



This Week in State Tax (TWIST)

July 27, 2026



New York City: Council approves measure to reduce UBT credit for individuals

The New York City Council approved a measure to reduce the personal income tax credit for unincorporated business tax (UBT) paid from 23 percent to 15 percent for individual city residents with income of \$1.25 million or greater. It also phases down the credit allowed taxpayers with incomes of \$1 million to \$1.25 million. If approved by Mayor Mamdani, the new rule will be effective retroactively to January 1, 2026.

As background, individual city residents may claim a credit against their city personal income tax liabilities for their share of city UBT paid by partnerships in which such residents are partners or businesses of which residents are proprietors. The credit is currently 23 percent for all taxpayers with incomes over \$142,000, with higher credits for those with incomes less than \$142,000 determined on the basis of a formula.

Please contact [Alec Schwartz](#) with questions about [Int. No. 0972-2026](#).

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