

# STATE OF NEW YORK

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6836--A

2017-2018 Regular Sessions

## IN SENATE

July 19, 2017

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Introduced by Sen. CARLUCCI -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 separately amended by chapters 131 and 279 of the  
3 laws of 2017, is 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 twenty-nine thousand dollars beginning July first, two thousand nine,  
12 and [~~in a city with a population of one million or more~~] fifty thousand  
13 dollars beginning July first, two thousand seventeen, as may be provided  
14 by the local law, ordinance or resolution adopted pursuant to this  
15 section. Income tax year shall mean the twelve month period for which  
16 the owner or owners filed a federal personal income tax return, or if no  
17 such return is filed, the calendar year. Where title is vested in either  
18 the husband or the wife, their combined income may not exceed such sum,  
19 except where the husband or wife, or ex-husband or ex-wife is absent  
20 from the property as provided in subparagraph (ii) of paragraph (d) of  
21 this subdivision, then only the income of the spouse or ex-spouse resid-  
22 ing on the property shall be considered and may not exceed such sum.

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

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1 Such income shall include social security and retirement benefits,  
2 interest, dividends, total gain from the sale or exchange of a capital  
3 asset which may be offset by a loss from the sale or exchange of a capi-  
4 tal asset in the same income tax year, net rental income, salary or  
5 earnings, and net income from self-employment, but shall not include a  
6 return of capital, gifts, inheritances, payments made to individuals  
7 because of their status as victims of Nazi persecution, as defined in  
8 P.L. 103-286 or monies earned through employment in the federal foster  
9 grandparent program and any such income shall be offset by all medical  
10 and prescription drug expenses actually paid which were not reimbursed  
11 or paid for by insurance, if the governing board of a municipality,  
12 after a public hearing, adopts a local law, ordinance or resolution  
13 providing therefor. In addition, an exchange of an annuity for an annui-  
14 ty contract, which resulted in non-taxable gain, as determined in  
15 section one thousand thirty-five of the internal revenue code, shall be  
16 excluded from such income. Provided that such exclusion shall be based  
17 on satisfactory proof that such an exchange was solely an exchange of an  
18 annuity for an annuity contract that resulted in a non-taxable transfer  
19 determined by such section of the internal revenue code. Furthermore,  
20 such income shall not include the proceeds of a reverse mortgage, as  
21 authorized by section six-h of the banking law, and sections two hundred  
22 eighty and two hundred eighty-a of the real property law; provided,  
23 however, that monies used to repay a reverse mortgage may not be  
24 deducted from income, and provided additionally that any interest or  
25 dividends realized from the investment of reverse mortgage proceeds  
26 shall be considered income. The provisions of this paragraph notwith-  
27 standing, such income shall not include veterans disability compen-  
28 sation, as defined in Title 38 of the United States Code provided the  
29 governing board of such municipality, after public hearing, adopts a  
30 local law, ordinance or resolution providing therefor. In computing net  
31 rental income and net income from self-employment no depreciation  
32 deduction shall be allowed for the exhaustion, wear and tear of real or  
33 personal property held for the production of income;

34 § 2. Paragraph (a) of subdivision 5 of section 459-c of the real prop-  
35 erty tax law, as amended by chapter 131 of the laws of 2017, is amended  
36 to read as follows:

37 (a) if the income of the owner or the combined income of the owners of  
38 the property for the income tax year immediately preceding the date of  
39 making application for exemption exceeds the sum of three thousand  
40 dollars, or such other sum not less than three thousand dollars nor more  
41 than twenty-six thousand dollars beginning July first, two thousand six,  
42 twenty-seven thousand dollars beginning July first, two thousand seven,  
43 twenty-eight thousand dollars beginning July first, two thousand eight,  
44 twenty-nine thousand dollars beginning July first, two thousand nine,  
45 and ~~[in a city with a population of one million or more]~~ fifty thousand  
46 dollars beginning July first, two thousand seventeen, as may be provided  
47 by the local law or resolution adopted pursuant to this section. Income  
48 tax year shall mean the twelve month period for which the owner or  
49 owners filed a federal personal income tax return, or if no such return  
50 is filed, the calendar year. Where title is vested in either the husband  
51 or the wife, their combined income may not exceed such sum, except where  
52 the husband or wife, or ex-husband or ex-wife is absent from the proper-  
53 ty due to divorce, legal separation or abandonment, then only the income  
54 of the spouse or ex-spouse residing on the property shall be considered  
55 and may not exceed such sum. Such income shall include social security  
56 and retirement benefits, interest, dividends, total gain from the sale

1 or exchange of a capital asset which may be offset by a loss from the  
2 sale or exchange of a capital asset in the same income tax year, net  
3 rental income, salary or earnings, and net income from self-employment,  
4 but shall not include a return of capital, gifts, inheritances or monies  
5 earned through employment in the federal foster grandparent program and  
6 any such income shall be offset by all medical and prescription drug  
7 expenses actually paid which were not reimbursed or paid for by insur-  
8 ance, if the governing board of a municipality, after a public hearing,  
9 adopts a local law or resolution providing therefor. In computing net  
10 rental income and net income from self-employment no depreciation  
11 deduction shall be allowed for the exhaustion, wear and tear of real or  
12 personal property held for the production of income;

13 § 3. This act shall take effect immediately and shall apply to appli-  
14 cations made for an exemption pursuant to this act for the fiscal year  
15 commencing in 2018 and all fiscal years thereafter. Applications  
16 received for the fiscal year commencing in 2018 shall be considered  
17 timely if they are filed on or before the one hundred twentieth day  
18 following the effective date of the local law implementing the  
19 provisions of this act.