

STATE OF NEW YORK

7925

2025-2026 Regular Sessions

IN SENATE

May 14, 2025

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property tax law, in relation to establishing a tax rebate program for rent-stabilized housing

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings and purpose. The legislature finds
2 that rent-stabilized apartments provide vital affordable housing to low-
3 and moderate-income New Yorkers. However, property taxes can consume a
4 disproportionate share of the rental income from such apartments,
5 threatening their long-term affordability and sustainability. The
6 purpose of this act is to establish a tax rebate program that targets
7 buildings with individually occupied rent-stabilized apartments where
8 the property tax burden significantly exceeds rental income, and to do
9 so in a fiscally responsible and administratively coordinated manner.

10 § 2. The real property tax law is amended by adding a new section
11 485-z to read as follows:

12 § 485-z. Rent-stabilized housing tax relief rebate program. 1. Defi-
13 nitions. For purposes of this section:

14 (a) "Rent-stabilized apartment" means a housing unit subject to rent
15 regulation under the emergency tenant protection act of nineteen seven-
16 ty-four.

17 (b) "Eligible building" means a residential building where fifty
18 percent or more of the units are rent-stabilized and individually occu-
19 pled.

20 (c) "Effective tax burden" means the percentage of gross stabilized
21 rental income allocated to property taxes, as derived from real property
22 income and expense (RPIE) data or equivalent documentation.

23 (d) "Unit tax allocation factor" means a standardized formula, as
24 promulgated by rule, to proportionally allocate property tax liability

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

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1 from the building level to individual rent-stabilized units based on
2 square footage and rental income.

3 2. Eligibility. An owner shall be eligible for a rebate under this
4 section if:

5 (a) The effective tax burden for rent-stabilized units exceeds seven-
6 ty-five percent of the gross stabilized rent received;

7 (b) The capitalization rate of the building is less than two percent
8 above the federal prime rate, based on certified financial statements;
9 and

10 (c) There are no open class C hazardous violations on record with the
11 New York city department of housing preservation and development or its
12 equivalent, or such violations are cured within six months of applica-
13 tion.

14 3. Rebate calculation. The rebate authorized pursuant to this section
15 shall be equal to fifty percent of the property tax amount attributable
16 to rent-stabilized apartments that exceeds the seventy-five percent
17 threshold defined in subdivision two of this section. Rebates shall be
18 applied as credits against the following tax year's liability. Rebates
19 shall be subject to recapture if the building fails to maintain eligi-
20 bility for the two years following the award.

21 4. Application process. (a) Applications shall be submitted annually
22 to the department on or before June thirtieth of each year.

23 (b) Each application shall include:

24 (i) Rent rolls and lease summaries;

25 (ii) RPIE filings or equivalent financial disclosures;

26 (iii) Property tax documentation; and

27 (iv) Proof of registration with the New York state division of housing
28 and community renewal and, where applicable, New York city department of
29 housing preservation and development.

30 (c) Application fees shall be:

31 (i) One hundred dollars for buildings with fewer than ten units; or

32 (ii) Two hundred fifty dollars or twenty dollars per unit, whichever
33 is greater, for all other buildings, not to exceed two thousand dollars
34 per tax lot.

35 5. Administration and implementation. (a) The department shall admin-
36 ister the program.

37 (b) The department shall, within one hundred eighty days of the effec-
38 tive date of this section, promulgate rules and regulations necessary to
39 implement this section, including:

40 (i) A standardized method for calculating unit tax allocation factors;

41 (ii) A secure electronic application portal; and

42 (iii) Data-sharing protocols for interagency access.

43 (c) The department shall enter into a memorandum of understanding with
44 the New York city department of finance, the New York state division of
45 homes and community renewal, and the New York city department of housing
46 preservation and development to facilitate data exchange and compliance
47 monitoring.

48 6. Pilot implementation. The program shall initially be implemented in
49 community boards established pursuant to section twenty-eight hundred of
50 the New York city charter where the median household income is below
51 forty percent of the area median income, as defined by the United States
52 department of housing and urban development.

53 7. Reporting and evaluation. (a) The department shall submit an annual
54 report to the temporary president of the senate, the speaker of the
55 assembly, and the minority leaders of both houses on or before January
56 first each year.

1 (b) Every four years, the department shall conduct a performance audit
2 and may recommend revisions to eligibility criteria or rebate structure.

3 § 3. This act shall take effect on the first of January next succeed-
4 ing the date on which it shall have become a law, provided, however,
5 that no rebates shall be issued until the second full tax year following
6 such effective date. Effective immediately, the addition, amendment
7 and/or repeal of any rule or regulation, and the execution of any inter-
8 agency agreement by the department of taxation and finance necessary for
9 the implementation of this act on its effective date are authorized to
10 be made and completed on or before such effective date.