

Endnotes

- ¹ On a state operating funds basis. Medicaid is a larger spending program including federal funding. In some years, Medicaid's state-share cost across all agencies exceeds school aid.
- ² Nathan Gusdorf and Andrew Perry, "Inequality in New York and Options for Progressive Tax Reform," *Fiscal Policy Institute*, (November 2022), <https://fiscalpolicy.org/inequality-in-new-york-options-for-progressive-tax-reform>.
- ³ New York State's fiscal year begins April 1st and ends March 31st. As such, the Covid pandemic only affected the last month of fiscal year 2020.
- ⁴ FPI analysis of New York State Division of the Budget, *Fiscal year 2025 executive budget financial plan* (January 2024), <https://www.budget.ny.gov/pubs/financial-plans/index.html> and prior editions.
- ⁵ New York State Division of the Budget, *Fiscal year 2022 executive budget financial plan* (January 2021) <https://www.budget.ny.gov/pubs/archive/fy22/ex/fp/fy22fp-ex.pdf>.
- ⁶ Emily Eisner, "State economic update: recession unlikely, tax receipts stable" *Fiscal Policy Institute* (August 2023), <https://fiscalpolicy.org/state-economic-update-recession-unlikely-tax-receipts-stable>.
- ⁷ Fiscal Policy Institute, *Fiscal Year 2024 Annual Budget Briefing Book* (February 2023), <https://fiscalpolicy.org/wp-content/uploads/2023/02/FPI-FY-2024-Budget-Briefing-Book.pdf>, page 67.
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- ¹³ Office of the New York State Comptroller, "Local tax collections grew by 5.1% in November" (December 2023), <https://www.osc.ny.gov/press/releases/2023/12/dinapoli-local-sales-tax-collections-grew-5-point-1-percent-in-november>.
- ¹⁴ Long-term capital gains are additionally subject to the Net Investment Income Tax ("NIIT") of 3.8% for married couples with modified adjusted gross income in excess of \$250,000. The NIIT applies to capital gains, interest, dividends, rents and royalties, as well as other types of investment income, and was enacted as part of the 2012 Patient Protection and Affordable Care Act.
- ¹⁵ See, for instance, Galen Hendricks and Seth Hanlon, "Capital Gains Tax Preference Should Be Ended, Not Expanded," Center for American Progress, Sept. 28, 2020, <https://www.americanprogress.org/article/capital-gains-tax-preference-ended-not-expanded/>.
- ¹⁶ New York State Senate, Senate Bill S2162 (2023-2024 legislative session), <https://www.nysenate.gov/legislation/bills/2023/S2162>.
- ¹⁷ Estimates by ITEP.
- ¹⁸ FPI estimate.
- ¹⁹ Tax Policy Center, "Major enacted tax legislation 1940-1949," <https://www.taxpolicycenter.org/laws-proposals/major-enacted-tax-legislation-1940-1949>.
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- ²² A corporation is subject to two levels of taxation on corporate earnings — first, the corporation pays corporate income tax on its net earnings; second, when the corporation distributes its profits to shareholders as dividends, those dividends are taxed as individual income to the shareholders. In a "pass-through" business, by contrast, the income earned by the business is taxed only at the level of the individual business owners; the business itself pays no tax on its entity level income, all of which is treated as earned by the business owners.

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