

3184

2015-2016 Regular Sessions

I N A S S E M B L Y

January 22, 2015

Introduced by M. of A. FITZPATRICK, FINCH, McKEVITT, HAWLEY, MONTESANO  
-- Multi-Sponsored by -- M. of A. BARCLAY, GIGLIO, KOLB, McDONOUGH,  
RAIA, SALADINO, TEDISCO, TENNEY, THIELE -- read once and referred to  
the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing a homeownership  
rehabilitation credit

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

1 Section 1. Section 606 of the tax law is amended by adding a new  
2 subsection (o-1) to read as follows:  
3 (O-1) HOMEOWNERSHIP REHABILITATION CREDIT. (1) A TAXPAYER SHALL BE  
4 ALLOWED A CREDIT OF FIFTEEN PERCENT OF THE QUALIFIED REHABILITATION  
5 EXPENSES MADE BY THE TAXPAYER WITH RESPECT TO A QUALIFIED RESIDENCE  
6 AGAINST THE TAX IMPOSED BY THIS ARTICLE. FOR THE PURPOSES OF THIS  
7 SUBSECTION:  
8 (A) "QUALIFIED RESIDENCE" MEANS ANY RESIDENCE WHICH IS LOCATED:  
9 (I) IN A CENSUS TRACT IN WHICH SEVENTY PERCENT OR MORE OF THE FAMILIES  
10 HAVE INCOME THAT IS LESS THAN NINETY PERCENT OF THE GREATER OF AREA OR  
11 STATEWIDE MEDIAN GROSS INCOME;  
12 (II) IN A RURAL AREA AS DEFINED UNDER SECTION 520 OF THE FEDERAL HOUS-  
13 ING ACT OF 1949;  
14 (III) ON A RESERVATION FOR A FEDERALLY RECOGNIZED INDIAN TRIBE, OR  
15 (IV) IN AN AREA OF CHRONIC ECONOMIC DISTRESS, AS DEFINED BY SECTION  
16 143 OF THE INTERNAL REVENUE CODE.  
17 (B) "RESIDENCE" MEANS:  
18 (I) A SINGLE FAMILY HOME CONTAINING ONE TO FOUR HOUSING UNITS, OR  
19 (II) A CONDOMINIUM UNIT, OR STOCK IN A COOPERATIVE HOUSING CORPO-  
20 RATION,  
21 (III) THAT IS OWNED OR PURCHASED BY A TAXPAYER OR HIS OR HER PRINCIPAL  
22 RESIDENCE AND IS AT LEAST FORTY YEARS OLD IN THE CASE OF A SINGLE FAMILY  
23 HOME OR IN THE CASE OF A MULTIPLE DWELLING CONTAINING CONDOMINIUM OR  
24 COOPERATIVE HOUSING UNITS THE EXTERIOR IS AT LEAST FORTY YEARS OLD.

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

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1 (C) "QUALIFIED REHABILITATION EXPENSES" MEANS ANY AMOUNT PROPERLY  
2 CHARGEABLE TO CAPITAL ACCOUNT THAT EXCEEDS FIVE THOUSAND DOLLARS FOR  
3 BOTH INTERIOR AND EXTERIOR WORK.

4 (2) THE QUALIFIED RESIDENCE MUST BE USED BY THE TAXPAYER AS HIS OR HER  
5 PRINCIPAL RESIDENCE DURING THE TAXABLE YEAR IN WHICH THE TAXPAYER CLAIMS  
6 THE CREDIT.

7 (3) IN THE CASE OF A QUALIFIED PURCHASED RESIDENCE, THE TAXPAYER SHALL  
8 BE TREATED AS HAVING MADE, ON THE DATE OF PURCHASE, THE QUALIFIED REHA-  
9 BILITATION EXPENDITURES MADE BY THE SELLER OF SUCH HOME. EXPENDITURES  
10 MADE BY THE SELLER SHALL BE DEEMED QUALIFIED REHABILITATION EXPENDITURES  
11 OF SUCH EXPENDITURES IF MADE BY THE PURCHASER WOULD HAVE SO QUALIFIED.

