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I N   S E N A T E

February 6, 2014

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Introduced by Sen. GIPSON -- read twice and ordered printed, and when printed to be committed to the Committee on Education

AN ACT to amend the education law, in relation to capping expenditures for administrative services; and to amend the tax law, in relation to creating the middle class circuit breaker tax credit

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

1     Section 1. This act shall be known and may be cited as the "Property  
2     Tax Relief Act".

3     S 2. Section 2 of the education law is amended by adding a new subdi-  
4     vision 25 to read as follows:

5     25. CENTRAL ADMINISTRATION SERVICES. THE TERM "CENTRAL ADMINISTRATION  
6     SERVICES" MEANS ALL CENTRAL ADMINISTRATION SERVICES PROVIDED BY A  
7     COMMON, UNION FREE, CENTRAL SCHOOL DISTRICT, OR CENTRAL HIGH SCHOOL  
8     DISTRICT INCLUDING, BUT NOT LIMITED TO EXPENDITURES, SALARIES AND OTHER-  
9     WISE, FOR THE CHIEF SCHOOL OFFICER, THE SCHOOL PRINCIPAL, THE BUSINESS  
10    OFFICE, THE PURCHASING OFFICE, THE PERSONNEL OFFICE, THE RECORDS MANAGE-  
11    MENT OFFICE, PUBLIC INFORMATION AND SERVICES, FEES FOR FISCAL AGENTS,  
12    THE DISTRICT CLERK'S OFFICE, THE DISTRICT MEETING, AUDITING SERVICES,  
13    THE TREASURER'S OFFICE, THE TAX COLLECTOR'S OFFICE, LEGAL SERVICES, THE  
14    SCHOOL CENSUS, THE SUPPORT STAFF AND CLERICAL STAFF FOR SUCH SERVICES,  
15    OFFICERS AND OFFICES AND INDIRECT COSTS AND OTHER UNCLASSIFIED EXPENDI-  
16    TURES. "CENTRAL ADMINISTRATION SERVICES" SHALL NOT INCLUDE TEACHER SALA-  
17    RIES, TRANSPORTATION SERVICES OR CAPITAL COSTS.

18    S 3. The education law is amended by adding a new section 1510-a to  
19    read as follows:

20    S 1510-A. CENTRAL ADMINISTRATION SERVICES. NO COMMON, UNION FREE,  
21    CENTRAL SCHOOL DISTRICT, OR CENTRAL HIGH SCHOOL DISTRICT SHALL, IN ANY  
22    FISCAL YEAR, EXPEND MORE THAN THREE PERCENT OF ITS TOTAL BUDGET FOR  
23    CENTRAL ADMINISTRATION SERVICES, AS SUCH TERM IS DEFINED PURSUANT TO  
24    SUBDIVISION TWENTY-FIVE OF SECTION TWO OF THIS CHAPTER.

25    S 4. The education law is amended by adding a new section 2023-b to  
26    read as follows:

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

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1 S 2023-B. CENTRAL ADMINISTRATION SERVICES. IN THE TWO THOUSAND FOUR-  
2 TEEN--TWO THOUSAND FIFTEEN SCHOOL YEAR, EVERY SCHOOL DISTRICT SHALL  
3 DECREASE THE TAX LEVY BY THE AMOUNT OF THE DECREASE IN ADMINISTRATIVE  
4 SERVICES FROM THE PREVIOUS YEAR REQUIRED BY SECTION FIFTEEN HUNDRED  
5 TEN-A OF THIS CHAPTER.

6 S 5. Subsections (yy) and (zz) of section 606 of the tax law, as  
7 relettered by section 5 of part H of chapter 1 of the laws of 2003, are  
8 relettered subsections (yyy) and (zzz) and a new subsection (xx) is  
9 added to read as follows:

10 (XX) MIDDLE CLASS CIRCUIT BREAKER CREDIT. (1) DEFINITIONS. FOR THE  
11 PURPOSES OF THIS SUBSECTION:

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

16 (B) "HOUSEHOLD" OR "MEMBERS OF THE HOUSEHOLD" MEANS A QUALIFIED  
17 TAXPAYER OR QUALIFIED TAXPAYERS AND ALL OTHER PERSONS, NOT NECESSARILY  
18 RELATED, WHO ALL RESIDE IN THE RESIDENTIAL REAL PROPERTY OWNED BY THE  
19 TAXPAYER OR TAXPAYERS, AND SHARE ITS FURNISHINGS, FACILITIES AND ACCOM-  
20 MODATIONS; PROVIDED THAT NO PERSON MAY BE A MEMBER OF MORE THAN ONE  
21 HOUSEHOLD AT ONE TIME.

