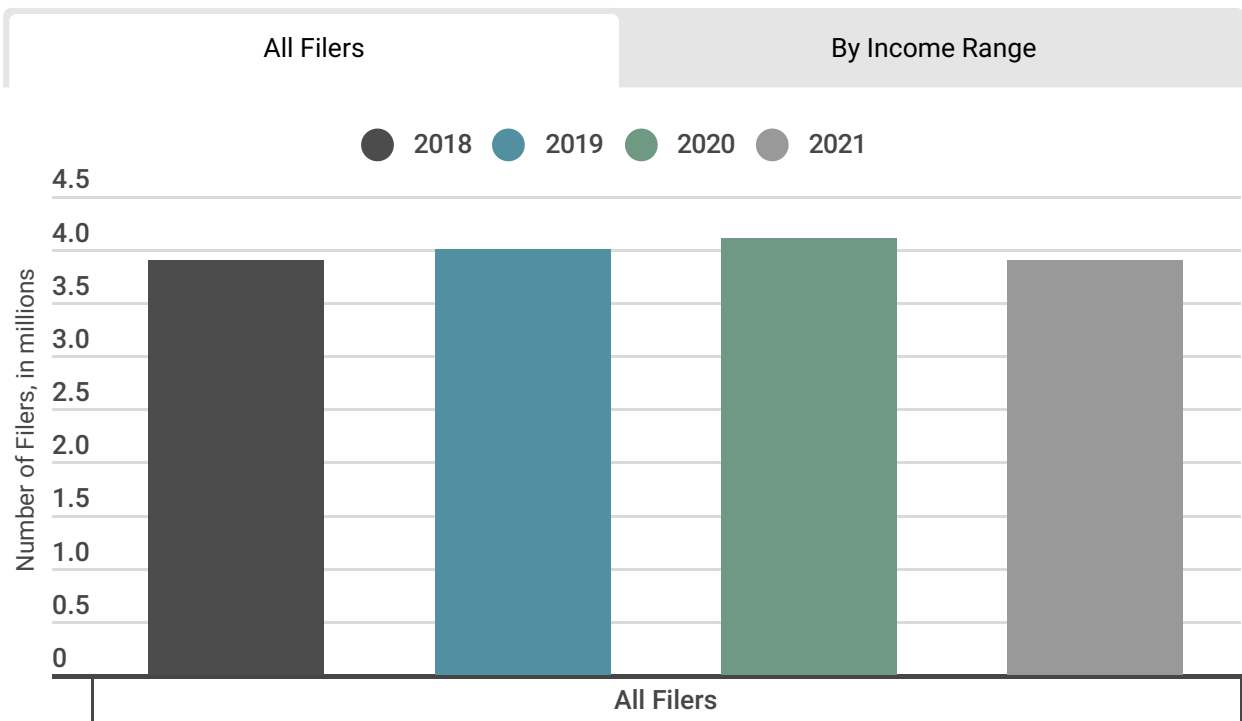
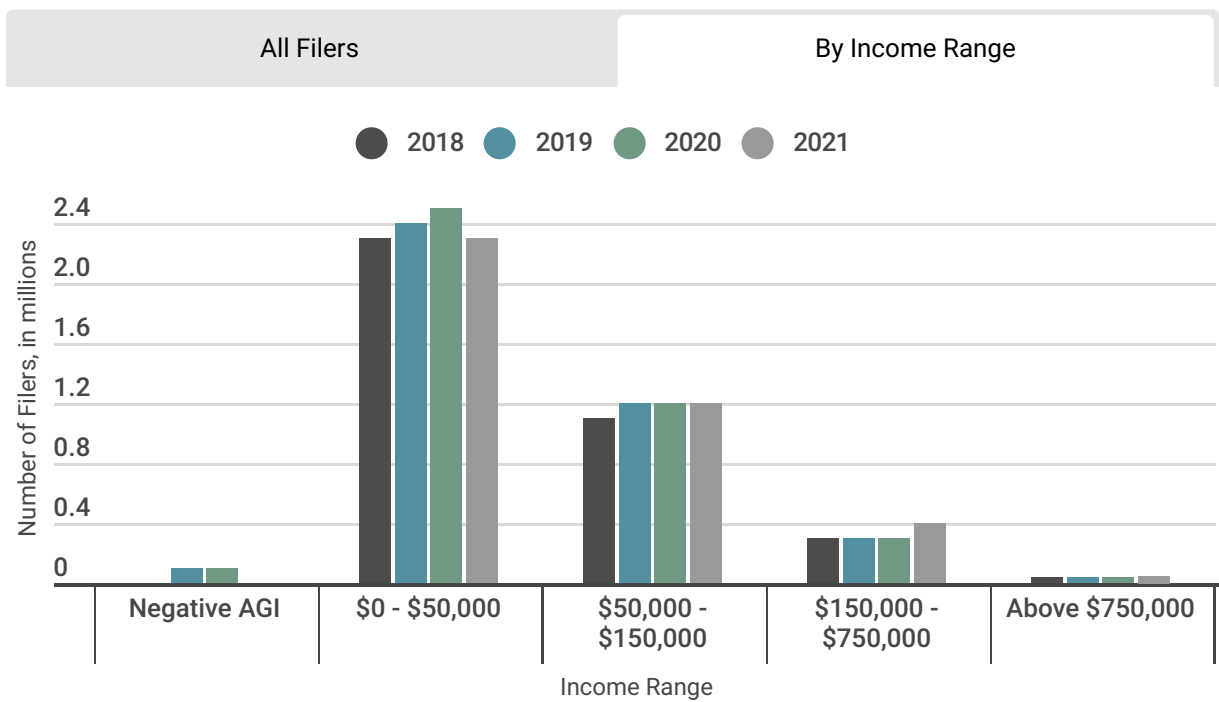


