

7417

I N   S E N A T E

May 14, 2014

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Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing a renters' and small homeowners' tax credit

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Section 606 of the tax law is amended by adding a new  
2     subsection (b-1) to read as follows:  
3     (B-1) RENTERS' AND SMALL HOMEOWNERS' CREDIT IN A CITY WITH A POPU-  
4     LATION OF ONE MILLION OR MORE.  
5     (1) FOR THE PURPOSES OF THIS SUBSECTION:  
6     (A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL WHO LIVES IN A  
7     CITY WITH A POPULATION OF ONE MILLION OR MORE WHO HAS OCCUPIED AND PAID  
8     RENT FOR HIS OR HER PRIMARY RESIDENCE IN SUCH CITY FOR SIX MONTHS OR  
9     MORE OF THE TAXABLE YEAR, IS REQUIRED OR CHOOSES TO FILE A RETURN UNDER  
10    THIS ARTICLE, AND (I) IS SIXTY-FIVE YEARS OF AGE OR OLDER, (II) IS  
11    FILING A JOINT RETURN WITH A SPOUSE WHO IS SIXTY-FIVE YEARS OF AGE OR  
12    OLDER, (III) IS A HEAD OF HOUSEHOLD, (IV) IS A MARRIED INDIVIDUAL FILING  
13    A JOINT RETURN WITH A SPOUSE AND HAS AT LEAST ONE DEPENDENT, (V) IS A  
14    MARRIED INDIVIDUAL FILING A SEPARATE RETURN AND HAS AT LEAST ONE DEPEND-  
15    ENT, OR (VI) IS A SURVIVING SPOUSE AND HAS AT LEAST ONE DEPENDENT. FOR  
16    PURPOSES OF THIS SUBSECTION "QUALIFIED TAXPAYER" SHALL ALSO INCLUDE THE  
17    OWNER OF ANY DWELLING WITH SIX UNITS OR LESS IN A CITY WITH A POPULATION  
18    OF ONE MILLION OR MORE WHO OCCUPIES SUCH DWELLING AS HIS OR HER PRIMARY  
19    RESIDENCE FOR SIX MONTHS OR MORE OF THE TAXABLE YEAR AND WHO IS REQUIRED  
20    OR CHOOSES TO FILE A RETURN UNDER THIS ARTICLE. AN INDIVIDUAL CANNOT BE  
21    A QUALIFIED TAXPAYER IF HE OR SHE IS AN INDIVIDUAL WITH RESPECT TO WHOM  
22    A DEDUCTION UNDER SUBSECTION (C) OF SECTION 151 OF THE INTERNAL REVENUE  
23    CODE IS ALLOWABLE TO ANOTHER TAXPAYER FOR THE TAXABLE YEAR OR PAYS RENT  
24    FOR HIS OR HER PRIMARY RESIDENCE TO A FAMILY MEMBER SHARING THE SAME  
25    PRIMARY RESIDENCE. A FAMILY MEMBER OF AN INDIVIDUAL IS THE INDIVIDUAL'S  
26    SPOUSE, BROTHER, SISTER, PARENT, GRANDPARENT, CHILD, GRANDCHILD, UNCLE,

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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AUNT, NEPHEW, OR NIECE, RELATED TO THE INDIVIDUAL BY BLOOD, MARRIAGE OR ADOPTION.

(B) "RESIDENCE" MEANS A DWELLING IN A CITY WITH A POPULATION OF ONE MILLION OR MORE AND MAY CONSIST OF A PART OF A MULTI-DWELLING OR MULTI-PURPOSE BUILDING INCLUDING A COOPERATIVE OR CONDOMINIUM, ONE, TWO OR THREE FAMILY DWELLINGS AND RENTAL UNITS WITHIN A SINGLE DWELLING WHICH ARE EITHER OWNER-OCCUPIED OR RENTED BY A QUALIFIED TAXPAYER. RESIDENCE INCLUDES A TRAILER OR MOBILE HOME, USED EXCLUSIVELY FOR RESIDENTIAL PURPOSES AND DEFINED AS REAL PROPERTY PURSUANT TO PARAGRAPH (G) OF SUBDIVISION TWELVE OF SECTION ONE HUNDRED TWO OF THE REAL PROPERTY TAX LAW.

(2) (A) A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AS PROVIDED IN THIS SUBSECTION AGAINST THE TAXES IMPOSED BY THIS ARTICLE REDUCED BY THE CREDITS PERMITTED BY THIS ARTICLE. IF THE CREDIT EXCEEDS THE TAX AS SO REDUCED FOR SUCH YEAR UNDER THIS ARTICLE, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON. IF A QUALIFIED TAXPAYER IS NOT REQUIRED TO FILE A RETURN PURSUANT TO SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE BUT OTHERWISE QUALIFIES FOR A CREDIT UNDER THIS SUBSECTION, A CLAIM FOR A CREDIT MAY BE TAKEN ON A RETURN FILED WITH THE COMMISSIONER WITHIN THREE YEARS FROM THE TIME THAT A RETURN WOULD HAVE BEEN REQUIRED TO BE FILED PURSUANT TO SUCH SECTION HAD SUCH QUALIFIED TAXPAYER HAD A TAXABLE YEAR ENDING ON DECEMBER THIRTY-FIRST. RETURNS SHALL BE IN SUCH FORM AS PRESCRIBED BY THE COMMISSIONER. A QUALIFIED TAXPAYER MUST PROVIDE ANY INFORMATION THE COMMISSIONER DEEMS NECESSARY TO DETERMINE THE CREDIT ALLOWED.

