ALBANY — The number of millionaires in New York bounced back in 2010 after falling off in 2009, state records show.

The number of millionaires in New York reached nearly 33,000 in 2010, up 19 percent compared to 2009. Overall, the number of people with taxable incomes above $200,000 returned to the level in 2008, a review of records from the state Department of Taxation and Finance by Gannett’s Albany Bureau showed.

“The long-term trend has been to greater income inequality, more growth at the top,” said Frank Mauro, executive director of the Fiscal Policy Institute, a labor-backed think tank near Albany.

Millionaires have been taxed at a higher rate since 2009, and the higher rates were extended last month for three years as part of the state budget. The highest tax bracket is a marginal rate of 8.82 percent for individuals who earn $1 million or more and married couples above $2 million.

In 2009, during the depth of the national recession, the number of millionaires in New York fell off 22 percent between 2008 and 2009. Those who earned more than $200,000 in adjusted gross income fell 8 percent.

But in 2010, the most recent year available, the rich recovered.

The number of filers earning more than $200,000 was up 9 percent between 2009 and 2010, reaching nearly 322,000 households. That’s nearly equal to the amount in 2008.

New York recovered more quickly than the nation. According to IRS data, the number of federal income tax filers earning $200,000 or more in the nation declined 1.6 percent between 2008 and 2010.

E.J. McMahon, a senior fellow for the fiscally conservative Empire Center for New York State Policy, said the numbers do not offer a clear picture because New York has more high earners than most of the nation.

In Massachusetts, another high-income state, the number of filers earning $200,000 or more increased by 3.9 percent between 2008 and 2010. The state, McMahon pointed out, did not increase its 5.3 percent flat income-tax rate.

“We have not come close to recovering to the 2000 peak levels of income for that group of people,” McMahon said.

McMahon said that the income of the top 1 percent of tax filers hasn’t increased as much as the rest of the earners. State budget estimates showed it rose about 9 percent for the top 1 percent between 2006 and 2013, but 29 percent for everyone else.

Because of higher income taxes on the rich, the top 1 percent paid 43 percent of all the income taxes in New York in 2012, compared to 37 percent a decade ago, state budget documents show.

New York City had 53 percent of the millionaires in 2010, a total of nearly 18,000 filers or 23 percent higher than in 2009, the state records showed. Westchester County had the second most: 6,100 filers or 19 percent higher than in 2009.
There was an increase in millionaires in the northern New York City suburbs. The number of millionaires in Dutchess County rose 38 percent between 2009 and 2010, to a total of 182. It increased from 68 to 86 in Ulster County.

Charles North, president of the Dutchess County Chamber of Commerce, said the increase in wealthy people in the county is indicative of relatively steady real estate and job markets. Also, Dutchess has become more of a commuter community for people who travel daily by train to work in Manhattan.

“I think that’s what attracts people to move up here,” North said.

Outside the New York City area, Erie and Monroe counties had the most millionaires. Erie had 539 millionaire filers in 2010, up 21 percent; Monroe had 422 millionaires, up 21 percent.

Four counties had a decrease in the number of people making more than $200,000 between 2009 and 2010: Broome, Tioga, Schoharie and Lewis. Seventeen counties had fewer than 10 millionaires.

In 2011, Gov. Andrew Cuomo and the state Legislature agreed to keep higher tax rates on millionaires and lower them slightly on the middle class.

They agreed last month to keep the higher rates on millionaires for another three years. It was part of an agreement that increases the minimum wage from $7.25 an hour to $9 an hour by 2016 and to provide a $350 tax rebate check to residents with children under 17 in 2014.

Cuomo in 2010 when he was running for election pledged to let the higher taxes on the rich expire in 2011.

But he said last month that the higher income taxes are needed to balance the budget in the coming years. The higher taxes on the rich will bring in about $2 billion a year for the state, and the state’s budget gaps in the coming years will be about $4 billion, Cuomo said.

“We need the millionaires tax as we sit here today for the out years for financial stability,” Cuomo said on an Albany radio show March 25.

JSPECTOR@Gannett.com