22 (C) "HOUSEHOLD GROSS INCOME" MEANS THE AGGREGATE ADJUSTED GROSS INCOME  
23 OF ALL MEMBERS OF THE HOUSEHOLD FOR THE TAXABLE YEAR AS REPORTED FOR  
24 FEDERAL INCOME TAX PURPOSES, OR WHICH WOULD BE REPORTED AS ADJUSTED  
25 GROSS INCOME IF A FEDERAL INCOME TAX RETURN WERE REQUIRED TO BE FILED,  
26 WITH THE MODIFICATIONS IN SUBSECTION (B) OF SECTION SIX HUNDRED TWELVE  
27 OF THIS ARTICLE BUT WITHOUT THE MODIFICATIONS IN SUBSECTION (C) OF SUCH  
28 SECTION, PLUS ANY PORTION OF THE GAIN FROM THE SALE OR EXCHANGE OF PROP-  
29 erty OTHERWISE EXCLUDED FROM SUCH AMOUNT; EARNED INCOME FROM SOURCES  
30 WITHOUT THE UNITED STATES EXCLUDABLE FROM FEDERAL GROSS INCOME BY  
31 SECTION NINE HUNDRED ELEVEN OF THE INTERNAL REVENUE CODE; SUPPORT MONEY  
32 NOT INCLUDED IN ADJUSTED GROSS INCOME; NONTAXABLE STRIKE BENEFITS;  
33 SUPPLEMENTAL SECURITY INCOME PAYMENTS; THE GROSS AMOUNT OF ANY PENSION  
34 OR ANNUITY BENEFITS TO THE EXTENT NOT INCLUDED IN SUCH ADJUSTED GROSS  
35 INCOME (INCLUDING, BUT NOT LIMITED TO, RAILROAD RETIREMENT BENEFITS AND  
36 ALL PAYMENTS RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT AND VETER-  
37 ANS' DISABILITY PENSIONS); NONTAXABLE INTEREST RECEIVED FROM THE STATE  
38 OF NEW YORK, ITS AGENCIES, INSTRUMENTALITIES, PUBLIC CORPORATIONS, OR  
39 POLITICAL SUBDIVISIONS (INCLUDING A PUBLIC CORPORATION CREATED PURSUANT  
40 TO AGREEMENT OR COMPACT WITH ANOTHER STATE OR CANADA); WORKERS' COMPEN-  
41 SATION; THE GROSS AMOUNT OF "LOSS-OF-TIME" INSURANCE; AND THE AMOUNT OF  
42 CASH PUBLIC ASSISTANCE AND RELIEF, OTHER THAN MEDICAL ASSISTANCE FOR THE  
43 NEEDY, PAID TO OR FOR THE BENEFIT OF THE QUALIFIED TAXPAYER OR MEMBERS  
44 OF HIS OR HER HOUSEHOLD. HOUSEHOLD GROSS INCOME SHALL NOT INCLUDE  
45 SURPLUS FOODS OR OTHER RELIEF IN KIND OR PAYMENTS MADE TO INDIVIDUALS  
46 BECAUSE OF THEIR STATUS AS VICTIMS OF NAZI PERSECUTION AS DEFINED IN  
47 PUBLIC LAW 103-286 OR ANY DISABILITY COMPENSATION RECEIVED BY VETERANS  
48 ON ACCOUNT OF INJURY OR ILLNESS INCURRED OR AGGRAVATED DURING MILITARY  
49 SERVICE IN THE WARS IN AFGHANISTAN AND IRAQ SINCE SEPTEMBER ELEVENTH,  
50 TWO THOUSAND ONE. PROVIDED, FURTHER, HOUSEHOLD GROSS INCOME SHALL ONLY  
51 INCLUDE ALL SUCH INCOME RECEIVED BY ALL MEMBERS OF THE HOUSEHOLD WHILE  
52 MEMBERS OF SUCH HOUSEHOLD.

53 (D) "ADJUSTED RENT" MEANS RENT PAID FOR THE RIGHT OF OCCUPANCY OF A  
54 RESIDENCE.