(B) IF MORE THAN ONE QUALIFIED TAXPAYER PAYS RENT FOR THE SAME PRIMARY RESIDENCE AND HAS A FEDERAL ADJUSTED GROSS INCOME FOR WHICH A CREDIT WOULD OTHERWISE BE DUE, EACH SUCH QUALIFIED TAXPAYER SHALL DIVIDE THE BASE AMOUNT OF THE CREDIT ALLOWED FOR HIS OR HER INCOME LEVEL BY THE TOTAL NUMBER OF INDIVIDUALS OR MARRIED COUPLES FILING A JOINT RETURN WHO ARE PAYING THE RENT, WHETHER OR NOT ELIGIBLE FOR A CREDIT, TO DETERMINE THE AMOUNT OF CREDIT ALLOWED TO THAT QUALIFIED TAXPAYER. ANY ADDITIONAL AMOUNT OF CREDIT DETERMINED BASED ON THE NUMBER OF EXEMPTIONS CLAIMED BY SUCH TAXPAYER SHALL NOT BE SO DIVIDED.

(C) A QUALIFIED TAXPAYER SHALL BE ALLOWED THE CREDIT UNDER THIS SUBSECTION OR THE CREDIT UNDER SUBSECTION (E) OF THIS SECTION, WHICHEVER IS THE HIGHER AMOUNT.

(3) (A) FOR ANY QUALIFIED TAXPAYER WHO IS SIXTY-FIVE YEARS OF AGE OR OLDER WITH A FILING STATUS OF SINGLE, THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLES:

FOR TAXABLE YEARS BEGINNING IN 2014,	
IF FEDERAL ADJUSTED GROSS INCOME IS:	THE CREDIT SHALL BE:
\$25,000 OR LESS	\$110
OVER \$25,000 BUT NOT OVER \$40,000	\$90
OVER \$40,000 BUT NOT OVER \$50,000	\$70

FOR TAXABLE YEARS BEGINNING IN OR	
AFTER 2015, IF FEDERAL ADJUSTED GROSS	
INCOME IS:	THE CREDIT SHALL BE:
\$25,000 OR LESS	\$220
OVER \$25,000 BUT NOT OVER \$40,000	\$180
OVER \$40,000 BUT NOT OVER \$50,000	\$140

(B) FOR ANY OTHER QUALIFIED TAXPAYER, THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLES; PROVIDED, HOWEVER, THAT A QUALIFIED TAXPAYER WHO IS A MARRIED INDIVIDUAL FILING A SEPARATE NEW YORK INCOME TAX RETURN SHALL RECEIVE ONE-HALF OF THE BASE AMOUNT OF THE CREDIT PLUS ANY ADDITIONAL AMOUNT FOR WHICH SUCH TAXPAYER WOULD BE ELIGIBLE BASED ON THE INCOME AND NUMBER OF EXEMPTIONS CLAIMED BY SUCH TAXPAYER:

FOR TAXABLE YEARS BEGINNING IN 2014,  
IF FEDERAL ADJUSTED GROSS INCOME IS:  
\$25,000 OR LESS

THE CREDIT SHALL BE:  
\$80 PLUS AN AMOUNT  
EQUAL TO \$35  
MULTIPLIED BY A  
NUMBER WHICH IS ONE  
LESS THAN THE NUMBER  
OF EXEMPTIONS FOR  
WHICH THE TAXPAYER  
(OR IN THE CASE  
OF A MARRIED COUPLE  
FILING A JOINT RETURN,  
TAXPAYERS) IS ENTITLED  
TO A DEDUCTION FOR THE  
TAXABLE YEAR FOR FEDERAL  
INCOME TAX PURPOSES  
UNDER SUBSECTIONS (B)  
AND (C) OF SECTION 151  
OF THE INTERNAL REVENUE CODE

OVER \$25,000 BUT NOT OVER \$45,000

\$65 PLUS AN AMOUNT  
EQUAL TO \$24  
MULTIPLIED BY A NUMBER  
WHICH IS ONE LESS THAN  
THE NUMBER OF EXEMPTIONS  
FOR WHICH THE TAXPAYER  
(OR IN THE CASE OF  
A MARRIED COUPLE FILING A  
JOINT RETURN, TAXPAYERS)  
IS ENTITLED TO A  
DEDUCTION FOR THE TAXABLE  
YEAR FOR FEDERAL INCOME  
TAX PURPOSES UNDER  
SUBSECTIONS (B) AND (C)  
OF SECTION 151 OF THE  
INTERNAL REVENUE CODE

