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

S. 809 A. 525

2011-2012 Regular Sessions

S E N A T E - A S S E M B L Y

(PREFILED)

January 5, 2011

IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

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

AN ACT to amend the tax law, in relation to a residential housing downpayment credit against the tax on personal income

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 (r-1) to read as follows:

(R-1) RESIDENTIAL HOUSING DOWNPAYMENT CREDIT. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY SECTION SIX HUNDRED ONE OF THIS PART FOR ANY DOWNPAYMENT MADE ON THE PURCHASE OF A PRINCIPAL RESIDENCE LOCATED WITHIN THE STATE OF NEW YORK. ANY TAX CREDIT NOT USED IN THE TAXABLE YEAR IN WHICH THE RESIDENCE WAS PURCHASED MAY BE CARRIED FORWARD UNTIL THE FULL CREDIT HAS BEEN ALLOWED.

(2) THE AGGREGATE AMOUNT OF THE TAX CREDIT ALLOWED UNDER THIS SUBSECTION SHALL NOT EXCEED TEN PERCENT OF THE PURCHASE PRICE OR TWENTY-FIVE THOUSAND DOLLARS, WHICHEVER IS LESS.

(3) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO TAXPAYERS WHOSE HOUSEHOLD INCOME IS EQUAL TO OR BELOW THE MEDIAN HOUSEHOLD INCOME IN THE COUNTY IN WHICH THE RESIDENCE IS LOCATED.

(4) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO A TAXPAYER WHO HAS NOT OWNED A PRINCIPAL RESIDENCE WITHIN THE PRECEDING FIVE YEARS OF THE PURCHASE OF THE RESIDENCE FOR WHICH THE CREDIT IS CLAIMED.

S 2. This act shall take effect immediately.

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

LBD03754-01-1