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14

2017-2018 Regular Sessions

IN SENATE

(Prefiled)

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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

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

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or annuity benefits to the extent not included in such adjusted gross income (including, but not limited to, railroad retirement benefits and all payments received under the federal social security act and veterans' disability pensions); nontaxable interest received from the state of New York, its agencies, instrumentalities, public corporations, or political subdivisions (including a public corporation created pursuant to agreement or compact with another state or Canada); workers' compensation; the gross amount of "loss-of-time" insurance; and the amount of cash public assistance and relief, other than medical assistance for the needy, paid to or for the benefit of the qualified taxpayer or members of his or her household. Provided, further, household gross income shall only include all such income received by all members of the household while members of such household.

(D) "Net real property tax" means the real property taxes assessed on the residential real property owned and occupied by the taxpayer or taxpayers after any exemption or abatement received pursuant to the real property tax law.

(2) Credit. A qualified taxpayer shall be allowed a credit against the taxes imposed by this article, equal to fifty percent of the amount which the taxpayer's net real property tax exceeds the taxpayer's maximum real property tax, as determined by paragraph three of this subsection, provided, however, such credit shall not exceed two thousand five hundred dollars. If such credit exceeds the tax for such taxable year, as reduced by the other credits permitted by this article, the qualified taxpayer may receive, and the comptroller, subject to a certificate of the department, shall pay as an overpayment, without interest, any excess between such tax as so reduced and the amount of the credit. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one of this article, a qualified taxpayer may nevertheless receive and the comptroller, subject to a certificate of the department, shall pay as an overpayment the full amount of the credit, without interest.

(3) Residential real property tax credit. (A) A qualified taxpayer's residential real property tax credit shall be determined as follows:

In all counties in the state:

<u>Household gross income</u>	<u>Maximum real property tax</u>
<u>One hundred thousand dollars or less</u>	<u>six percent of the household gross income</u>
<u>More than one hundred thousand dollars, but less than or equal to one hundred seventy-five thousand dollars</u>	<u>seven percent of the household gross income</u>
<u>More than one hundred seventy-five thousand dollars, but less than or equal to two hundred fifty thousand dollars</u>	<u>eight percent of the household gross income</u>
<u>More than two hundred fifty thousand dollars</u>	<u>not eligible to receive tax credit</u>

1 (B) Any household that has a gross income of two hundred fifty thou-
2 sand dollars or less and pays ten percent or more of their household
3 income in property tax may also claim a real property tax freeze credit
4 pursuant to subsection (bbb) of this section in addition to a residen-
5 tial real property tax credit.

6 (C) The thresholds of household gross income for eligibility for the
7 residential real property tax credit, established by subparagraph (A) of
8 this paragraph, shall be indexed for inflation.

9 (4) Exclusions from eligibility. No credit shall be granted under this
10 subsection if the qualified taxpayer claims the real property tax
11 circuit breaker credit, pursuant to subsection (e) of this section,
12 during the taxable year, unless the household has a gross income of two
13 hundred fifty thousand dollars or less and pays ten percent or more of
14 their household income in property tax.

15 § 2. The opening paragraph of paragraph 2 of subsection (bbb) of
16 section 606 of the tax law, as added by section 1 of part FF of chapter
17 59 of the laws of 2014, is amended to read as follows:

18 An individual taxpayer who meets the eligibility standards set forth
19 in paragraph three of this subsection and whose primary residence is
20 located in a taxing jurisdiction that has a freeze-compliant budget for
21 the fiscal year starting in two thousand fourteen, two thousand fifteen
22 [~~or~~], two thousand sixteen or two thousand eighteen, whichever is appli-
23 cable, shall be allowed a credit against the taxes imposed by this arti-
24 cle. Subject to the provisions of paragraph six of this subsection, such
25 credit shall be determined as follows:

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

28 (H) If a taxing jurisdiction, other than a school district or a city
29 with a dependent school district, has a freeze-compliant budget for its
30 fiscal year starting in two thousand eighteen:

31 (i) if the taxing jurisdiction's budget for the fiscal year starting
32 in two thousand seventeen was a freeze-compliant budget, a credit shall
33 be allowed for the eligible taxpayer's two thousand eighteen taxable
34 year in the amount of the credit for the taxes imposed by or on behalf
35 of such taxing jurisdiction allowed for the eligible taxpayer's two
36 thousand seventeen taxable year; together with the amount that is the
37 greater of (I) the amount by which the real property taxes imposed upon
38 such residence by or on behalf of such taxing jurisdiction for the
39 fiscal year starting in two thousand eighteen exceeds the real property
40 taxes imposed upon such residence by or on behalf of that taxing juris-
41 isdiction for the fiscal year starting in two thousand seventeen, or (II)
42 the product of the real property taxes imposed upon such residence by or
43 on behalf of such taxing jurisdiction for the fiscal year starting in
44 two thousand seventeen multiplied by the levy credit factor for such
45 taxing jurisdiction for the fiscal year starting in two thousand eigh-
46 teen.

