

7542

I N S E N A T E

May 9, 2016

Introduced by Sen. KAMINSKY -- 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 residential real property 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 (ccc) to read as follows:

3 (CCC) RESIDENTIAL REAL PROPERTY TAX CREDIT. (1) DEFINITIONS. FOR THE  
4 PURPOSES OF THIS SUBSECTION:

5 (A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL OF THE STATE WHO  
6 OWNS THE RESIDENTIAL REAL PROPERTY IN WHICH HE OR SHE RESIDES.

7 (B) "HOUSEHOLD" MEANS THE TAXPAYER OR TAXPAYERS AND ALL OTHER PERSONS,  
8 NOT NECESSARILY RELATED, WHO ALL RESIDE IN THE RESIDENTIAL REAL PROPERTY  
9 OWNED BY THE TAXPAYER OR TAXPAYERS, AND SHARE ITS FURNISHINGS, FACILI-  
10 TIES AND ACCOMMODATIONS; PROVIDED THAT NO PERSON MAY BE A MEMBER OF MORE  
11 THAN ONE HOUSEHOLD AT ONE TIME.

12 (C) "HOUSEHOLD GROSS INCOME" MEANS THE AGGREGATE ADJUSTED GROSS INCOME  
13 OF ALL MEMBERS OF THE HOUSEHOLD FOR THE TAXABLE YEAR AS REPORTED FOR  
14 FEDERAL INCOME TAX PURPOSES, OR WHICH WOULD BE REPORTED AS ADJUSTED  
15 GROSS INCOME IF A FEDERAL INCOME TAX RETURN WERE REQUIRED TO BE FILED,  
16 WITH THE MODIFICATIONS IN SUBSECTION (B) OF SECTION SIX HUNDRED TWELVE  
17 OF THIS ARTICLE BUT WITHOUT THE MODIFICATIONS IN SUBSECTION (C) OF SUCH  
18 SECTION, PLUS ANY PORTION OF THE GAIN FROM THE SALE OR EXCHANGE OF PROP-  
19 erty OTHERWISE EXCLUDED FROM SUCH AMOUNT; EARNED INCOME FROM SOURCES  
20 WITHOUT THE UNITED STATES EXCLUDABLE FROM FEDERAL GROSS INCOME BY  
21 SECTION NINE HUNDRED ELEVEN OF THE INTERNAL REVENUE CODE; SUPPORT MONEY  
22 NOT INCLUDED IN ADJUSTED GROSS INCOME; NONTAXABLE STRIKE BENEFITS;  
23 SUPPLEMENTAL SECURITY INCOME PAYMENTS; THE GROSS AMOUNT OF ANY PENSION  
24 OR ANNUITY BENEFITS TO THE EXTENT NOT INCLUDED IN SUCH ADJUSTED GROSS  
25 INCOME (INCLUDING, BUT NOT LIMITED TO, RAILROAD RETIREMENT BENEFITS AND  
26 ALL PAYMENTS RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT AND VETER-  
27 ANS' DISABILITY PENSIONS); NONTAXABLE INTEREST RECEIVED FROM THE STATE

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

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1 OF NEW YORK, ITS AGENCIES, INSTRUMENTALITIES, PUBLIC CORPORATIONS, OR  
 2 POLITICAL SUBDIVISIONS (INCLUDING A PUBLIC CORPORATION CREATED PURSUANT  
 3 TO AGREEMENT OR COMPACT WITH ANOTHER STATE OR CANADA); WORKERS' COMPEN-  
 4 SATION; THE GROSS AMOUNT OF "LOSS-OF-TIME" INSURANCE; AND THE AMOUNT OF  
 5 CASH PUBLIC ASSISTANCE AND RELIEF, OTHER THAN MEDICAL ASSISTANCE FOR THE  
 6 NEEDY, PAID TO OR FOR THE BENEFIT OF THE QUALIFIED TAXPAYER OR MEMBERS  
 7 OF HIS OR HER HOUSEHOLD. PROVIDED, FURTHER, HOUSEHOLD GROSS INCOME  
 8 SHALL ONLY INCLUDE ALL SUCH INCOME RECEIVED BY ALL MEMBERS OF THE HOUSE-  
 9 HOLD WHILE MEMBERS OF SUCH HOUSEHOLD.

