

7094

2009-2010 Regular Sessions

I N A S S E M B L Y

March 20, 2009

Introduced by M. of A. GALEF, PAULIN, BRADLEY, CAHILL, SPANO, BURLING, KOLB, ALESSI, DelMONTE, EDDINGTON, FIELDS, JAFFEE, JOHN, KOON, LIFTON, J. RIVERA, P. RIVERA, ZEBROWSKI, ERRIGO, FINCH, GIGLIO, McDONOUGH, SAYWARD, SCOZZAFAVA, WALKER -- Multi-Sponsored by -- M. of A. AMEDORE, BACALLES, BARCLAY, CALHOUN, CHRISTENSEN, CONTE, DESTITO, DUPREY, GORDON, HAWLEY, HAYES, HYER-SPENCER, MILLER, MOLINARO, PHEFFER, QUINN, RABBITT, RAIA, REILLY, SALADINO, STIRPE, SWEENEY, THIELE, TOBACCO -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to the school district property tax credit and establishing the maximum residential real property, personal income tax credit

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

1 Section 1. Subparagraph (E) of paragraph 1 of subsection (e) of
2 section 606 of the tax law, as amended by chapter 105 of the laws of
3 2006, is amended to read as follows:
4 (E) "Qualifying real property taxes" means all real property taxes,
5 special ad valorem levies and special assessments, exclusive of penal-
6 ties and interest, levied on the residence of a qualified taxpayer and
7 paid during the taxable year [less the credit claimed under subsection
8 (n-1) of this section]. In addition, for taxable years beginning after
9 December thirty-first, nineteen hundred eighty-four, a qualified taxpay-
10 er may elect to include any additional amount that would have been
11 levied in the absence of an exemption from real property taxation pursu-
12 ant to section four hundred sixty-seven of the real property tax law. If
13 tenant-stockholders in a cooperative housing corporation have met the
14 requirements of section two hundred sixteen of the internal revenue code
15 by which they are allowed a deduction for real estate taxes, the amount
16 of taxes so allowable, or which would be allowable if the taxpayer had
17 filed returns on a cash basis, shall be qualifying real property taxes.
18 If a residence is owned by two or more individuals as joint tenants or

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

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1 tenants in common, and one or more than one individual is not a member
2 of the household, qualifying real property taxes is that part of such
3 taxes on the residence which reflects the ownership percentage of the
4 qualified taxpayer and members of his household. If a residence is an
5 integral part of a larger unit, qualifying real property taxes shall be
6 limited to that amount of such taxes paid as may be reasonably appor-
7 tioned to such residence. If a household owns and occupies two or more
8 residences during different periods in the same taxable year, qualifying
9 real property taxes shall be the sum of the prorated qualifying real
10 property taxes attributable to the household during the periods such
11 household occupies each of such residences. If the household owns and
12 occupies a residence for part of the taxable year and rents a residence
13 for part of the same taxable year, it may include both the proration of
14 qualifying real property taxes on the residence owned and the real prop-
15 erty tax equivalent with respect to the months the residence is rented.
16 Provided, however, for purposes of the credit allowed under this
17 subsection, qualifying real property taxes may be included by a quali-
18 fied taxpayer only to the extent that such taxpayer or the spouse of
19 such taxpayer occupying such residence for six months or more of the
20 taxable year owns or has owned the residence and paid such taxes.

21 S 2. Section 606 of the tax law is amended by adding a new subsection
22 (qq) to read as follows:

23 (QQ) MAXIMUM RESIDENTIAL REAL PROPERTY TAX CREDIT. (1) DEFINITIONS.
24 FOR THE PURPOSES OF THIS SUBSECTION:

25 (A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL OF THE STATE WHO
26 OWNS THE RESIDENTIAL REAL PROPERTY IN WHICH HE OR SHE RESIDES, AND HAS
27 RESIDED IN SUCH RESIDENTIAL REAL PROPERTY FOR NOT LESS THAN FIVE YEARS.

28 (B) "HOUSEHOLD" MEANS THE TAXPAYER OR TAXPAYERS AND ALL OTHER PERSONS,
29 NOT NECESSARILY RELATED, WHO ALL RESIDE IN THE RESIDENTIAL REAL PROPERTY
30 OWNED BY THE TAXPAYER OR TAXPAYERS, AND SHARE ITS FURNISHINGS, FACILI-
31 TIES AND ACCOMMODATIONS; PROVIDED THAT NO PERSON MAY BE A MEMBER OF MORE
32 THAN ONE HOUSEHOLD AT ONE TIME.

