

STATE OF NEW YORK

4628--A

Cal. No. 379

2017-2018 Regular Sessions

IN SENATE

February 23, 2017

Introduced by Sens. SAVINO, HOYLMAN, PERALTA -- read twice and ordered printed, and when printed to be committed to the Committee on Aging -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the real property tax law, in relation to increasing the allowable maximum income of certain persons otherwise eligible for tax abatement in certain cases

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph (a) of subdivision 3 of section 467 of the real
2 property tax law, as amended by chapter 259 of the laws of 2009, is
3 amended to read as follows:
4 (a) if the income of the owner or the combined income of the owners of
5 the property for the income tax year immediately preceding the date of
6 making application for exemption exceeds the sum of three thousand
7 dollars, or such other sum not less than three thousand dollars nor more
8 than twenty-six thousand dollars beginning July first, two thousand six,
9 twenty-seven thousand dollars beginning July first, two thousand seven,
10 twenty-eight thousand dollars beginning July first, two thousand eight,
11 ~~and~~ twenty-nine thousand dollars beginning July first, two thousand
12 nine, and in a city with a population of one million or more fifty thou-
13 sand dollars beginning July first, two thousand seventeen, as may be
14 provided by the local law, ordinance or resolution adopted pursuant to
15 this section. Income tax year shall mean the twelve month period for
16 which the owner or owners filed a federal personal income tax return, or
17 if no such return is filed, the calendar year. Where title is vested in
18 either the husband or the wife, their combined income may not exceed
19 such sum, except where the husband or wife, or ex-husband or ex-wife is
20 absent from the property as provided in subparagraph (ii) of paragraph
21 (d) of this subdivision, then only the income of the spouse or ex-spouse

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

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1 residing on the property shall be considered and may not exceed such
2 sum. Such income shall include social security and retirement benefits,
3 interest, dividends, total gain from the sale or exchange of a capital
4 asset which may be offset by a loss from the sale or exchange of a capi-
5 tal asset in the same income tax year, net rental income, salary or
6 earnings, and net income from self-employment, but shall not include a
7 return of capital, gifts, inheritances, payments made to individuals
8 because of their status as victims of Nazi persecution, as defined in
9 P.L. 103-286 or monies earned through employment in the federal foster
10 grandparent program and any such income shall be offset by all medical
11 and prescription drug expenses actually paid which were not reimbursed
12 or paid for by insurance, if the governing board of a municipality,
13 after a public hearing, adopts a local law, ordinance or resolution
14 providing therefor. Furthermore, such income shall not include the
15 proceeds of a reverse mortgage, as authorized by section six-h of the
16 banking law, and sections two hundred eighty and two hundred eighty-a of
17 the real property law; provided, however, that monies used to repay a
18 reverse mortgage may not be deducted from income, and provided addi-
19 tionally that any interest or dividends realized from the investment of
20 reverse mortgage proceeds shall be considered income. The provisions of
21 this paragraph notwithstanding, such income shall not include veterans
22 disability compensation, as defined in Title 38 of the United States
23 Code provided the governing board of such municipality, after public
24 hearing, adopts a local law, ordinance or resolution providing therefor.
25 In computing net rental income and net income from self-employment no
26 depreciation deduction shall be allowed for the exhaustion, wear and
27 tear of real or personal property held for the production of income;

28 § 2. Paragraph (a) of subdivision 5 of section 459-c of the real prop-
29 erty tax law, as separately amended by chapters 187 and 252 of the laws
30 of 2006, is amended to read as follows:

31 (a) if the income of the owner or the combined income of the owners of
32 the property for the income tax year immediately preceding the date of
33 making application for exemption exceeds the sum of three thousand
34 dollars, or such other sum not less than three thousand dollars nor more
35 than twenty-six thousand dollars beginning July first, two thousand six,
36 twenty-seven thousand dollars beginning July first, two thousand seven,
37 twenty-eight thousand dollars beginning July first, two thousand eight,
38 and twenty-nine thousand dollars beginning July first, two thousand
39 nine, and in a city with a population of one million or more fifty thou-
40 sand dollars beginning July first, two thousand seventeen, as may be
41 provided by the local law or resolution adopted pursuant to this
42 section. Income tax year shall mean the twelve month period for which
43 the owner or owners filed a federal personal income tax return, or if no
44 such return is filed, the calendar year. Where title is vested in either
45 the husband or the wife, their combined income may not exceed such sum,
46 except where the husband or wife, or ex-husband or ex-wife is absent
47 from the property due to divorce, legal separation or abandonment, then
48 only the income of the spouse or ex-spouse residing on the property
49 shall be considered and may not exceed such sum. Such income shall
50 include social security and retirement benefits, interest, dividends,
51 total gain from the sale or exchange of a capital asset which may be
52 offset by a loss from the sale or exchange of a capital asset in the
53 same income tax year, net rental income, salary or earnings, and net
54 income from self-employment, but shall not include a return of capital,
55 gifts, inheritances or monies earned through employment in the federal
56 foster grandparent program and any such income shall be offset by all

1 medical and prescription drug expenses actually paid which were not
2 reimbursed or paid for by insurance, if the governing board of a munici-
3 pality, after a public hearing, adopts a local law or resolution provid-
4 ing therefor. In computing net rental income and net income from self-
5 employment no depreciation deduction shall be allowed for the
6 exhaustion, wear and tear of real or personal property held for the
7 production of income;
8 § 3. This act shall take effect immediately and shall apply to appli-
9 cations made for an exemption pursuant to this act for the city fiscal
10 year commencing in 2017 and all city fiscal years thereafter. Applica-
11 tions received for the city fiscal year commencing in 2017 shall be
12 considered timely if they are filed on or before the one hundred twenti-
13 eth day following the effective date of the local law implementing the
14 provisions of this act.