10 (D) "NET REAL PROPERTY TAX" MEANS THE REAL PROPERTY TAXES ASSESSED ON  
 11 THE RESIDENTIAL REAL PROPERTY OWNED AND OCCUPIED BY THE TAXPAYER OR  
 12 TAXPAYERS AFTER ANY EXEMPTION OR ABATEMENT RECEIVED PURSUANT TO THE REAL  
 13 PROPERTY TAX LAW.

14 (2) CREDIT. A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE  
 15 TAXES IMPOSED BY THIS ARTICLE, EQUAL TO FIFTY PERCENT OF THE AMOUNT  
 16 WHICH THE TAXPAYER'S NET REAL PROPERTY TAX EXCEEDS THE TAXPAYER'S MAXI-  
 17 MUM REAL PROPERTY TAX, AS DETERMINED BY PARAGRAPH THREE OF THIS  
 18 SUBSECTION, PROVIDED, HOWEVER, SUCH CREDIT SHALL NOT EXCEED TWO THOUSAND  
 19 FIVE HUNDRED DOLLARS. IF SUCH CREDIT EXCEEDS THE TAX FOR SUCH TAXABLE  
 20 YEAR, AS REDUCED BY THE OTHER CREDITS PERMITTED BY THIS ARTICLE, THE  
 21 QUALIFIED TAXPAYER MAY RECEIVE, AND THE COMPTROLLER, SUBJECT TO A  
 22 CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT, WITHOUT  
 23 INTEREST, ANY EXCESS BETWEEN SUCH TAX AS SO REDUCED AND THE AMOUNT OF  
 24 THE CREDIT. IF A QUALIFIED TAXPAYER IS NOT REQUIRED TO FILE A RETURN  
 25 PURSUANT TO SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, A QUALIFIED  
 26 TAXPAYER MAY NEVERTHELESS RECEIVE AND THE COMPTROLLER, SUBJECT TO A  
 27 CERTIFICATE OF THE DEPARTMENT, SHALL PAY AS AN OVERPAYMENT THE FULL  
 28 AMOUNT OF THE CREDIT, WITHOUT INTEREST.

29 (3) RESIDENTIAL REAL PROPERTY TAX CREDIT. (A) A QUALIFIED TAXPAYER'S  
 30 RESIDENTIAL REAL PROPERTY TAX CREDIT SHALL BE DETERMINED AS FOLLOWS:

31 IN ALL COUNTIES IN THE STATE:

32 HOUSEHOLD GROSS	33 INCOME	MAXIMUM REAL	PROPERTY TAX
34 ONE HUNDRED THOUSAND	35 DOLLARS OR LESS	SIX PERCENT OF THE	HOUSEHOLD GROSS INCOME
36 MORE THAN ONE HUNDRED	37 THOUSAND DOLLARS, BUT	38 SEVEN PERCENT OF	39 THE HOUSEHOLD
40 LESS THAN OR EQUAL TO	41 ONE HUNDRED SEVENTY-FIVE	42 THOUSAND DOLLARS	43 GROSS INCOME
44 MORE THAN ONE HUNDRED	45 SEVENTY-FIVE THOUSAND DOLLARS,	EIGHT PERCENT OF	THE HOUSEHOLD
46 BUT LESS THAN OR EQUAL	47 TO TWO HUNDRED FIFTY THOUSAND	48 DOLLARS	49 GROSS INCOME
50 MORE THAN TWO HUNDRED FIFTY	51 THOUSAND DOLLARS	52 NOT ELIGIBLE TO	RECEIVE TAX CREDIT

(B) ANY HOUSEHOLD THAT HAS A GROSS INCOME OF TWO HUNDRED FIFTY THOU-  
 SAND DOLLARS OR LESS AND PAYS TEN PERCENT OR MORE OF THEIR HOUSEHOLD  
 INCOME IN PROPERTY TAX MAY ALSO CLAIM A REAL PROPERTY TAX FREEZE CREDIT  
 PURSUANT TO SUBSECTION (BBB) OF THIS SECTION IN ADDITION TO A RESIDEN-  
 TIAL REAL PROPERTY TAX CREDIT.

1 (C) THE THRESHOLDS OF HOUSEHOLD GROSS INCOME FOR ELIGIBILITY FOR THE  
2 RESIDENTIAL REAL PROPERTY TAX CREDIT, ESTABLISHED BY SUBPARAGRAPH (A) OF  
3 THIS PARAGRAPH, SHALL BE INDEXED FOR INFLATION.