33 (C) "HOUSEHOLD GROSS INCOME" MEANS THE AGGREGATE ADJUSTED GROSS INCOME
34 OF ALL MEMBERS OF THE HOUSEHOLD FOR THE TAXABLE YEAR AS REPORTED FOR
35 FEDERAL INCOME TAX PURPOSES, OR WHICH WOULD BE REPORTED AS ADJUSTED
36 GROSS INCOME IF A FEDERAL INCOME TAX RETURN WERE REQUIRED TO BE FILED,
37 WITH THE MODIFICATIONS IN SUBSECTION (B) OF SECTION SIX HUNDRED TWELVE
38 OF THIS ARTICLE BUT WITHOUT THE MODIFICATIONS IN SUBSECTION (C) OF SUCH
39 SECTION, PLUS ANY PORTION OF THE GAIN FROM THE SALE OR EXCHANGE OF PROP-
40 erty OTHERWISE EXCLUDED FROM SUCH AMOUNT; EARNED INCOME FROM SOURCES
41 WITHOUT THE UNITED STATES EXCLUDABLE FROM FEDERAL GROSS INCOME BY
42 SECTION NINE HUNDRED ELEVEN OF THE INTERNAL REVENUE CODE; SUPPORT MONEY
43 NOT INCLUDED IN ADJUSTED GROSS INCOME; NONTAXABLE STRIKE BENEFITS;
44 SUPPLEMENTAL SECURITY INCOME PAYMENTS; THE GROSS AMOUNT OF ANY PENSION
45 OR ANNUITY BENEFITS TO THE EXTENT NOT INCLUDED IN SUCH ADJUSTED GROSS
46 INCOME (INCLUDING, BUT NOT LIMITED TO, RAILROAD RETIREMENT BENEFITS AND
47 ALL PAYMENTS RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT AND VETER-
48 ANS' DISABILITY PENSIONS); NONTAXABLE INTEREST RECEIVED FROM THE STATE
49 OF NEW YORK, ITS AGENCIES, INSTRUMENTALITIES, PUBLIC CORPORATIONS, OR
50 POLITICAL SUBDIVISIONS (INCLUDING A PUBLIC CORPORATION CREATED PURSUANT
51 TO AGREEMENT OR COMPACT WITH ANOTHER STATE OR CANADA); WORKERS' COMPEN-
52 SATION; THE GROSS AMOUNT OF "LOSS-OF-TIME" INSURANCE; AND THE AMOUNT OF
53 CASH PUBLIC ASSISTANCE AND RELIEF, OTHER THAN MEDICAL ASSISTANCE FOR THE
54 NEEDY, PAID TO OR FOR THE BENEFIT OF THE QUALIFIED TAXPAYER OR MEMBERS
55 OF HIS OR HER HOUSEHOLD. HOUSEHOLD GROSS INCOME SHALL NOT INCLUDE
56 SURPLUS FOODS OR OTHER RELIEF IN KIND OR PAYMENTS MADE TO INDIVIDUALS

BECAUSE OF THEIR STATUS AS VICTIMS OF NAZI PERSECUTION AS DEFINED IN PUBLIC LAW 103-286. PROVIDED, FURTHER, HOUSEHOLD GROSS INCOME SHALL ONLY INCLUDE ALL SUCH INCOME RECEIVED BY ALL MEMBERS OF THE HOUSEHOLD WHILE MEMBERS OF SUCH HOUSEHOLD.

(D) "NET REAL PROPERTY TAX" MEANS THE REAL PROPERTY TAXES ASSESSED ON THE RESIDENTIAL REAL PROPERTY OWNED AND OCCUPIED BY THE TAXPAYER OR TAXPAYERS AFTER ANY EXEMPTION OR ABATEMENT RECEIVED PURSUANT TO THE REAL PROPERTY TAX LAW.

