

6601

I N S E N A T E

February 11, 2014

Introduced by Sen. AVELLA -- 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 establishing a renters' and small homeowners' tax credit

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

1 Section 1. Section 606 of the tax law is amended by adding a new
2 subsection (b-1) to read as follows:
3 (B-1) RENTERS' AND SMALL HOMEOWNERS' CREDIT IN A CITY WITH A POPU-
4 LATION OF ONE MILLION OR MORE.
5 (1) FOR THE PURPOSES OF THIS SUBSECTION:
6 (A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL WHO LIVES IN A
7 CITY WITH A POPULATION OF ONE MILLION OR MORE WHO HAS OCCUPIED AND PAID
8 RENT FOR HIS OR HER PRIMARY RESIDENCE IN SUCH CITY FOR SIX MONTHS OR
9 MORE OF THE TAXABLE YEAR, IS REQUIRED OR CHOOSES TO FILE A RETURN UNDER
10 THIS ARTICLE, AND (I) IS SIXTY-FIVE YEARS OF AGE OR OLDER, (II) IS
11 FILING A JOINT RETURN WITH A SPOUSE WHO IS SIXTY-FIVE YEARS OF AGE OR
12 OLDER, (III) IS A HEAD OF HOUSEHOLD, (IV) IS A MARRIED INDIVIDUAL FILING
13 A JOINT RETURN WITH A SPOUSE AND HAS AT LEAST ONE DEPENDENT, (V) IS A
14 MARRIED INDIVIDUAL FILING A SEPARATE RETURN AND HAS AT LEAST ONE DEPEND-
15 ENT, OR (VI) IS A SURVIVING SPOUSE AND HAS AT LEAST ONE DEPENDENT. FOR
16 PURPOSES OF THIS SUBSECTION "QUALIFIED TAXPAYER" SHALL ALSO INCLUDE THE
17 OWNER OF ANY DWELLING WITH SIX UNITS OR LESS IN A CITY WITH A POPULATION
18 OF ONE MILLION OR MORE WHO OCCUPIES SUCH DWELLING AS HIS OR HER PRIMARY
19 RESIDENCE FOR SIX MONTHS OR MORE OF THE TAXABLE YEAR AND WHO IS REQUIRED
20 OR CHOOSES TO FILE A RETURN UNDER THIS ARTICLE. AN INDIVIDUAL CANNOT BE
21 A QUALIFIED TAXPAYER IF HE OR SHE IS AN INDIVIDUAL WITH RESPECT TO WHOM
22 A DEDUCTION UNDER SUBSECTION (C) OF SECTION 151 OF THE INTERNAL REVENUE
23 CODE IS ALLOWABLE TO ANOTHER TAXPAYER FOR THE TAXABLE YEAR OR PAYS RENT
24 FOR HIS OR HER PRIMARY RESIDENCE TO A FAMILY MEMBER SHARING THE SAME
25 PRIMARY RESIDENCE. A FAMILY MEMBER OF AN INDIVIDUAL IS THE INDIVIDUAL'S
26 SPOUSE, BROTHER, SISTER, PARENT, GRANDPARENT, CHILD, GRANDCHILD, UNCLE,

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

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1 AUNT, NEPHEW, OR NIECE, RELATED TO THE INDIVIDUAL BY BLOOD, MARRIAGE OR
2 ADOPTION.

3 (B) "RESIDENCE" MEANS A DWELLING IN A CITY WITH A POPULATION OF ONE
4 MILLION OR MORE AND MAY CONSIST OF A PART OF A MULTI-DWELLING OR MULTI-
5 PURPOSE BUILDING INCLUDING A COOPERATIVE OR CONDOMINIUM, ONE, TWO OR
6 THREE FAMILY DWELLINGS AND RENTAL UNITS WITHIN A SINGLE DWELLING WHICH
7 ARE EITHER OWNER-OCCUPIED OR RENTED BY A QUALIFIED TAXPAYER. RESIDENCE
8 INCLUDES A TRAILER OR MOBILE HOME, USED EXCLUSIVELY FOR RESIDENTIAL
9 PURPOSES AND DEFINED AS REAL PROPERTY PURSUANT TO PARAGRAPH (G) OF
10 SUBDIVISION TWELVE OF SECTION ONE HUNDRED TWO OF THE REAL PROPERTY TAX
11 LAW.