4 (4) EXCLUSIONS FROM ELIGIBILITY. NO CREDIT SHALL BE GRANTED UNDER THIS  
5 SUBSECTION IF THE QUALIFIED TAXPAYER CLAIMS THE REAL PROPERTY TAX  
6 CIRCUIT BREAKER CREDIT, PURSUANT TO SUBSECTION (E) OF THIS SECTION,  
7 DURING THE TAXABLE YEAR, UNLESS THE HOUSEHOLD HAS A GROSS INCOME OF TWO  
8 HUNDRED FIFTY THOUSAND DOLLARS OR LESS AND PAYS TEN PERCENT OR MORE OF  
9 THEIR HOUSEHOLD INCOME IN PROPERTY TAX.

10 S 2. The opening paragraph of paragraph 2 of subsection (bbb) of  
11 section 606 of the tax law, as added by section 1 of part FF of chapter  
12 59 of the laws of 2014, is amended to read as follows:

13 An individual taxpayer who meets the eligibility standards set forth  
14 in paragraph three of this subsection and whose primary residence is  
15 located in a taxing jurisdiction that has a freeze-compliant budget for  
16 the fiscal year starting in two thousand fourteen, two thousand fifteen  
17 [or], two thousand sixteen OR TWO THOUSAND SEVENTEEN, whichever is  
18 applicable, shall be allowed a credit against the taxes imposed by this  
19 article. Subject to the provisions of paragraph six of this subsection,  
20 such credit shall be determined as follows:

21 S 3. Paragraph 2 of subsection (bbb) of section 606 of the tax law is  
22 amended by adding two new subparagraphs (H) and (I) to read as follows:

23 (H) IF A TAXING JURISDICTION, OTHER THAN A SCHOOL DISTRICT OR A CITY  
24 WITH A DEPENDENT SCHOOL DISTRICT, HAS A FREEZE-COMPLIANT BUDGET FOR ITS  
25 FISCAL YEAR STARTING IN TWO THOUSAND SEVENTEEN:

26 (I) IF THE TAXING JURISDICTION'S BUDGET FOR THE FISCAL YEAR STARTING  
27 IN TWO THOUSAND SIXTEEN WAS A FREEZE-COMPLIANT BUDGET, A CREDIT SHALL BE  
28 ALLOWED FOR THE ELIGIBLE TAXPAYER'S TWO THOUSAND SEVENTEEN TAXABLE YEAR  
29 IN THE AMOUNT OF THE CREDIT FOR THE TAXES IMPOSED BY OR ON BEHALF OF  
30 SUCH TAXING JURISDICTION ALLOWED FOR THE ELIGIBLE TAXPAYER'S TWO THOU-  
31 SAND SIXTEEN TAXABLE YEAR; TOGETHER WITH THE AMOUNT THAT IS THE GREATER  
32 OF (I) THE AMOUNT BY WHICH THE REAL PROPERTY TAXES IMPOSED UPON SUCH  
33 RESIDENCE BY OR ON BEHALF OF SUCH TAXING JURISDICTION FOR THE FISCAL  
34 YEAR STARTING IN TWO THOUSAND SEVENTEEN EXCEEDS THE REAL PROPERTY TAXES  
35 IMPOSED UPON SUCH RESIDENCE BY OR ON BEHALF OF THAT TAXING JURISDICTION  
36 FOR THE FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN, OR (II) THE PROD-  
37 UCT OF THE REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE BY OR ON  
38 BEHALF OF SUCH TAXING JURISDICTION FOR THE FISCAL YEAR STARTING IN TWO  
39 THOUSAND SIXTEEN MULTIPLIED BY THE LEVY CREDIT FACTOR FOR SUCH TAXING  
40 JURISDICTION FOR THE FISCAL YEAR STARTING IN TWO THOUSAND SEVENTEEN.

