

# STATE OF NEW YORK

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772

2017-2018 Regular Sessions

## IN SENATE

January 4, 2017

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Introduced by Sen. STEWART-COUSINS -- read twice and ordered printed,  
and when printed to be committed to the Committee on Aging

AN ACT to amend the real property tax law, in relation to increasing the amount of income property owners may earn for the purpose of eligibility for the property tax exemption for persons sixty-five years of age or over and for persons with disabilities and limited income

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 fifty thousand dollars beginning July first, two thousand  
13 seventeen, as may be provided by the local law, ordinance or resolution  
14 adopted pursuant to this section. Income tax year shall mean the twelve  
15 month period for which the owner or owners filed a federal personal  
16 income tax return, or if no such return is filed, the calendar year.  
17 Where title is vested in either the husband or the wife, their combined  
18 income may not exceed such sum, except where the husband or wife, or  
19 ex-husband or ex-wife is absent from the property as provided in subparagraph (ii) of paragraph (d) of this subdivision, then only the income  
20 of the spouse or ex-spouse residing on the property shall be considered  
21 and may not exceed such sum. Such income shall include social security  
22 and retirement benefits, interest, dividends, total gain from the sale  
23

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

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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, payments  
5 made to individuals because of their status as victims of Nazi perse-  
6 cution, as defined in P.L. 103-286 or monies earned through employment  
7 in the federal foster grandparent program and any such income shall be  
8 offset by all medical and prescription drug expenses actually paid which  
9 were not reimbursed or paid for by insurance, if the governing board of  
10 a municipality, after a public hearing, adopts a local law, ordinance or  
11 resolution providing therefor. Furthermore, such income shall not  
12 include the proceeds of a reverse mortgage, as authorized by section  
13 six-h of the banking law, and sections two hundred eighty and two  
14 hundred eighty-a of the real property law; provided, however, that  
15 monies used to repay a reverse mortgage may not be deducted from income,  
16 and provided additionally that any interest or dividends realized from  
17 the investment of reverse mortgage proceeds shall be considered income.  
18 The provisions of this paragraph notwithstanding, such income shall not  
19 include veterans disability compensation, as defined in Title 38 of the  
20 United States Code provided the governing board of such municipality,  
21 after public hearing, adopts a local law, ordinance or resolution  
22 providing therefor. In computing net rental income and net income from  
23 self-employment no depreciation deduction shall be allowed for the  
24 exhaustion, wear and tear of real or personal property held for the  
25 production of income;

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

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

1 ing therefor. In computing net rental income and net income from self-  
2 employment no depreciation deduction shall be allowed for the  
3 exhaustion, wear and tear of real or personal property held for the  
4 production of income;

5 § 3. This act shall take effect immediately.