Highlights from IBO's Updated Tables on New York City Residents' Income & Income Tax Liability in 2021

Data on income and personal income tax liability of full-year New York City residents in calendar year 2021, the most recent addition to IBO's [series of annual files](#) going back to 2006, are now available in the fiscal history section of IBO's website. Included are detailed tables on demographics, types of income, itemized deductions, tax credits, and tax liabilities disaggregated in two ways: by nominal income and by income deciles and percentiles. This information comes from the latest annual file of New York personal income tax returns, made available to researchers by the State's Department of Taxation and Finance. In this report, IBO highlights some of the key findings around filers' income and unemployment compensation included in this data.

Fewer New York City Residents Filed Returns in 2021 Than in 2020, But Filers Reported Higher Incomes



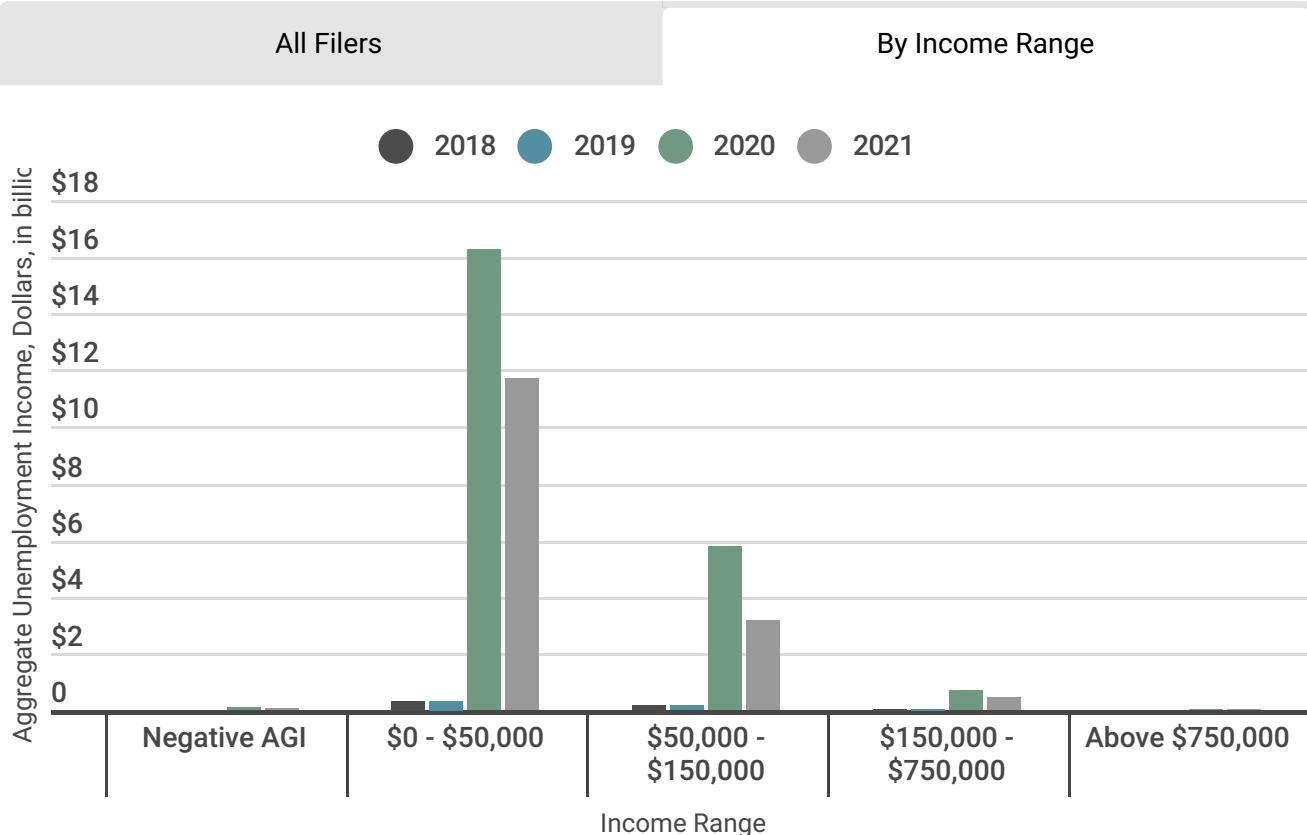
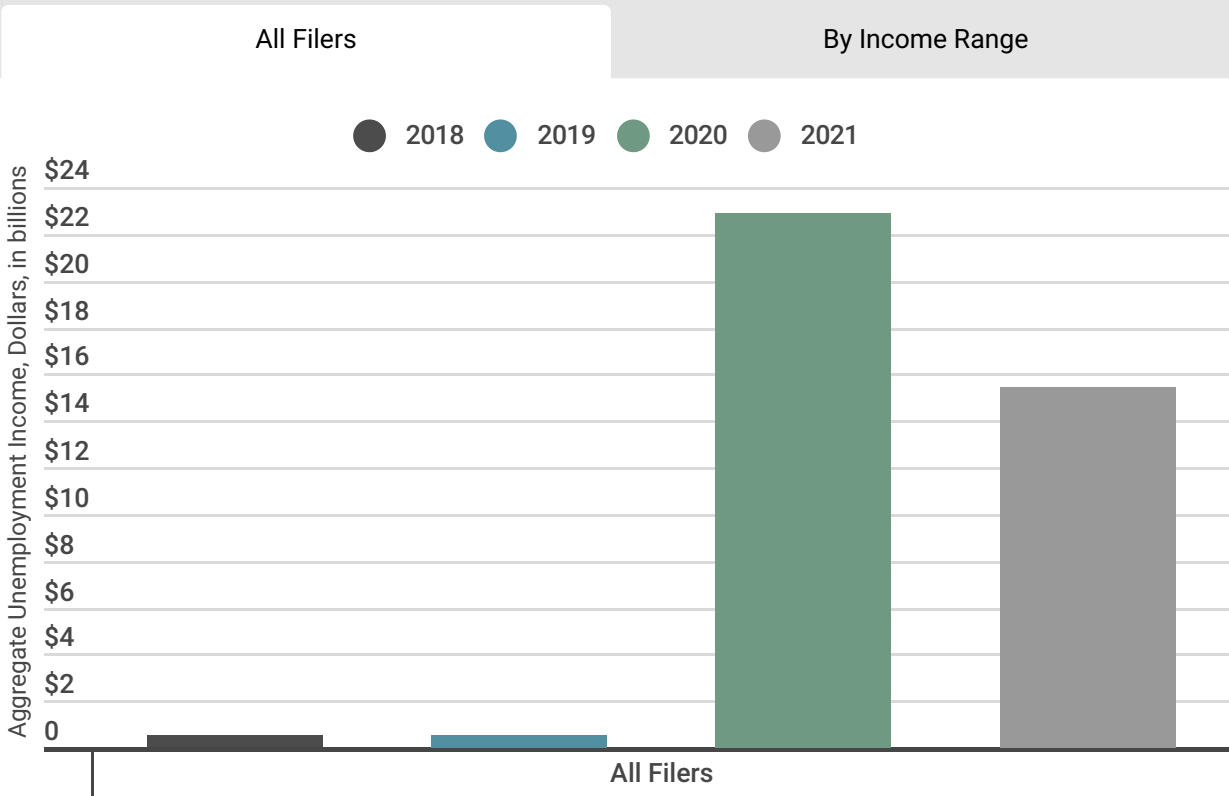