41 (II) IF THE TAXING JURISDICTION'S BUDGET FOR THE FISCAL YEAR STARTING  
42 IN TWO THOUSAND SIXTEEN WAS NOT A FREEZE-COMPLIANT BUDGET, A CREDIT  
43 SHALL BE ALLOWED FOR THE ELIGIBLE TAXPAYER'S TWO THOUSAND SEVENTEEN  
44 TAXABLE YEAR IN THE AMOUNT THAT IS THE GREATER OF (I) THE AMOUNT BY  
45 WHICH THE REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE BY OR ON  
46 BEHALF OF SUCH TAXING JURISDICTION FOR THE FISCAL YEAR STARTING IN TWO  
47 THOUSAND SEVENTEEN EXCEEDS THE REAL PROPERTY TAXES SO IMPOSED FOR THE  
48 FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN, OR (II) THE PRODUCT OF THE  
49 REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE BY OR ON BEHALF OF SUCH  
50 TAXING JURISDICTION FOR THE FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN  
51 MULTIPLIED BY THE LEVY CREDIT FACTOR FOR SUCH TAXING JURISDICTION FOR  
52 THE FISCAL YEAR STARTING IN TWO THOUSAND SEVENTEEN.

53 (I) IF A CITY WITH A DEPENDENT SCHOOL DISTRICT HAS A FREEZE-COMPLIANT  
54 BUDGET FOR ITS FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN:

55 (I) IF THE CITY'S BUDGET FOR THE FISCAL YEAR STARTING IN TWO THOUSAND  
56 FIFTEEN WAS A FREEZE-COMPLIANT BUDGET, A CREDIT SHALL BE ALLOWED FOR THE

1 ELIGIBLE TAXPAYER'S TWO THOUSAND SIXTEEN TAXABLE YEAR IN AN AMOUNT  
2 EQUIVALENT TO THIRTY-THREE PERCENT OF THE AMOUNT THAT IS THE GREATER OF  
3 THE AMOUNT BY WHICH THE REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE  
4 BY THAT CITY FOR THE FISCAL YEAR STARTING IN TWO THOUSAND FIFTEEN  
5 EXCEEDS THE REAL PROPERTY TAXES SO IMPOSED FOR THE FISCAL YEAR STARTING  
6 IN TWO THOUSAND FOURTEEN, OR THE PRODUCT OF THE REAL PROPERTY TAXES  
7 IMPOSED UPON SUCH RESIDENCE BY OR ON BEHALF OF SUCH CITY FOR THE FISCAL  
8 YEAR STARTING IN TWO THOUSAND FOURTEEN MULTIPLIED BY THE LEVY CREDIT  
9 FACTOR FOR SUCH CITY FOR THE FISCAL YEAR STARTING IN TWO THOUSAND  
10 FIFTEEN; TOGETHER WITH THE AMOUNT OF THE CREDIT FOR THE TAXES IMPOSED BY  
11 OR ON BEHALF OF SUCH CITY ALLOWED FOR THE ELIGIBLE TAXPAYER'S TWO THOU-  
12 SAND FIFTEEN TAXABLE YEAR; AND TOGETHER WITH AN AMOUNT EQUIVALENT TO  
13 SIXTY-SEVEN PERCENT OF THE AMOUNT THAT IS THE GREATER OF THE AMOUNT BY  
14 WHICH THE REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE BY THAT CITY  
15 FOR THE FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN EXCEEDS THE REAL  
16 PROPERTY TAXES SO IMPOSED FOR THE FISCAL YEAR STARTING IN TWO THOUSAND  
17 FIFTEEN; OR THE PRODUCT OF THE REAL PROPERTY TAXES IMPOSED UPON SUCH  
18 RESIDENCE BY OR ON BEHALF OF SUCH CITY FOR THE FISCAL YEAR STARTING IN  
19 TWO THOUSAND FIFTEEN MULTIPLIED BY THE LEVY CREDIT FACTOR FOR SUCH CITY  
20 FOR THE FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN; AND A CREDIT SHALL  
21 BE ALLOWED FOR THE ELIGIBLE TAXPAYER'S TWO THOUSAND SEVENTEEN TAXABLE  
22 YEAR IN AN AMOUNT EQUIVALENT TO THIRTY-THREE PERCENT OF THE AMOUNT THAT  
23 IS THE GREATER OF THE AMOUNT BY WHICH THE REAL PROPERTY TAXES IMPOSED  
24 UPON SUCH RESIDENCE BY THAT CITY FOR THE FISCAL YEAR STARTING IN TWO  
25 THOUSAND SIXTEEN EXCEEDS THE REAL PROPERTY TAXES SO IMPOSED FOR THE  
26 FISCAL YEAR STARTING IN TWO THOUSAND FIFTEEN, OR THE PRODUCT OF THE REAL  
27 PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE BY OR ON BEHALF OF SUCH CITY  
28 FOR THE FISCAL YEAR STARTING IN TWO THOUSAND FIFTEEN MULTIPLIED BY THE  
29 LEVY CREDIT FACTOR FOR SUCH CITY FOR THE FISCAL YEAR STARTING IN TWO  
30 THOUSAND SIXTEEN; TOGETHER WITH AN AMOUNT EQUIVALENT TO 49.25 PERCENT OF  
31 THE AMOUNT OF THE CREDIT FOR THE TAXES IMPOSED BY OR ON BEHALF OF SUCH  
32 CITY ALLOWED FOR THE ELIGIBLE TAXPAYER'S TWO THOUSAND FIFTEEN TAXABLE  
33 YEAR.

