

NYCPA

# Legislative Update



## ON YOUR BEHALF

### Albany Back Open for Business:

Between the opening of the 2026 legislative session in both chambers, and the governor's State of the State address and executive budget proposal, Albany is back and ready to legislate!

On Jan. 6, 2026, the [Senate](#) and [Assembly](#) held their respective opening sessions to mark the beginning of the 2026 legislative calendar. Both chambers were eager to begin working, as lawmakers started to debate and vote on bills involving election law, housing and childcare.

Days later, on Jan. 13, Governor Kathy Hochul convened a joint legislative session with both chambers and delivered her annual [State of the State](#) address. In her address, the governor claimed “The State of the State is not a wish list. It is a blueprint rooted in lived experience, shaped by hard lessons, and driven by a belief that our best days are still ahead.” The governor addressed these key issues: universal childcare, immigrant protections, streamlining building and construction, big tech, infrastructure, public safety, criminal justice, and affordability.

On Jan. 20, Hochul unveiled her [Fiscal Year 2027 Executive Budget](#) proposal. The balanced budget for FY 2027 aims to protect New York’s economy while preparing for uncertainty from the chaos in Washington, DC. The budget includes a total of \$260 billion in all funds spending, an increase of 0.7% from the previous year. It emphasizes investments in childcare, healthcare, affordable housing, and infrastructure without raising income taxes. The budget also includes a \$14.6 billion reserve to handle unexpected downturns and maintain the state’s AA+ credit rating.

The NYCPA Government Relations Team participated in every proceeding.

### Networking with Business Leaders and Legislators:

The NYCPA’s President Kevin Matz, President-elect Michael Durant, Board Member Phil London, PAC Trustee Beth van Bladel, CEO Calvin Harris Jr. and Government Relations Associate Director Jovan C. Richards attended the Business Council of New York State’s annual Government Affairs Roundtable, as well as its Annual Legislators’ Reception. During these events, the Society’s representatives were able to talk to other business leaders from across the state, members of the New York State Assembly and Senate, Comptroller Tom DiNapoli and Governor Kathy Hochul. They expressed the importance of the accounting profession to business leaders and the NYCPA’s legislative agenda priorities to the Albany lawmakers, while also urging them to pass legislation that the Society is actively advocating for.



President Matz, PAC Trustee van Bladel, President-elect Durant, Board Member London, Comptroller Thomas P. DiNapoli and CEO Calvin Harris Jr.

## LEGISLATIVE VICTORIES

### **E-Signature Expansion:**

Governor Kathy Hochul has signed A.249 (Magnarelli)/S. 52 (Liu) into law, establishing a long-awaited authorization of the use of an electronic signature by a person already granted power of attorney with respect to tax documents submitted to the New York State Department of Taxation and Finance and the New York City Department of Finance.

In addition to the Governor's signature, the governor requested a chapter amendment that would push the effective date to allow for unnecessary risks. The Governor stated in her approval memo "Electronic signatures provide a practical mechanism for efficient and accessible document execution. However, this bill would expose the Tax Department to unwarranted liability while removing the Commissioner's discretion to manage operational risks effectively. Further, it would eliminate established compliance procedures, create accountability gaps and expose the State to unnecessary legal and financial risk at the taxpayer expense. Therefore, this bill required a chapter amendment to fix these issues allowing the Tax Department the opportunity to develop an appropriate electronic signature solution that will enhance government efficiency."

The Legislature has agreed to the chapter amendment and the bill has already been introduced in the Assembly and Senate on Jan. 5. The bill passed in the Assembly on Jan. 20. NYCPA expects the Senate to pass it shortly.

Governor Hochul's signature starts the clock for full implementation by November 2026, giving the State Education Department one year to operationalize the new requirements. Our Government Relations Team intends to work closely with the Board of Public Accountancy to help coordinate education requirements.

## HOW IT WORKS

### How State Government Affects NYC Government:

New York City's governance structure combines a strong municipal executive with extensive state oversight. While the Mayor of New York City holds significant authority over local administration and policy implementation, the City remains legally subordinate to New York State. Consequently, the Governor of New York plays a central role in shaping the institutional and legal context in which the City operates.

The NYC Mayor is one of the most powerful local executives in the United States. The office exercises broad control over city agencies, including the police, fire, education, and public health systems, largely through appointment authority and executive supervision. The Mayor also proposes the City's annual budget and wields veto power over legislation passed by the City Council, allowing substantial influence over fiscal and legislative outcomes. Through these powers, the Mayor directs the day-to-day operations of municipal government.

Despite this authority, New York City lacks full home rule autonomy. Under the state constitution, municipalities derive their powers from the state, enabling the Governor and the legislature to limit or override local authority. The Governor exercises particular influence over critical systems affecting the City, including public transportation through the state-controlled Metropolitan Transportation Authority, as well as housing regulation, criminal justice policy, and aspects of education governance. State budget decisions further constrain the City's capacity to deliver services, as New York City relies heavily on state funding.

