

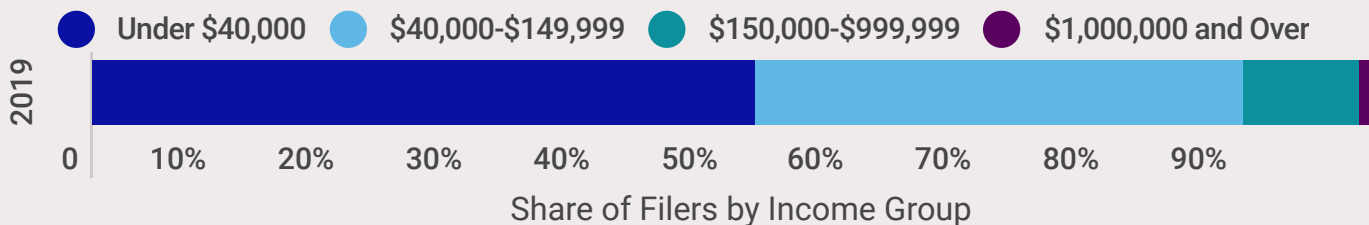
Highlights from IBO's Updated Tables on New York City Residents' Income & Income Tax Liability

Data on income and personal income tax liability of New York City residents in calendar year 2019 are now available in the [fiscal history](#) section of IBO's website. These detailed tables are the most recent addition to IBO's series of annual files going back to 2006. The data they provide includes demographics, types of income, itemized deductions, tax credits, and liability of filers disaggregated in two ways: by nominal income and by deciles and percentiles. The data come from the latest annual file of New York personal income tax returns, which are made available to researchers by the state's Department of Taxation and Finance.

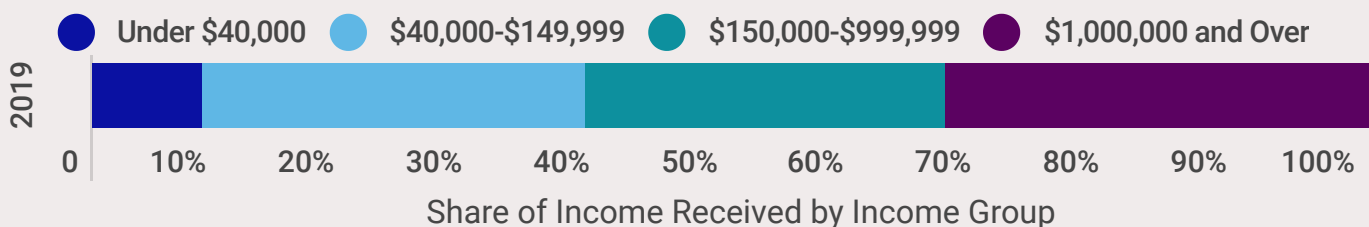
In 2019...

Almost four million full-year New York City residents filed New York income tax returns for tax (calendar) year 2019, a 3.2 percent increase over the number of returns filed for 2018. Total income, as measured by New York adjusted gross income (AGI), reported on 2019 returns was \$380.5 billion, and total New York City personal income tax liability incurred by city filers was \$12.0 billion.

Majority of City Filers Had Income Under \$40,000...

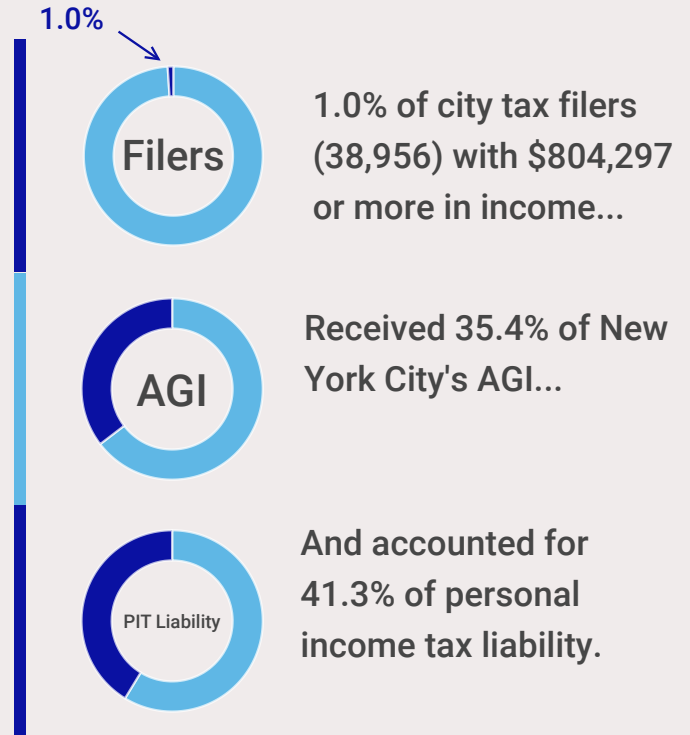
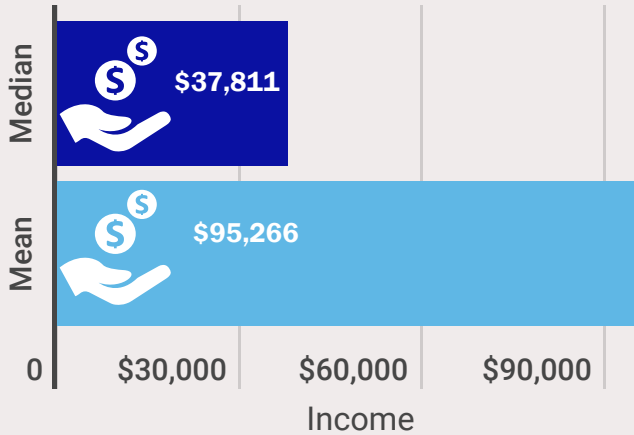