(2) CREDIT. A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAXES IMPOSED BY THIS ARTICLE, EQUAL TO SEVENTY PERCENT OF THE AMOUNT WHICH THE TAXPAYER'S NET REAL PROPERTY TAX EXCEEDS THE TAXPAYER'S MAXIMUM REAL PROPERTY TAX, AS DETERMINED BY PARAGRAPH THREE OF THIS SUBSECTION, PROVIDED, HOWEVER, SUCH CREDIT SHALL NOT EXCEED FIVE THOUSAND DOLLARS. IF SUCH CREDIT EXCEEDS THE TAX FOR SUCH TAXABLE YEAR, AS REDUCED BY THE OTHER CREDITS PERMITTED BY THIS ARTICLE, THE QUALIFIED TAXPAYER MAY RECEIVE, AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT, WITHOUT INTEREST, ANY EXCESS BETWEEN SUCH TAX AS SO REDUCED AND THE AMOUNT OF THE CREDIT. IF A QUALIFIED TAXPAYER IS NOT REQUIRED TO FILE A RETURN PURSUANT TO SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, A QUALIFIED TAXPAYER MAY NEVERTHELESS RECEIVE AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT THE FULL AMOUNT OF THE CREDIT, WITHOUT INTEREST.

(3) MAXIMUM REAL PROPERTY TAX. (A) A QUALIFIED TAXPAYER'S MAXIMUM REAL PROPERTY TAX SHALL BE DETERMINED AS FOLLOWS:

(I) IN THE CITY OF NEW YORK, AND THE COUNTIES OF NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER, PUTNAM, ORANGE AND DUTCHESS:

HOUSEHOLD GROSS INCOME	MAXIMUM REAL PROPERTY TAX
ONE HUNDRED TWENTY THOUSAND DOLLARS OR LESS	SIX PERCENT OF THE HOUSEHOLD GROSS INCOME

MORE THAN ONE HUNDRED TWENTY THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS	SEVEN PERCENT OF THE HOUSEHOLD GROSS INCOME
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MORE THAN ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO TWO HUNDRED FIFTY THOUSAND DOLLARS	EIGHT PERCENT OF THE HOUSEHOLD GROSS INCOME
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MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS	NO LIMITATION.
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(II) IN ALL OTHER COUNTIES IN THE STATE:

HOUSEHOLD GROSS INCOME	MAXIMUM REAL PROPERTY TAX
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NINETY THOUSAND DOLLARS OR LESS	SIX PERCENT OF THE HOUSEHOLD GROSS INCOME
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1 MORE THAN NINETY SEVEN PERCENT OF
2 THOUSAND DOLLARS, BUT THE HOUSEHOLD
3 LESS THAN OR EQUAL TO GROSS INCOME
4 ONE HUNDRED FIFTY
5 THOUSAND DOLLARS

6 MORE THAN ONE HUNDRED EIGHT PERCENT OF
7 FIFTY THOUSAND DOLLARS, THE HOUSEHOLD
8 BUT LESS THAN OR EQUAL GROSS INCOME
9 TO TWO HUNDRED FIFTY THOUSAND
10 DOLLARS

11 MORE THAN TWO HUNDRED FIFTY NO LIMITATION.
12 THOUSAND DOLLARS

13 (B) THE THRESHOLDS OF HOUSEHOLD GROSS INCOME FOR ELIGIBILITY FOR THE
14 MAXIMUM REAL PROPERTY TAX CREDIT, ESTABLISHED BY SUBPARAGRAPH (A) OF
15 THIS PARAGRAPH, SHALL BE INDEXED FOR INFLATION.

16 (4) EXCLUSIONS FROM ELIGIBILITY. NO CREDIT SHALL BE GRANTED UNDER THIS
17 SUBSECTION IF THE QUALIFIED TAXPAYER CLAIMS THE REAL PROPERTY TAX
18 CIRCUIT BREAKER CREDIT, PURSUANT TO SUBSECTION (E) OF THIS SECTION,
19 DURING THE TAXABLE YEAR.

20 (5) EXCLUSION FROM DUAL ELIGIBILITY. THE AMOUNT OF THE CREDIT GRANTED
21 UNDER THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF THE REBATE CHECK
22 RECEIVED PURSUANT TO SECTION ONE HUNDRED SEVENTY-EIGHT OF THIS CHAPTER.

23 S 3. This act shall take effect on the first of January next succeed-
24 ing the date on which it shall have become a law, and shall apply to
25 taxable years commencing on or after such date.