12 (2) (A) A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AS PROVIDED IN
13 THIS SUBSECTION AGAINST THE TAXES IMPOSED BY THIS ARTICLE REDUCED BY THE
14 CREDITS PERMITTED BY THIS ARTICLE. IF THE CREDIT EXCEEDS THE TAX AS SO
15 REDUCED FOR SUCH YEAR UNDER THIS ARTICLE, THE EXCESS SHALL BE TREATED AS
16 AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE
17 PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED,
18 HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON. IF A QUALIFIED TAXPAYER
19 IS NOT REQUIRED TO FILE A RETURN PURSUANT TO SECTION SIX HUNDRED FIFTY-
20 ONE OF THIS ARTICLE BUT OTHERWISE QUALIFIES FOR A CREDIT UNDER THIS
21 SUBSECTION, A CLAIM FOR A CREDIT MAY BE TAKEN ON A RETURN FILED WITH THE
22 COMMISSIONER WITHIN THREE YEARS FROM THE TIME THAT A RETURN WOULD HAVE
23 BEEN REQUIRED TO BE FILED PURSUANT TO SUCH SECTION HAD SUCH QUALIFIED
24 TAXPAYER HAD A TAXABLE YEAR ENDING ON DECEMBER THIRTY-FIRST. RETURNS
25 SHALL BE IN SUCH FORM AS PRESCRIBED BY THE COMMISSIONER. A QUALIFIED
26 TAXPAYER MUST PROVIDE ANY INFORMATION THE COMMISSIONER DEEMS NECESSARY
27 TO DETERMINE THE CREDIT ALLOWED.

28 (B) IF MORE THAN ONE QUALIFIED TAXPAYER PAYS RENT FOR THE SAME PRIMARY
29 RESIDENCE AND HAS A FEDERAL ADJUSTED GROSS INCOME FOR WHICH A CREDIT
30 WOULD OTHERWISE BE DUE, EACH SUCH QUALIFIED TAXPAYER SHALL DIVIDE THE
31 BASE AMOUNT OF THE CREDIT ALLOWED FOR HIS OR HER INCOME LEVEL BY THE
32 TOTAL NUMBER OF INDIVIDUALS OR MARRIED COUPLES FILING A JOINT RETURN WHO
33 ARE PAYING THE RENT, WHETHER OR NOT ELIGIBLE FOR A CREDIT, TO DETERMINE
34 THE AMOUNT OF CREDIT ALLOWED TO THAT QUALIFIED TAXPAYER. ANY ADDITIONAL
35 AMOUNT OF CREDIT DETERMINED BASED ON THE NUMBER OF EXEMPTIONS CLAIMED BY
36 SUCH TAXPAYER SHALL NOT BE SO DIVIDED.

37 (C) A QUALIFIED TAXPAYER SHALL BE ALLOWED THE CREDIT UNDER THIS
38 SUBSECTION OR THE CREDIT UNDER SUBSECTION (E) OF THIS SECTION, WHICHEVER
39 IS THE HIGHER AMOUNT.

40 (3) (A) FOR ANY QUALIFIED TAXPAYER WHO IS SIXTY-FIVE YEARS OF AGE OR
41 OLDER WITH A FILING STATUS OF SINGLE, THE AMOUNT OF THE CREDIT ALLOWED
42 PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED IN ACCORDANCE WITH THE
43 FOLLOWING TABLES:

44 FOR TAXABLE YEARS BEGINNING IN 2014,	
45 IF FEDERAL ADJUSTED GROSS INCOME IS:	THE CREDIT SHALL BE:
46 \$25,000 OR LESS	\$110
47 OVER \$25,000 BUT NOT OVER \$40,000	\$90
48 OVER \$40,000 BUT NOT OVER \$50,000	\$70

49 FOR TAXABLE YEARS BEGINNING IN OR	
50 AFTER 2015, IF FEDERAL ADJUSTED GROSS	
51 INCOME IS:	THE CREDIT SHALL BE:
52 \$25,000 OR LESS	\$220
53 OVER \$25,000 BUT NOT OVER \$40,000	\$180
54 OVER \$40,000 BUT NOT OVER \$50,000	\$140

(B) FOR ANY OTHER QUALIFIED TAXPAYER, THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLES; PROVIDED, HOWEVER, THAT A QUALIFIED TAXPAYER WHO IS A MARRIED INDIVIDUAL FILING A SEPARATE NEW YORK INCOME TAX RETURN SHALL RECEIVE ONE-HALF OF THE BASE AMOUNT OF THE CREDIT PLUS ANY ADDITIONAL AMOUNT FOR WHICH SUCH TAXPAYER WOULD BE ELIGIBLE BASED ON THE INCOME AND NUMBER OF EXEMPTIONS CLAIMED BY SUCH TAXPAYER:

FOR TAXABLE YEARS BEGINNING IN 2014,
IF FEDERAL ADJUSTED GROSS INCOME IS:
\$25,000 OR LESS

THE CREDIT SHALL BE:
\$80 PLUS AN AMOUNT
EQUAL TO \$35
MULTIPLIED BY A
NUMBER WHICH IS ONE
LESS THAN THE NUMBER
OF EXEMPTIONS FOR
WHICH THE TAXPAYER
(OR IN THE CASE
OF A MARRIED COUPLE
FILING A JOINT RETURN,
TAXPAYERS) IS ENTITLED
TO A DEDUCTION FOR THE
TAXABLE YEAR FOR FEDERAL
INCOME TAX PURPOSES
UNDER SUBSECTIONS (B)
AND (C) OF SECTION 151
OF THE INTERNAL REVENUE CODE