55 (E) "REAL PROPERTY TAX EQUIVALENT" MEANS (1) FOR TAXABLE YEARS BEGIN-  
56 NING IN TWO THOUSAND FIFTEEN, FIFTEEN PERCENT OF THE ADJUSTED RENT ACTU-

1 ALLY PAID IN THE TAXABLE YEAR BY A HOUSEHOLD SOLELY FOR THE RIGHT OF  
2 OCCUPANCY OF ITS NEW YORK RESIDENCE FOR THE TAXABLE YEAR. IF (I) A RESI-  
3 DENCE IS RENTED TO TWO OR MORE INDIVIDUALS AS COTENANTS, OR SUCH INDI-  
4 VIDUALS SHARE IN THE PAYMENT OF A SINGLE RENT FOR THE RIGHT OF OCCUPANCY  
5 OF SUCH RESIDENCE, AND (II) EACH OF SUCH INDIVIDUALS IS A MEMBER OF A  
6 DIFFERENT HOUSEHOLD, ONE OR MORE OF WHICH INDIVIDUALS SHARES SUCH RESI-  
7 DENCE, REAL PROPERTY TAX EQUIVALENT IS THAT PORTION OF FIFTEEN PERCENT  
8 OF THE ADJUSTED RENT PAID IN THE TAXABLE YEAR WHICH REFLECTS THAT  
9 PORTION OF THE RENT ATTRIBUTABLE TO THE QUALIFIED TAXPAYER AND THE  
10 MEMBERS OF HIS OR HER HOUSEHOLD; AND (2) FOR TAXABLE YEARS BEGINNING IN  
11 TWO THOUSAND SEVENTEEN AND THEREAFTER, TWENTY PERCENT OF THE ADJUSTED  
12 RENT ACTUALLY PAID IN THE TAXABLE YEAR BY A HOUSEHOLD SOLELY FOR THE  
13 RIGHT OF OCCUPANCY OF ITS NEW YORK RESIDENCE FOR THE TAXABLE YEAR. IF  
14 (I) A RESIDENCE IS RENTED TO TWO OR MORE INDIVIDUALS AS COTENANTS, OR  
15 SUCH INDIVIDUALS SHARE IN THE PAYMENT OF A SINGLE RENT FOR THE RIGHT OF  
16 OCCUPANCY OF SUCH RESIDENCE, AND (II) EACH OF SUCH INDIVIDUALS IS A  
17 MEMBER OF A DIFFERENT HOUSEHOLD, ONE OR MORE OF WHICH INDIVIDUALS SHARES  
18 SUCH RESIDENCE, REAL PROPERTY TAX EQUIVALENT IS THAT PORTION OF TWENTY  
19 PERCENT OF THE ADJUSTED RENT PAID IN THE TAXABLE YEAR WHICH REFLECTS  
20 THAT PORTION OF THE RENT ATTRIBUTABLE TO THE QUALIFIED TAXPAYER AND THE  
21 MEMBERS OF HIS OR HER HOUSEHOLD.

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

26 (2) CREDIT. A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE  
27 TAXES IMPOSED BY THIS ARTICLE, EQUAL TO SEVENTY PERCENT OF THE AMOUNT BY  
28 WHICH THE TAXPAYER'S NET REAL PROPERTY TAX OR THE TAXPAYER'S REAL PROP-  
29 erty TAX EQUIVALENT EXCEEDS THE TAXPAYER'S MAXIMUM REAL PROPERTY TAX, AS  
30 DETERMINED BY PARAGRAPH THREE OF THIS SUBSECTION. IF SUCH CREDIT EXCEEDS  
31 THE TAX FOR SUCH TAXABLE YEAR, AS REDUCED BY THE OTHER CREDITS PERMITTED  
32 BY THIS ARTICLE, THE QUALIFIED TAXPAYER MAY RECEIVE, AND THE COMP-  
33 TROLLER, SUBJECT TO A CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN  
34 OVERPAYMENT, WITHOUT INTEREST, ANY EXCESS BETWEEN SUCH TAX AS SO REDUCED  
35 AND THE AMOUNT OF THE CREDIT. IF A QUALIFIED TAXPAYER IS NOT REQUIRED TO  
36 FILE A RETURN PURSUANT TO SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE,  
37 A QUALIFIED TAXPAYER MAY NEVERTHELESS RECEIVE AND THE COMPTROLLER,  
38 SUBJECT TO A CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT  
39 THE FULL AMOUNT OF THE CREDIT, WITHOUT INTEREST.

