S T A T E O F N E W Y O R K

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2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sen. ADDABBO -- 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 providing a personal income tax credit for the purchase of a new home

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (vv) to read as follows:

(VV) REAL PROPERTY PURCHASE CREDIT. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT AS PROVIDED IN THIS SUBSECTION AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE PURCHASE OF ELIGIBLE REAL PROPERTY. THE AMOUNT OF THE CREDIT SHALL BE FIVE THOUSAND DOLLARS. ANY AMOUNT OF THE TAX CREDIT NOT USED IN THE TAXABLE YEAR IN WHICH THE RESIDENCE WAS PURCHASED MAY BE CARRIED FORWARD FOR THREE YEARS UNTIL THE FULL AMOUNT OF THE CREDIT HAS BEEN ALLOWED AND ANY AMOUNT NOT USED SHALL LAPSE.

(2) IF BEFORE THE END OF A THREE YEAR PERIOD BEGINNING ON THE DATE OF PURCHASE OF SUCH ELIGIBLE REAL PROPERTY BY THE TAXPAYER:

(I) THE TAXPAYER DISPOSES OF SUCH TAXPAYER'S INTEREST IN SUCH ELIGIBLE REAL PROPERTY, OR

(II) SUCH ELIGIBLE REAL PROPERTY CEASES TO BE USED AS THE PRINCIPAL RESIDENCE OF THE TAXPAYER,

THE TAXPAYER'S TAX IMPOSED BY THIS ARTICLE FOR THE TAXABLE YEAR IN WHICH SUCH DISPOSITION OR CESSATION OCCURS SHALL BE INCREASED BY THE RECAPTURE PERCENTAGE OF THE CREDIT AS DETERMINED BY REGULATION ADOPTED BY THE COMMISSIONER, FOR ALL PRIOR TAXABLE YEARS WITH RESPECT TO SUCH CREDIT.

(3) IN THE CASE OF A HUSBAND AND WIFE WHO FILE A JOINT FEDERAL RETURN, BUT WHO ARE REQUIRED TO DETERMINE THEIR STATE TAXES SEPARATELY, THE CREDIT ALLOWED PURSUANT TO THIS SUBSECTION MAY BE APPLIED AGAINST THE TAX IMPOSED OF EITHER OR DIVIDED BETWEEN THEM AS THEY MAY ELECT.

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

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(4) FOR THE PURPOSES OF THIS SUBSECTION, THE TERM "ELIGIBLE REAL PROPERTY" SHALL MEAN A NEWLY CONSTRUCTED ONE OR TWO FAMILY RESIDENCE IN THIS STATE, WHICH HAS NOT BEEN PREVIOUSLY OCCUPIED, PURCHASED FOR ONE MILLION DOLLARS OR LESS AND THAT IS THE PRIMARY RESIDENCE OF THE TAXPAYER. TO QUALIFY AS ELIGIBLE REAL PROPERTY, THE TAXPAYER MUST RESIDE IN THE PROPERTY AS A PRINCIPAL RESIDENCE FOR AT LEAST THREE YEARS AFTER THE PURCHASE OF SUCH ELIGIBLE REAL PROPERTY.

S 2. This act shall take effect on the thirtieth day after it shall have become a law and shall apply to eligible real property purchased pursuant to contracts of sale executed after the effective date of this act.