...But Those Filers Received Less Than 10% of Total City Income

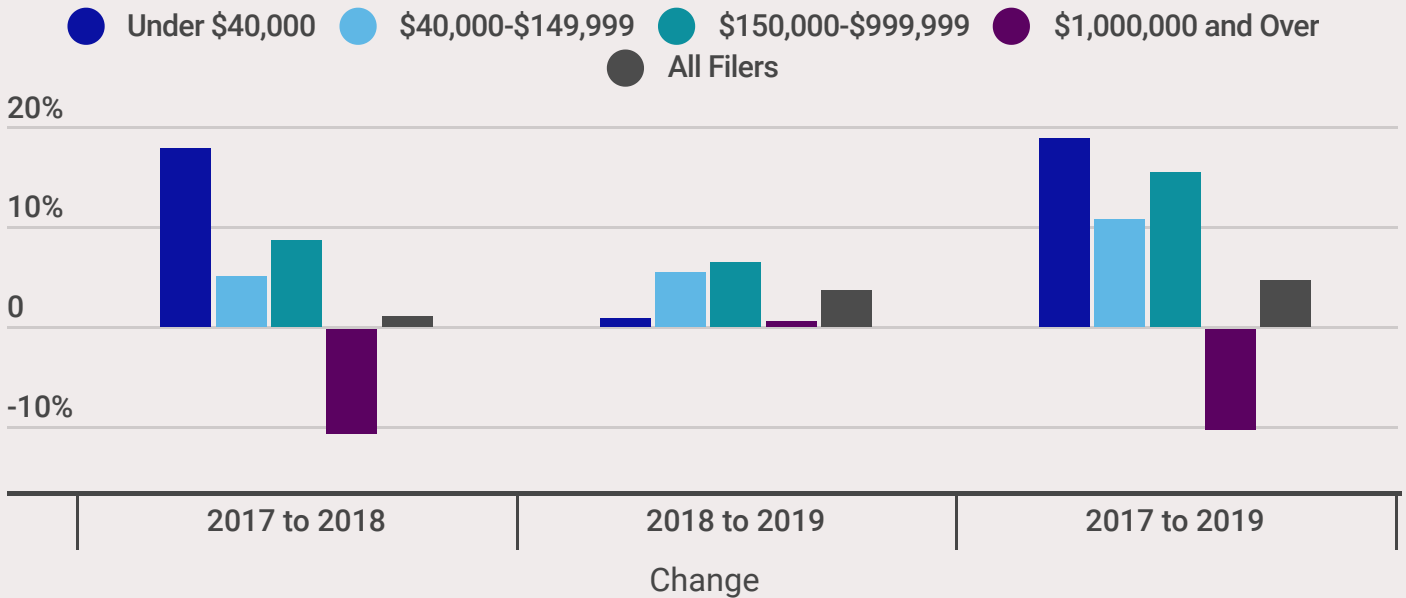


The Top 1.0% Percent

Median income is far lower than mean (average) income due to the disproportionate share of total income received by the most affluent New Yorkers.

