on and after January 1, 2003 (2000 Part Q)
3. Beer Tax - Reduces beer excise tax rate from 12.5 cents to 11 cents per gallon effective September 1, 2003 (2000 Part V)
4. Personal Income Tax - Creates new credit up to \$1,500 for the cost of installing fuel cell electric generating equipment in taxpayer's residence, for tax years beginning on and after January 1, 2003. Excess may be carried over for 5 years. (2000 Part Z)
5. Personal Income Tax - For tax years beginning on and after January 1, 2003, increases from \$5,000 to \$7,500 the maximum amount of allowable undergraduate higher education tuition expenses for which an itemized deduction or a 4% refundable credit can be taken by New York residents. (2000 Part DD)
6. Personal Income Tax - For tax years beginning on and after January 1, 2004, increases from \$7,500 to \$10,000 the maximum amount of allowable undergraduate higher education tuition expenses for which an itemized deduction or a 4% refundable credit can be taken by New York residents. (2000 Part DD)
7. Corporate Franchise Tax - For tax years beginning on and after July 1, 2003, reduces the tax rate on net income from 7.5% to 6.85% for businesses with net income of less than \$200,000. For businesses with net income between \$200,000 and \$290,000, the tax rate would range from 6.85% to 7.5%. (2000 Part A)
8. S Corporation Differential - Reduces the S corporation differential rate by over 40% for tax years beginning on and after July 1, 2003. For S corporations with net income of more than \$290,000, this reduction is from 0.65% to 0.375%; for S corporations with net income of \$200,000 or less, this reduction is from 0.05% to 0.0275%; for S corporations with net income between \$200,000 and \$290,000, the differential rates are prorated between these two levels. (2000 Part A)
9. Corporation and Utility Tax - Beginning on January 1, 2003, reduces the section 186-a gross receipts tax on gas and electricity and the section 189 gas import tax from 1.9% to 0.85%; beginning on January 1, 2004, reduces these taxes from 0.85% to 0.4%; and beginning on January 1, 2005, reduces these taxes from 0.4% to 0%. (2000 Part Y)
10. Corporation and Utility Tax - Beginning on January 1, 2003, increases from 25% to 50%, the portion of the section 186-a excise tax on the transmission and distribution component of gas and electric services for commercial, industrial and not-for-profit customers that is excluded from taxation; on January 1, 2004 this exclusion is increased to 75%; and on January 1, 2005, it is increased to 100%. Beginning on January 1, 2003, reduces this tax on transmission and distribution services for other customers from 2.4% to 2.25%; beginning on January 1, 2004, reduces this tax from 2.25% to 2.125%; and beginning on January 1, 2005, reduces this tax from 2.125% to 2%. (2000 Part Y)