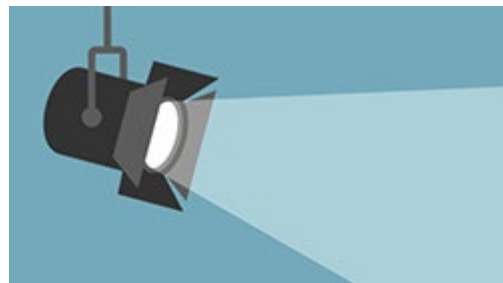
In practice, New York City governance reflects an ongoing balance between municipal leadership and state supremacy. The Mayor manages local administration and policy execution, while the Governor shapes the broader legal and fiscal frameworks that define the City's authority. As a result, effective governance in New York City depends on cooperation between city and state officials, particularly in addressing complex policy challenges.

## 2026 LEGISLATIVE SPOTLIGHT

### Pass-Through Entity Tax (PTET)

**BACKGROUND:** The Pass-Through Entity Tax (PTET) has been one of our biggest legislative wins over the past five years. It has saved New York taxpayers large amounts of federal tax, at no cost to the state.

As good as it has been, the Society believes that it still needs adjustment to resolve some of the issues that have arisen on a consistent basis. Most of the problems revolve around the fixed election date of March 15 of the taxable year in which the election would be effective. For example, if a partnership is



formed on March 1, 2023, it can elect to pay PTET for the 2023 tax year. If it is formed on March 31, 2023, the first year in which it could elect PTET is 2024. Another example would be if there is a windfall gain in an entity after the March 15 election date, an entity cannot then elect in.

Since the imposition of the tax is fiscally neutral to the state, there is no reason to have the fixed date within the first 2½ months of a tax year. We are urging the legislature to adopt a post-year-end election date, while imposing an estimated tax requirement with penalties for underpayment of estimates for any year, regardless of the election date.

**UPDATE:** The Governor added PTET to her Executive Budget for FY2026, but the Legislature's two-house budget took it out. During the negotiation process, PTET was on and off the table. At the conclusion of negotiations, PTET was not added to the recently passed budget bills. Although we are disappointed by this news, we will continue to advocate for this vital legislation. Conversation surrounding adding PTET to the Governor's FY2027 budget has already begun.

[Read the 2026 NYCPA Legislative & Regulatory Agenda in full](#)

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## STATE AND FEDERAL UPDATES

Get the latest information from the following statewide officials and the federal government:

### **Governor Kathy Hochul:**

- [Governor Hochul Highlights Proposals to Bring Down Costs of Vehicle Insurance Rates and Tackle Fraudulent Claims](#)
- [Governor Hochul Announces \\$288 Million to Make Local Water Infrastructure Projects Affordable Across New York State](#)
- [Governor Hochul Unveils FY 2027 Executive Budget: A Stronger, Safer, More Affordable New York](#)

### **Comptroller Thomas P. DiNapoli:**

- [2025 Year in Review](#)
- [DiNapoli: Administrative Streamlining Can Strengthen Fragmented NYC Child Care Programs](#)
- [DiNapoli: Independent Review Finds State Pension Fund Operates at Highest Ethical and Professional Standards](#)
- [DiNapoli Urges New Yorkers to Spend Holiday Gift Cards](#)

### **Attorney General Letitia James:**

- [Attorney General James Celebrates Expansion of Multilingual Emergency Alerts](#)
- [Attorney General James Sues Former CEO of Emergent BioSolutions for Insider Trading](#)
- [Attorney General James Stops Violence, Harassment, and Intimidation from New York Extremist Group](#)
- [Attorney General James Sues Trump Admin for Illegally Suspending NY's Offshore Wind Projects](#)

**ARTICLES ON LEGISLATION & ADVOCACY**

To keep you informed of the latest news:

- [Mamdani Signals Tax Policy Will Be Central to Budget Negotiations](#), *The Trusted Professional*
- [Undergraduate Accounting Enrollment Rises Again](#), *The Trusted Professional*
- [Leadership Transition Underway at the IRS](#), *The Trusted Professional*
- [AICPA Urges Congress to Advance Fiscal State of the Nation Act](#), *The Trusted Professional*
- [House Advances Bipartisan Legislation Speed Tax Return Processing](#), *The Trusted Professional*
- [NJ Governor Signs CPA Licensure Bill](#), *The Trusted Professional*



## HAVE A LEG/REG ISSUE?

Your issues matter to us! The NYCPA's Government Relations Team wants to help you be heard in the halls of power. If you have a suggestion for our Legislative Agenda, are having trouble getting through red tape or would like assistance reaching your local or state officials, please email Media & Government Relations Associate Director **Jovan C. Richards** at [jrichards@nysscpa.org](mailto:jrichards@nysscpa.org).



## THE SOCIETY AFFILIATES & PARTNERS

The **CPA Political Action Committee (PAC)** is bipartisan and raises funds to amplify the NYCPA's collective voice in Albany. The NYCPA distributes PAC donations to New York political candidates who understand the profession's needs and concerns. When you [donate to the PAC](#), you help send a clear message to legislators that issues important to the profession affect the wider business community and the public interest—and that we will be heard.



The **Legislative Task Force (LTF)** is responsible for monitoring and evaluating New York State laws, legislation, rules, and regulations related to the accounting profession, in particular, and business, in general. In conjunction with the Society's legislative staff, the LTF proactively recommends to the NYCPA Board various amendments and changes

to existing legislation and regulations on a continual basis.

**The AICPA's State Regulatory and Legislative Affairs Team** supports and advocates for state-level policymaking that promotes the profession while protecting the public interest in the United States. [Catch up on all the current news.](#)

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