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

42 (I) FOR TAX YEARS BEGINNING IN TWO THOUSAND FIFTEEN:	
43 HOUSEHOLD GROSS INCOME	MAXIMUM REAL PROPERTY TAX
44 ONE HUNDRED THOUSAND	NINE PERCENT OF THE
45 DOLLARS OR LESS	HOUSEHOLD GROSS INCOME
46 MORE THAN ONE HUNDRED	NO LIMITATION.
47 THOUSAND DOLLARS	

48 (II) FOR TAX YEARS BEGINNING IN TWO THOUSAND SIXTEEN:	
49 HOUSEHOLD GROSS INCOME	MAXIMUM REAL PROPERTY TAX
50 ONE HUNDRED THOUSAND	EIGHT AND ONE-HALF PERCENT OF THE
51 DOLLARS OR LESS	HOUSEHOLD GROSS INCOME
52 MORE THAN ONE HUNDRED	NO LIMITATION.
53 THOUSAND DOLLARS	

54 (III) FOR TAX YEARS BEGINNING IN TWO THOUSAND SEVENTEEN:	
55 HOUSEHOLD GROSS INCOME	MAXIMUM REAL PROPERTY TAX

1	ONE HUNDRED THOUSAND DOLLARS	SEVEN AND ONE-HALF PERCENT OF
2	OR LESS	HOUSEHOLD GROSS INCOME
3	MORE THAN ONE HUNDRED THOUSAND	SEVEN AND ONE-HALF PERCENT OF
4	DOLLARS, BUT LESS THAN OR EQUAL TO	ONE HUNDRED THOUSAND DOLLARS
5	ONE HUNDRED FIFTY THOUSAND DOLLARS	PLUS EIGHT AND ONE-HALF PERCENT OF
6		HOUSEHOLD GROSS INCOME ABOVE
7		ONE HUNDRED THOUSAND DOLLARS
8	MORE THAN ONE HUNDRED FIFTY	NO LIMITATION.
9	THOUSAND DOLLARS	
10	(IV) FOR TAX YEARS BEGINNING IN TWO THOUSAND EIGHTEEN AND THEREAFTER:	
11	HOUSEHOLD GROSS INCOME	MAXIMUM REAL PROPERTY TAX
12	ONE HUNDRED THOUSAND	SIX PERCENT OF HOUSEHOLD GROSS
13	DOLLARS OR LESS	INCOME
14	MORE THAN ONE HUNDRED THOUSAND	SIX PERCENT OF ONE HUNDRED
15	DOLLARS, BUT LESS THAN OR EQUAL TO	THOUSAND DOLLARS PLUS SEVEN
16	ONE HUNDRED FIFTY THOUSAND DOLLARS	PERCENT OF HOUSEHOLD GROSS INCOME
17		ABOVE ONE HUNDRED THOUSAND DOLLARS
18	MORE THAN ONE HUNDRED FIFTY	SIX PERCENT OF ONE HUNDRED THOUSAND
19	THOUSAND DOLLARS, BUT LESS THAN	DOLLARS PLUS SEVEN
20	OR EQUAL TO TWO HUNDRED FIFTY	PERCENT OF FIFTY THOUSAND DOLLARS
21	THOUSAND DOLLARS	PLUS EIGHT AND ONE-HALF PERCENT OF
22		HOUSEHOLD GROSS INCOME ABOVE ONE
23		HUNDRED FIFTY THOUSAND DOLLARS
24	MORE THAN TWO HUNDRED FIFTY	NO LIMITATION.
25	THOUSAND DOLLARS	
26	(B) THE THRESHOLDS OF HOUSEHOLD GROSS INCOME ESTABLISHED BY CLAUSE	
27	(IV) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH SHALL BE INDEXED FOR	
28	INFLATION FOR TAX YEARS BEGINNING IN TWO THOUSAND NINETEEN AND THEREAFT-	
29	ER.	
30	(4) EXCLUSIONS FROM ELIGIBILITY. NO CREDIT SHALL BE GRANTED UNDER THIS	
31	SUBSECTION IF THE QUALIFIED TAXPAYER CLAIMS THE REAL PROPERTY TAX	
32	CIRCUIT BREAKER CREDIT, PURSUANT TO SUBSECTION (E) OF THIS SECTION,	
33	DURING THE TAXABLE YEAR.	
34	S 6. This act shall take effect immediately.	