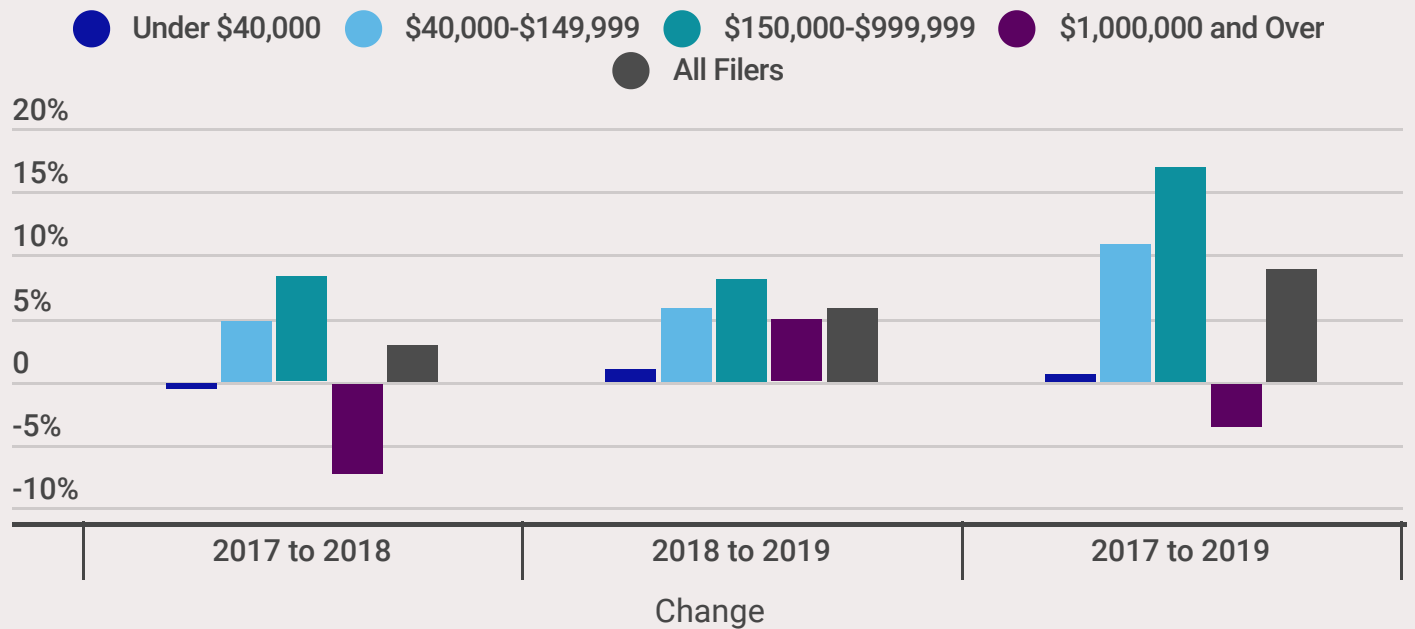


Total Adjusted Gross Income Grew in 2019, Largely Due To Increase in Number of Filers



Total income of all filers increased 3.6 percent from 2018 to 2019, an acceleration from only 1.0 percent growth the previous year. The average income per filer grew at very similar rates in both 2018 and 2019, which implies that the faster income growth in 2019 is mostly attributable to a rise in number of filers.

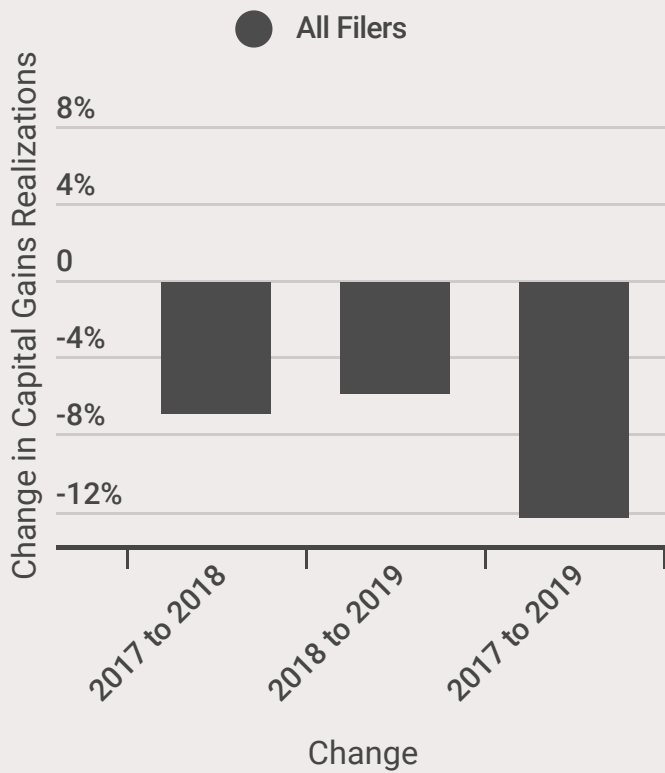
Income from Wages Grew Across All Income Groups in 2019



Total income from wages and salaries grew by 5.8 percent in 2019, twice as fast as growth in 2018. Wage income accounts for the vast majority (87.2 percent) of income received by filers other than those in the 100th percentile of the income distribution (i.e., the 1.0 percent of filers with the highest incomes).