SOURCE: Personal income tax returns from New York State Department of Taxation and Finance

NOTE: Income defined by New York adjusted gross income (AGI) in that year and has not been adjusted for inflation.

About 3.9 million full-year New York City residents filed tax returns in 2021, a return to normal from the unusually high 4.1 million number of filers in 2020. However, filers' total and average incomes increased considerably in 2021. Compared to any of the previous three years, there were fewer filers with incomes below \$50,000, and more filers with incomes above \$150,000. Total AGI in 2021 was \$457 billion, up from \$391 billion in 2020 (or \$410 billion, adjusted for inflation), despite the lower total number of filers in 2021. These gains skewed towards the top of the earnings distribution, however. The top 1 percent of filers represented 44 percent of New York City's AGI in 2021, up from 39 percent in 2020 and 35 percent in 2019.

Unemployment Compensation in 2021 Decreased from 2020 Levels, But Remained Far Above Pre-pandemic Levels



SOURCE: Personal income tax returns from New York State Department of Taxation and Finance
NOTE: Income defined by New York adjusted gross income (AGI) in that year and has not been adjusted for inflation.

Unemployment insurance compensation was expanded dramatically in 2020 in response to the Covid-19 pandemic and associated lockdowns. Although total unemployment compensation diminished to \$15.4 billion in 2021, from \$22.9 billion in 2020, it remained far above 2018 and 2019 levels of \$514 million and \$545 million, respectively. In all years, a majority of the total unemployment compensation was received by tax filers with incomes between \$0 and \$50,000: 62 percent in 2018, 60 percent in 2019, 71 percent in 2020, and 76 percent in 2021.

The expansion of unemployment benefits that occurred in 2020 may partly explain the large increase in the number of filers that also occurred in 2020, shown earlier. Filers with incomes between \$0 and \$50,000, who receive the most of unemployment benefits, also grew the most in number in 2020. That is, many of the new filers in 2020 may have been motivated to file in order to claim the newly lucrative unemployment benefits.



New York City
Independent Budget Office
Louisa Chafee, Director

This report was prepared by
Benjamin Ferri
benjaminf@ibo.nyc.ny.us

110 William St., 14th floor
New York, New York 10038
Tel. (212) 442-0632
www.ibo.nyc.ny.us