12 FOR PURPOSES OF THIS PARAGRAPH, THE TERM "QUALIFIED PURCHASED RESI-  
13 DENCE" MEANS ANY REHABILITATED RESIDENCE PURCHASED BY THE TAXPAYER IF:

14 (A) THE TAXPAYER IS THE FIRST PURCHASER OF SUCH STRUCTURE AFTER THE  
15 DATE REHABILITATION IS COMPLETED AND THE PURCHASE OCCURS WITHIN FIVE  
16 YEARS AFTER SUCH DATE;

17 (B) THE STRUCTURE OR A PORTION THEREOF SHALL, WITHIN A REASONABLE  
18 PERIOD, BE THE PRINCIPAL RESIDENCE OF THE TAXPAYER;

19 (C) NO CREDIT WAS ALLOWED TO THE SELLER UNDER THIS PARAGRAPH WITH  
20 RESPECT TO SUCH REHABILITATION; AND

21 (D) THE TAXPAYER IS FURNISHED WITH SUCH INFORMATION AS THE COMMISSION-  
22 ER DECIDES IS NECESSARY TO DETERMINE THE CREDIT UNDER THIS PARAGRAPH.

23 (4)(A) IF BEFORE THE END OF THE FIVE-YEAR PERIOD BEGINNING ON THE DATE  
24 IN WHICH THE REHABILITATION OF THE RESIDENCE IS COMPLETED OR, IF PARA-  
25 GRAPH THREE OF THIS SUBSECTION APPLIES, THE DATE OF PURCHASE OF SUCH  
26 BUILDING BY THE TAXPAYER, (I) THE TAXPAYER DISPOSES OF SUCH TAXPAYER'S  
27 INTEREST IN SUCH BUILDING, OR (II) SUCH BUILDING CEASES TO BE USED AS  
28 THE PRINCIPAL RESIDENCE OF THE TAXPAYER, THE TAXPAYER'S TAX IMPOSED BY  
29 THIS ARTICLE FOR THE TAXABLE YEAR IN WHICH SUCH DISPOSITION OR CESSATION  
30 OCCURS SHALL BE INCREASED BY THE RECAPTURE PERCENTAGE OF THE CREDIT  
31 ALLOWED UNDER THIS SUBSECTION FOR ALL PRIOR TAXABLE YEARS WITH RESPECT  
32 TO SUCH REHABILITATION.

33 (B) FOR PURPOSES OF SUBPARAGRAPH (A) OF THIS PARAGRAPH, THE RECAPTURE  
34 PERCENTAGE SHALL BE THE PRODUCT OF THE AMOUNT OF CREDIT CLAIMED BY THE  
35 TAXPAYER MULTIPLIED BY A RATIO, THE NUMERATOR OF WHICH IS THE NUMBER OF  
36 MONTHS THE BUILDING IS USED AS THE TAXPAYER'S PRINCIPAL RESIDENCE AND  
37 THE DENOMINATOR OF WHICH IS SIXTY.

38 (5) IF THE CREDIT ALLOWED UNDER PARAGRAPH ONE OF THIS SUBSECTION FOR  
39 ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR AND THE  
40 TAXPAYER'S NEW YORK ADJUSTED GROSS INCOME FOR SUCH YEAR DOES NOT EXCEED  
41 ONE HUNDRED THOUSAND DOLLARS, THE EXCESS CREDIT SHALL BE TREATED AS AN  
42 OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE  
43 PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED,  
44 HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON. IF THE TAXPAYER'S NEW  
45 YORK ADJUSTED GROSS INCOME FOR SUCH YEAR EXCEEDS ONE HUNDRED THOUSAND  
46 DOLLARS, THE EXCESS CREDIT MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR  
47 YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR  
48 YEARS.

49 (6) THE COMMISSIONER SHALL PRESCRIBE SUCH REGULATIONS AS MAY BE APPRO-  
50 PRIATE TO CARRY OUT THE PURPOSES OF THIS SUBSECTION, INCLUDING, BUT NOT  
51 LIMITED TO, REGULATIONS CONCERNING VALID PROOF OF REHABILITATION  
52 EXPENSES BY A TAXPAYER AND REGULATIONS WHERE MORE THAN ONE TAXPAYER USES  
53 THE SAME DWELLING UNIT ON THEIR PRINCIPAL RESIDENCE.

54 S 2. This act shall take effect immediately and shall apply to taxable  
55 years commencing on and after the first of January in the year in which  
56 this act shall have become a law.