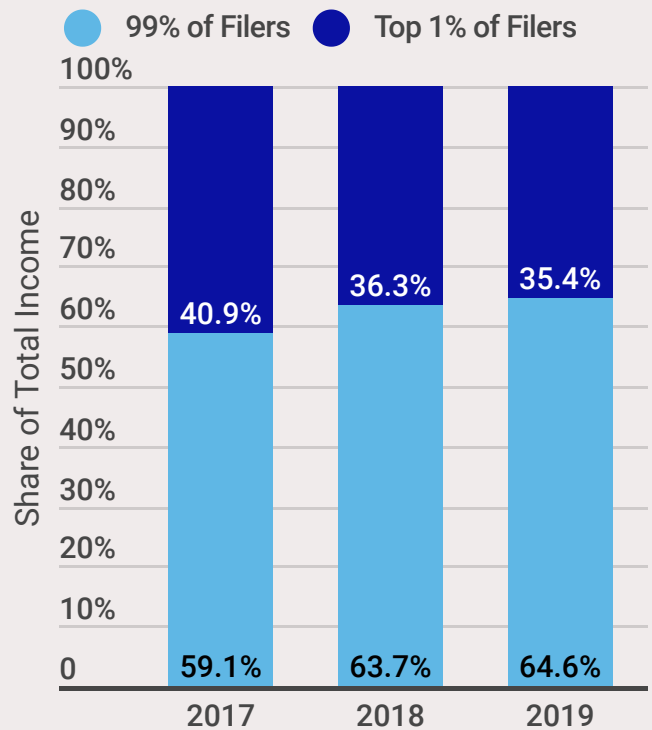
For filers with annual income from \$150,000 to \$1 million, income from wages and salaries increased 17.0 percent from 2017 through 2019—the fastest growth of any income group. Over the same period, wage income grew at an average annual rate of 0.3 percent for filers with incomes below \$40,000, a group that accounted for more than half of all filers.

Income From Capital Gains Realizations Declined Again in 2019

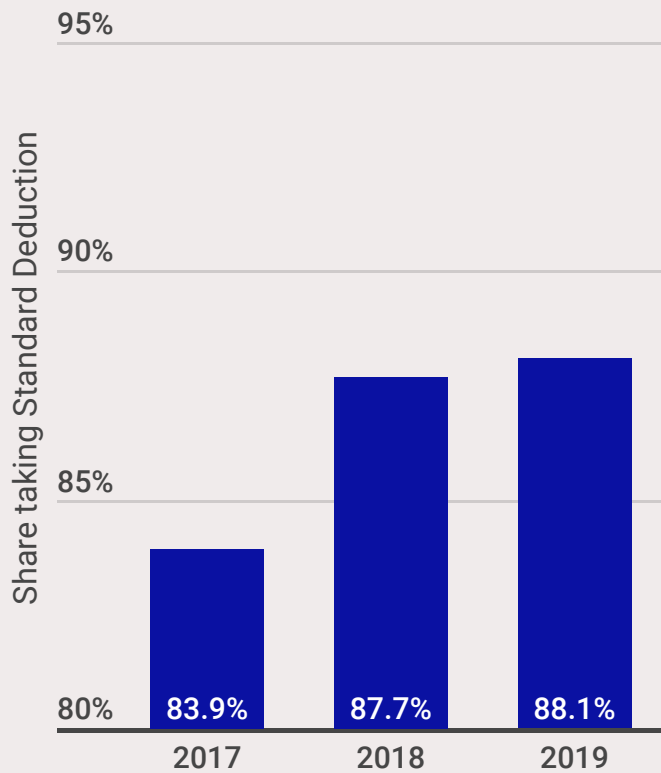


In contrast to wages and salaries, income from capital gains realizations decreased by 5.8 percent in 2019, following a 6.8 decline in 2018, the latter a year in which equity markets declined markedly in the last quarter.

In any given year, the vast majority of capital gains income in the city is received by the top percentile of filers. As income from capital gains decreased, the share of total income received by the top 1 percent fell in both 2018 and 2019.



Share of Filers Taking Standard Deduction Continued to Increase



This increase in filers taking the standard deduction followed enactment of the Tax Cuts and Jobs Act (TCJA), which—beginning in 2018—nearly doubled the federal standard deduction, effectively eliminating the use of itemized deductions for many filers. But TCJA’s impact on New York income taxes was blunted, however, because since 2018 state residents have been allowed to itemize deductions on their state returns regardless of their federal tax returns, computing their itemized deductions using the federal rules as they existed prior to the enactment of the TCJA.

Prepared by Pooya Ghorbani
New York City Independent Budget Office

SOURCE: Independent Budget Office, based on 2019 Personal Income Tax Population Study File, Office of Tax Policy Analysis, New York State Department of Taxation and Finance

NOTS: Charts and statistics exclude returns filed by part-year city residents and by filers who are claimed as dependents by other tax filers. Total income reported here is New York AGI, which is prior to exemptions and deductions. Wages and salaries, and realized capital gains are some components of AGI.