OVER \$45,000 BUT NOT OVER \$65,000

\$55 PLUS AN AMOUNT  
EQUAL TO \$12 MULTIPLIED  
BY A NUMBER WHICH IS ONE  
LESS THAN THE NUMBER  
OF EXEMPTIONS FOR  
WHICH THE TAXPAYER (OR  
IN THE CASE OF A MARRIED  
COUPLE FILING A JOINT RETURN,  
TAXPAYERS) IS ENTITLED  
TO A DEDUCTION FOR THE  
TAXABLE YEAR FOR FEDERAL

1		INCOME TAX PURPOSES UNDER
2		SUBSECTIONS (B) AND (C)
3		OF SECTION 151 OF THE
4		INTERNAL REVENUE CODE
5	OVER \$65,000 BUT NOT OVER \$100,000	\$45 PLUS AN AMOUNT
6		EQUAL TO \$12 MULTIPLIED
7		BY A NUMBER WHICH IS ONE
8		LESS THAN THE NUMBER
9		OF EXEMPTIONS FOR WHICH
10		THE TAXPAYER (OR IN THE
11		CASE OF A MARRIED COUPLE
12		FILING A JOINT RETURN,
13		TAXPAYERS) IS ENTITLED TO
14		A DEDUCTION FOR THE TAXABLE
15		YEAR FOR FEDERAL INCOME TAX
16		PURPOSES UNDER SUBSECTIONS
17		(B) AND (C) OF SECTION 151
18		OF THE INTERNAL REVENUE CODE
19	FOR TAXABLE YEARS BEGINNING IN OR	
20	AFTER 2015, IF FEDERAL ADJUSTED GROSS	
21	INCOME IS:	THE CREDIT SHALL BE:
22	\$25,000 OR LESS	\$160 PLUS AN
23		AMOUNT EQUAL TO \$70
24		MULTIPLIED BY A NUMBER WHICH
25		IS ONE LESS THAN THE
26		NUMBER OF EXEMPTIONS
27		FOR WHICH THE TAXPAYER
28		(OR IN THE CASE OF A
29		MARRIED COUPLE FILING A
30		JOINT RETURN, TAXPAYERS)
31		IS ENTITLED TO A DEDUCTION
32		FOR THE TAXABLE YEAR FOR
33		FEDERAL INCOME TAX PURPOSES
34		UNDER SUBSECTIONS (B) AND
35		(C) OF SECTION 151 OF THE
36		INTERNAL REVENUE CODE
37	OVER \$25,000 BUT NOT OVER \$45,000	\$130 PLUS AN AMOUNT
38		EQUAL TO \$48
39		MULTIPLIED BY A NUMBER
40		WHICH IS ONE LESS THAN
41		THE NUMBER OF EXEMPTIONS
42		FOR WHICH THE TAXPAYER
43		(OR IN THE CASE OF
44		A MARRIED COUPLE FILING
45		A JOINT RETURN, TAXPAYERS)
46		IS ENTITLED TO A DEDUCTION
47		FOR THE TAXABLE YEAR FOR
48		FEDERAL INCOME TAX PURPOSES
49		UNDER SUBSECTIONS (B)
50		AND (C) OF SECTION 151
51		OF THE INTERNAL REVENUE CODE
52	OVER \$45,000 BUT NOT OVER \$65,000	\$110 PLUS AN AMOUNT

1 EQUAL TO \$24 MULTIPLIED  
2 BY A NUMBER WHICH IS ONE  
3 LESS THAN THE NUMBER  
4 OF EXEMPTIONS FOR  
5 WHICH THE TAXPAYER (OR  
6 IN THE CASE OF A MARRIED  
7 COUPLE FILING A JOINT RETURN,  
8 TAXPAYERS) IS ENTITLED TO A  
9 DEDUCTION FOR THE TAXABLE  
10 YEAR FOR FEDERAL INCOME TAX  
11 PURPOSES UNDER SUBSECTIONS  
12 (B) AND (C) OF SECTION 151  
13 OF THE INTERNAL REVENUE CODE

14 OVER \$65,000 BUT NOT OVER \$100,000 \$90 PLUS AN AMOUNT  
15 EQUAL TO \$24 MULTIPLIED  
16 BY A NUMBER WHICH IS ONE  
17 LESS THAN THE NUMBER  
18 OF EXEMPTIONS FOR  
19 WHICH THE TAXPAYER (OR  
20 IN THE CASE OF A MARRIED  
21 COUPLE FILING A JOINT RETURN,  
22 TAXPAYERS) IS  
23 ENTITLED TO A DEDUCTION  
24 FOR THE TAXABLE YEAR FOR  
25 FEDERAL INCOME TAX PURPOSES  
26 UNDER SUBSECTIONS (B) AND  
27 (C) OF SECTION 151 OF THE  
28 INTERNAL REVENUE CODE

29 S 2. This act shall take effect immediately.