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

3396

2011-2012 Regular Sessions

I N A S S E M B L Y

January 25, 2011

Introduced by M. of A. MAISEL -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to limiting the tax imposed on refinanced mortgages to the difference between the total indebtedness secured by the new mortgage and the remaining indebtedness secured by the former mortgage

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

Section 1. Paragraph (b) of subdivision 2 of section 250 of the tax law, as amended by section 1 of part Q of chapter 60 of the laws of 2004, is amended to read as follows:

(b) Where all or part of the indebtedness secured by a mortgage of real property within any city in the state having a population of one million or more has been paid and new funds are advanced or re-advanced which are to be secured by such mortgage, OR BY A NEW MORTGAGE WHICH SECURES THE BALANCE OF INDEBTEDNESS REMAINING UNPAID UNDER THE FORMER MORTGAGE PLUS ALL NEW FUNDS ADVANCED OR RE-ADVANCED, the contract or agreement by which such funds are advanced or re-advanced shall be deemed a mortgage of real property for purposes of this article, and shall be taxable as such upon the amount of such new funds, OR UPON THE DIFFERENCE IN AMOUNTS BETWEEN THE TOTAL INDEBTEDNESS SECURED BY THE NEW MORTGAGE AND THE REMAINING INDEBTEDNESS WHICH HAD BEEN SECURED BY THE FORMER MORTGAGE, except as otherwise provided in section two hundred fifty-three-b of this article.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law, and shall apply to the calculation of amount of tax due on mortgages executed on and after such date.

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

LBD06389-01-1