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State of New York: Fitch New Issue Report

Dedicated Tax Key Rating Drivers PIT Structure Enhances Appropriation Incentive: An annual appropriation requirement caps the rating at the state's 'AA+' IDR. A statutory provision that deprives the state's operating funds of at least \$12 billion (about 11% of fiscal 2023 state operating funds tax revenue) in the event of non-appropriation effectively eliminates appropriation risk. Solid Growth Prospects: Pledged PIT receipts over time are likely to grow above the long-term rate of inflation, similar to Fitch's expectations for the broad-based, wealthy and service-dominated New York State economy and consistent with a 'aa' growth prospects assessment. Ample Cushion Despite Economic Sensitivity: While the PIT receipts are economically sensitive, reliance on residual receipts for general operations and the 2x ABT prevent overleveraging of the pledged revenue stream and provide ample cushion to absorb potential volatility, warranting a 'aaa' resilience assessment.

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