OVER \$25,000 BUT NOT OVER \$45,000

\$65 PLUS AN AMOUNT
EQUAL TO \$24
MULTIPLIED BY A NUMBER
WHICH IS ONE LESS THAN
THE NUMBER OF EXEMPTIONS
FOR WHICH THE TAXPAYER
(OR IN THE CASE OF
A MARRIED COUPLE FILING A
JOINT RETURN, TAXPAYERS)
IS ENTITLED TO A
DEDUCTION FOR THE TAXABLE
YEAR FOR FEDERAL INCOME
TAX PURPOSES UNDER
SUBSECTIONS (B) AND (C)
OF SECTION 151 OF THE
INTERNAL REVENUE CODE

OVER \$45,000 BUT NOT OVER \$65,000

\$55 PLUS AN AMOUNT
EQUAL TO \$12 MULTIPLIED
BY A NUMBER WHICH IS ONE
LESS THAN THE NUMBER
OF EXEMPTIONS FOR
WHICH THE TAXPAYER (OR
IN THE CASE OF A MARRIED
COUPLE FILING A JOINT RETURN,
TAXPAYERS) IS ENTITLED
TO A DEDUCTION FOR THE
TAXABLE YEAR FOR FEDERAL

1		INCOME TAX PURPOSES UNDER
2		SUBSECTIONS (B) AND (C)
3		OF SECTION 151 OF THE
4		INTERNAL REVENUE CODE
5	OVER \$65,000 BUT NOT OVER \$100,000	\$45 PLUS AN AMOUNT
6		EQUAL TO \$12 MULTIPLIED
7		BY A NUMBER WHICH IS ONE
8		LESS THAN THE NUMBER
9		OF EXEMPTIONS FOR WHICH
10		THE TAXPAYER (OR IN THE
11		CASE OF A MARRIED COUPLE
12		FILING A JOINT RETURN,
13		TAXPAYERS) IS ENTITLED TO
14		A DEDUCTION FOR THE TAXABLE
15		YEAR FOR FEDERAL INCOME TAX
16		PURPOSES UNDER SUBSECTIONS
17		(B) AND (C) OF SECTION 151
18		OF THE INTERNAL REVENUE CODE
19	FOR TAXABLE YEARS BEGINNING IN OR	
20	AFTER 2015, IF FEDERAL ADJUSTED GROSS	
21	INCOME IS:	THE CREDIT SHALL BE:
22	\$25,000 OR LESS	\$160 PLUS AN
23		AMOUNT EQUAL TO \$70
24		MULTIPLIED BY A NUMBER WHICH
25		IS ONE LESS THAN THE
26		NUMBER OF EXEMPTIONS
27		FOR WHICH THE TAXPAYER
28		(OR IN THE CASE OF A
29		MARRIED COUPLE FILING A
30		JOINT RETURN, TAXPAYERS)
31		IS ENTITLED TO A DEDUCTION
32		FOR THE TAXABLE YEAR FOR
33		FEDERAL INCOME TAX PURPOSES
34		UNDER SUBSECTIONS (B) AND
35		(C) OF SECTION 151 OF THE
36		INTERNAL REVENUE CODE
37	OVER \$25,000 BUT NOT OVER \$45,000	\$130 PLUS AN AMOUNT
38		EQUAL TO \$48
39		MULTIPLIED BY A NUMBER
40		WHICH IS ONE LESS THAN
41		THE NUMBER OF EXEMPTIONS
42		FOR WHICH THE TAXPAYER
43		(OR IN THE CASE OF
44		A MARRIED COUPLE FILING
45		A JOINT RETURN, TAXPAYERS)
46		IS ENTITLED TO A DEDUCTION
47		FOR THE TAXABLE YEAR FOR
48		FEDERAL INCOME TAX PURPOSES
49		UNDER SUBSECTIONS (B)
50		AND (C) OF SECTION 151
51		OF THE INTERNAL REVENUE CODE
52	OVER \$45,000 BUT NOT OVER \$65,000	\$110 PLUS AN AMOUNT

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OVER \$65,000 BUT NOT OVER \$100,000

S 2. This act shall take effect immediately.

EQUAL TO \$24 MULTIPLIED
BY A NUMBER WHICH IS ONE
LESS THAN THE NUMBER
OF EXEMPTIONS FOR
WHICH THE TAXPAYER (OR
IN THE CASE OF A MARRIED
COUPLE FILING A JOINT RETURN,
TAXPAYERS) IS ENTITLED TO A
DEDUCTION FOR THE TAXABLE
YEAR FOR FEDERAL INCOME TAX
PURPOSES UNDER SUBSECTIONS
(B) AND (C) OF SECTION 151
OF THE INTERNAL REVENUE CODE

\$90 PLUS AN AMOUNT
EQUAL TO \$24 MULTIPLIED
BY A NUMBER WHICH IS ONE
LESS THAN THE NUMBER
OF EXEMPTIONS FOR
WHICH THE TAXPAYER (OR
IN THE CASE OF A MARRIED
COUPLE FILING A JOINT RETURN,
TAXPAYERS) IS
ENTITLED TO A DEDUCTION
FOR THE TAXABLE YEAR FOR
FEDERAL INCOME TAX PURPOSES
UNDER SUBSECTIONS (B) AND
(C) OF SECTION 151 OF THE
INTERNAL REVENUE CODE