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7417

I N S E N A T E

May 14, 2014

Introduced by Sen. SANDERS -- 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:

Section 1. Section 606 of the tax law is amended by adding a new subsection (b-1) to read as follows:

(B-1) RENTERS' AND SMALL HOMEOWNERS' CREDIT IN A CITY WITH A POPULATION OF ONE MILLION OR MORE.

(1) FOR THE PURPOSES OF THIS SUBSECTION:

(A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL WHO LIVES IN A CITY WITH A POPULATION OF ONE MILLION OR MORE WHO HAS OCCUPIED AND PAID RENT FOR HIS OR HER PRIMARY RESIDENCE IN SUCH CITY FOR SIX MONTHS OR MORE OF THE TAXABLE YEAR, IS REQUIRED OR CHOOSES TO FILE A RETURN UNDER THIS ARTICLE, AND (I) IS SIXTY-FIVE YEARS OF AGE OR OLDER, (II) IS FILING A JOINT RETURN WITH A SPOUSE WHO IS SIXTY-FIVE YEARS OF AGE OR OLDER, (III) IS A HEAD OF HOUSEHOLD, (IV) IS A MARRIED INDIVIDUAL FILING A JOINT RETURN WITH A SPOUSE AND HAS AT LEAST ONE DEPENDENT, (V) IS A MARRIED INDIVIDUAL FILING A SEPARATE RETURN AND HAS AT LEAST ONE DEPENDENT, OR (VI) IS A SURVIVING SPOUSE AND HAS AT LEAST ONE DEPENDENT. FOR PURPOSES OF THIS SUBSECTION "QUALIFIED TAXPAYER" SHALL ALSO INCLUDE THE OWNER OF ANY DWELLING WITH SIX UNITS OR LESS IN A CITY WITH A POPULATION OF ONE MILLION OR MORE WHO OCCUPIES SUCH DWELLING AS HIS OR HER PRIMARY RESIDENCE FOR SIX MONTHS OR MORE OF THE TAXABLE YEAR AND WHO IS REQUIRED OR CHOOSES TO FILE A RETURN UNDER THIS ARTICLE. AN INDIVIDUAL CANNOT BE A QUALIFIED TAXPAYER IF HE OR SHE IS AN INDIVIDUAL WITH RESPECT TO WHOM A DEDUCTION UNDER SUBSECTION (C) OF SECTION 151 OF THE INTERNAL REVENUE CODE IS ALLOWABLE TO ANOTHER TAXPAYER FOR THE TAXABLE YEAR OR PAYS RENT FOR HIS OR HER PRIMARY RESIDENCE TO A FAMILY MEMBER SHARING THE SAME PRIMARY RESIDENCE. A FAMILY MEMBER OF AN INDIVIDUAL IS THE INDIVIDUAL'S 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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AUNT, NEPHEW, OR NIECE, RELATED TO THE INDIVIDUAL BY BLOOD, MARRIAGE OR ADOPTION.

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

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

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

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

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

FOR TABLE YEARS BEGINNING IN 2014, IF FEDERAL ADJUSTED GROSS INCOME IS:	THE CREDIT SHALL BE:
$25,000 OR LESS	$110
OVER $25,000 BUT NOT OVER $40,000	$90
OVER $40,000 BUT NOT OVER $50,000	$70

FOR TAXABLE YEARS BEGINNING IN OR AFTER 2015, IF FEDERAL ADJUSTED GROSS INCOME IS:	THE CREDIT SHALL BE:
$25,000 OR LESS	$220
OVER $25,000 BUT NOT OVER $40,000	$180
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:	THE CREDIT SHALL BE:
$25,000 OR LESS	$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

	INCOME TAX PURPOSES UNDER SUBSECTIONS (B) AND (C) OF SECTION 151 OF THE INTERNAL REVENUE CODE
OVER $65,000 BUT NOT OVER $100,000	$45 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 INCOME TAX PURPOSES UNDER SUBSECTIONS (B) AND (C) OF SECTION 151 OF THE INTERNAL REVENUE CODE
FOR TAXABLE YEARS BEGINNING IN OR AFTER 2015, IF FEDERAL ADJUSTED GROSS INCOME IS:	THE CREDIT SHALL BE:
$25,000 OR LESS	$160 PLUS AN AMOUNT EQUAL TO $70 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	$130 PLUS AN AMOUNT EQUAL TO $48 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	$110 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 $65,000 BUT NOT OVER $100,000	$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

S 2. This act shall take effect immediately.