

3048

2011-2012 Regular Sessions

I N S E N A T E

February 7, 2011

Introduced by Sen. KRUGER -- 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 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:

1 Section 1. Paragraph (b) of subdivision 2 of section 250 of the tax
2 law, as amended by section 1 of part Q of chapter 60 of the laws of
3 2004, is amended to read as follows:
4 (b) Where all or part of the indebtedness secured by a mortgage of
5 real property within any city in the state having a population of one
6 million or more has been paid and new funds are advanced or re-advanced
7 which are to be secured by such mortgage, OR BY A NEW MORTGAGE WHICH
8 SECURES THE BALANCE OF INDEBTEDNESS REMAINING UNPAID UNDER THE FORMER
9 MORTGAGE PLUS ALL NEW FUNDS ADVANCED OR RE-ADVANCED, the contract or
10 agreement by which such funds are advanced or re-advanced shall be
11 deemed a mortgage of real property for purposes of this article, and
12 shall be taxable as such upon the amount of such new funds, OR UPON THE
13 DIFFERENCE IN AMOUNTS BETWEEN THE TOTAL INDEBTEDNESS SECURED BY THE NEW
14 MORTGAGE AND THE REMAINING INDEBTEDNESS WHICH HAD BEEN SECURED BY THE
15 FORMER MORTGAGE, except as otherwise provided in section two hundred
16 fifty-three-b of this article.
17 S 2. This act shall take effect on the first of January next succeed-
18 ing the date on which it shall have become a law, and shall apply to the
19 calculation of amount of tax due on mortgages executed on and after such
20 date.

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

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