34 (II) IF THE CITY'S BUDGET FOR THE FISCAL YEAR STARTING IN TWO THOUSAND  
35 FIFTEEN WAS NOT A FREEZE-COMPLIANT BUDGET, A CREDIT SHALL BE ALLOWED FOR  
36 THE ELIGIBLE TAXPAYER'S TWO THOUSAND SIXTEEN TAXABLE YEAR IN AN AMOUNT  
37 EQUIVALENT TO SIXTY-SEVEN PERCENT OF THE AMOUNT THAT IS THE GREATER OF  
38 THE AMOUNT BY WHICH THE REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE  
39 BY THAT CITY FOR THE FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN  
40 EXCEEDS THE REAL PROPERTY TAXES SO IMPOSED FOR THE FISCAL YEAR STARTING  
41 IN TWO THOUSAND FIFTEEN OR THE PRODUCT OF THE REAL PROPERTY TAXES  
42 IMPOSED UPON SUCH RESIDENCE BY OR ON BEHALF OF SUCH CITY FOR THE FISCAL  
43 YEAR STARTING IN TWO THOUSAND FIFTEEN MULTIPLIED BY THE LEVY CREDIT  
44 FACTOR FOR SUCH CITY FOR THE FISCAL YEAR STARTING IN TWO THOUSAND  
45 SIXTEEN; AND A CREDIT SHALL BE ALLOWED FOR THE ELIGIBLE TAXPAYER'S TWO  
46 THOUSAND SEVENTEEN TAXABLE YEAR IN AN AMOUNT EQUIVALENT TO THIRTY-THREE  
47 PERCENT OF THE AMOUNT THAT IS THE GREATER OF THE AMOUNT BY WHICH THE  
48 REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE BY THAT CITY FOR THE  
49 FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN EXCEEDS THE REAL PROPERTY  
50 TAXES SO IMPOSED FOR THE FISCAL YEAR STARTING IN TWO THOUSAND FIFTEEN OR  
51 THE PRODUCT OF THE REAL PROPERTY TAXES IMPOSED UPON SUCH RESIDENCE BY OR  
52 ON BEHALF OF SUCH CITY FOR THE FISCAL YEAR STARTING IN TWO THOUSAND  
53 FIFTEEN MULTIPLIED BY THE LEVY CREDIT FACTOR FOR SUCH CITY FOR THE  
54 FISCAL YEAR STARTING IN TWO THOUSAND SIXTEEN.

55 S 4. Paragraph 3 of subsection (bbb) of section 606 of the tax law is  
56 amended by adding a new subparagraph (D) to read as follows:

1 (D) FOR THE TWO THOUSAND SEVENTEEN TAXABLE YEAR, THE TAXPAYER'S PRIMA-  
2 RY RESIDENCE MUST HAVE QUALIFIED FOR THE STAR EXEMPTION FOR THE TWO  
3 THOUSAND SEVENTEEN--TWO THOUSAND EIGHTEEN SCHOOL YEAR, OR WOULD HAVE SO  
4 QUALIFIED IF AN APPLICATION FOR SUCH EXEMPTION HAD BEEN SUBMITTED IN A  
5 TIMELY MANNER.

6 S 5. This act shall take effect on the first of January next succeed-  
7 ing the date on which it shall have become a law and shall apply to  
8 taxable years commencing on or after such date.