47 (ii) if the taxing jurisdiction's budget for the fiscal year starting
48 in two thousand seventeen was not a freeze-compliant budget, a credit
49 shall be allowed for the eligible taxpayer's two thousand eighteen taxa-
50 ble year in the amount that is the greater of (I) the amount by which
51 the real property taxes imposed upon such residence by or on behalf of
52 such taxing jurisdiction for the fiscal year starting in two thousand
53 eighteen exceeds the real property taxes so imposed for the fiscal year
54 starting in two thousand seventeen, or (II) the product of the real
55 property taxes imposed upon such residence by or on behalf of such
56 taxing jurisdiction for the fiscal year starting in two thousand seven-

1 teen multiplied by the levy credit factor for such taxing jurisdiction
2 for the fiscal year starting in two thousand eighteen.

3 (I) If a city with a dependent school district has a freeze-compliant
4 budget for its fiscal year starting in two thousand seventeen:

5 (i) if the city's budget for the fiscal year starting in two thousand
6 sixteen was a freeze-compliant budget, a credit shall be allowed for the
7 eligible taxpayer's two thousand seventeen taxable year in an amount
8 equivalent to thirty-three percent of the amount that is the greater of
9 the amount by which the real property taxes imposed upon such residence
10 by that city for the fiscal year starting in two thousand sixteen
11 exceeds the real property taxes so imposed for the fiscal year starting
12 in two thousand fifteen, or the product of the real property taxes
13 imposed upon such residence by or on behalf of such city for the fiscal
14 year starting in two thousand fifteen multiplied by the levy credit
15 factor for such city for the fiscal year starting in two thousand
16 sixteen; together with the amount of the credit for the taxes imposed by
17 or on behalf of such city allowed for the eligible taxpayer's two thou-
18 sand sixteen taxable year; and together with an amount equivalent to
19 sixty-seven percent of the amount that is the greater of the amount by
20 which the real property taxes imposed upon such residence by that city
21 for the fiscal year starting in two thousand seventeen exceeds the real
22 property taxes so imposed for the fiscal year starting in two thousand
23 sixteen; or the product of the real property taxes imposed upon such
24 residence by or on behalf of such city for the fiscal year starting in
25 two thousand sixteen multiplied by the levy credit factor for such city
26 for the fiscal year starting in two thousand seventeen; and a credit
27 shall be allowed for the eligible taxpayer's two thousand eighteen tax-
28 able year in an amount equivalent to thirty-three percent of the amount
29 that is the greater of the amount by which the real property taxes
30 imposed upon such residence by that city for the fiscal year starting in
31 two thousand seventeen exceeds the real property taxes so imposed for
32 the fiscal year starting in two thousand sixteen, or the product of the
33 real property taxes imposed upon such residence by or on behalf of such
34 city for the fiscal year starting in two thousand sixteen multiplied by
35 the levy credit factor for such city for the fiscal year starting in two
36 thousand seventeen; together with an amount equivalent to 49.25 percent
37 of the amount of the credit for the taxes imposed by or on behalf of
38 such city allowed for the eligible taxpayer's two thousand sixteen tax-
39 able year.

40 (ii) if the city's budget for the fiscal year starting in two thousand
41 sixteen was not a freeze-compliant budget, a credit shall be allowed for
42 the eligible taxpayer's two thousand seventeen taxable year in an amount
43 equivalent to sixty-seven percent of the amount that is the greater of
44 the amount by which the real property taxes imposed upon such residence
45 by that city for the fiscal year starting in two thousand seventeen
46 exceeds the real property taxes so imposed for the fiscal year starting
47 in two thousand sixteen or the product of the real property taxes
48 imposed upon such residence by or on behalf of such city for the fiscal
49 year starting in two thousand sixteen multiplied by the levy credit
50 factor for such city for the fiscal year starting in two thousand seven-
51 teen; and a credit shall be allowed for the eligible taxpayer's two
52 thousand eighteen taxable year in an amount equivalent to thirty-three
53 percent of the amount that is the greater of the amount by which the
54 real property taxes imposed upon such residence by that city for the
55 fiscal year starting in two thousand seventeen exceeds the real property
56 taxes so imposed for the fiscal year starting in two thousand sixteen or

1 the product of the real property taxes imposed upon such residence by or
2 on behalf of such city for the fiscal year starting in two thousand
3 sixteen multiplied by the levy credit factor for such city for the
4 fiscal year starting in two thousand seventeen.

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

7 (D) For the two thousand eighteen taxable year, the taxpayer's primary
8 residence must have qualified for the STAR exemption for the two thou-
9 sand eighteen--two thousand nineteen school year, or would have so qual-
10 ified if an application for such exemption had been submitted in a time-
11 ly manner.

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