

STATE OF NEW YORK

7803

IN SENATE

February 27, 2018

Introduced by Sen. CARLUCCI -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the real property tax law, in relation to the senior citizen and disabled property owner exemption

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

1 Section 1. Paragraph (b) of subdivision 1 of section 467 of the real
2 property tax law, as amended by chapter 261 of the laws of 1994, subpar-
3 agraph 3 as added by chapter 402 of the laws of 1995, is amended to read
4 as follows:

5 (b) (1) Any local law, ordinance or resolution adopted pursuant to
6 paragraph (a) of this subdivision may be amended, or a local law, ordi-
7 nance or resolution may be adopted, to provide an exemption so as to
8 increase the maximum income eligibility level of such municipal corpo-
9 ration as provided in subdivision three of this section (represented in
10 the hereinbelow schedule as M), to the extent provided in the following
11 schedule:

12 ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION
13	EXEMPT FROM TAXATION
14 More than (M) but	
15 [less than (M+ \$1,000)	45 per centum
16 (M+ \$1,000 or more) but	
17 less than (M+ \$2,000)	40 per centum
18 (M+ \$2,000 or more) but	
19 less than (M+ [\$3,000 <u>\$10,000</u>)	35 per centum
20 [(M+ \$3,000 or more) but	
21 less than (M+ \$3,900)	30 per centum
22 (M+ \$3,900 or more) but	
23 less than (M+ \$4,800)	25 per centum
24 (M+ \$4,800 or more) but	
25 less than (M+ \$5,700)	20 per centum

26 (2) Any local law, ordinance or resolution adopted pursuant to subpar-
27 agraph one of this paragraph may be amended, or a local law, ordinance

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

LBD14420-02-8

1 or resolution may be adopted, to provide an exemption so as to increase
 2 the maximum income eligibility level of such municipal corporation as
 3 provided in subdivision three of this section (represented in the here-
 4 inbelow schedule as M), and as increased as provided for in such subpar-
 5 agraph one to the extent provided in the following schedule:

6 ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION
7	EXEMPT FROM TAXATION
8 (M+ [\$5,700] <u>\$10,000</u> or more) but	
9 less than (M+ [\$6,600] <u>\$25,000</u>)	15 per centum
10 [(M+ \$6,600 or more) but	
11 less than (M+ \$7,500 <u>10 per centum</u>]	

12 (3) Any local law, ordinance or resolution adopted pursuant to subpar-
 13 agraphs one and two of this paragraph may be amended, or a local law,
 14 ordinance or resolution may be adopted, to provide an exemption so as to
 15 increase the maximum income eligibility level of such municipal corpo-
 16 ration as provided in subdivision three of this section (represented in
 17 the hereinbelow schedule as M), and as increased as provided for in such
 18 subparagraph one to the extent provided in the following schedule:

19 ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION
20	EXEMPT FROM TAXATION
21 (M+ [\$7,500] <u>\$25,000</u> or more) but	
22 less than (M+ [\$8,400] <u>\$35,000</u>)	5 per centum

23 § 2. Paragraph (a) of subdivision 3 of section 467 of the real proper-
 24 ty tax law, as separately amended by chapters 131 and 279 of the laws of
 25 2017, is amended to read as follows:

26 (a) if the income of the owner or the combined income of the owners of
 27 the property for the income tax year immediately preceding the date of
 28 making application for exemption exceeds the sum of three thousand
 29 dollars, or such other sum not less than three thousand dollars nor more
 30 than twenty-six thousand dollars beginning July first, two thousand six,
 31 twenty-seven thousand dollars beginning July first, two thousand seven,
 32 twenty-eight thousand dollars beginning July first, two thousand eight,
 33 twenty-nine thousand dollars beginning July first, two thousand nine,
 34 and [~~in a city with a population of one million or more~~] fifty thousand
 35 dollars beginning July first, two thousand seventeen, as may be provided
 36 by the local law, ordinance or resolution adopted pursuant to this
 37 section. Income tax year shall mean the twelve month period for which
 38 the owner or owners filed a federal personal income tax return, or if no
 39 such return is filed, the calendar year. Where title is vested in either
 40 the husband or the wife, their combined income may not exceed such sum,
 41 except where the husband or wife, or ex-husband or ex-wife is absent
 42 from the property as provided in subparagraph (ii) of paragraph (d) of
 43 this subdivision, then only the income of the spouse or ex-spouse resid-
 44 ing on the property shall be considered and may not exceed such sum.
 45 Such income shall include social security and retirement benefits,
 46 interest, dividends, total gain from the sale or exchange of a capital
 47 asset which may be offset by a loss from the sale or exchange of a capi-
 48 tal asset in the same income tax year, net rental income, salary or
 49 earnings, and net income from self-employment, but shall not include a
 50 return of capital, gifts, inheritances, payments made to individuals
 51 because of their status as victims of Nazi persecution, as defined in
 52 P.L. 103-286 or monies earned through employment in the federal foster
 53 grandparent program and any such income shall be offset by all medical
 54 and prescription drug expenses actually paid which were not reimbursed

1 or paid for by insurance, if the governing board of a municipality,
 2 after a public hearing, adopts a local law, ordinance or resolution
 3 providing therefor. In addition, an exchange of an annuity for an annui-
 4 ty contract, which resulted in non-taxable gain, as determined in
 5 section one thousand thirty-five of the internal revenue code, shall be
 6 excluded from such income. Provided that such exclusion shall be based
 7 on satisfactory proof that such an exchange was solely an exchange of an
 8 annuity for an annuity contract that resulted in a non-taxable transfer
 9 determined by such section of the internal revenue code. Furthermore,
 10 such income shall not include the proceeds of a reverse mortgage, as
 11 authorized by section six-h of the banking law, and sections two hundred
 12 eighty and two hundred eighty-a of the real property law; provided,
 13 however, that monies used to repay a reverse mortgage may not be
 14 deducted from income, and provided additionally that any interest or
 15 dividends realized from the investment of reverse mortgage proceeds
 16 shall be considered income. The provisions of this paragraph notwith-
 17 standing, such income shall not include veterans disability compen-
 18 sation, as defined in Title 38 of the United States Code provided the
 19 governing board of such municipality, after public hearing, adopts a
 20 local law, ordinance or resolution providing therefor. In computing net
 21 rental income and net income from self-employment no depreciation
 22 deduction shall be allowed for the exhaustion, wear and tear of real or
 23 personal property held for the production of income;

24 § 3. Paragraph (b) of subdivision 1 of section 459-c of the real prop-
 25 erty tax law, as added by chapter 315 of the laws of 1997, is amended to
 26 read as follows:

27 (b) Any local law or resolution adopted pursuant to paragraph (a) of
 28 this subdivision may be amended, or a local law or resolution may be
 29 adopted, to provide an exemption so as to increase the maximum income
 30 eligibility level of such municipal corporation as provided in subdivi-
 31 sion five of this section (represented in the hereinbelow schedule as
 32 M), to the extent provided in the following schedule:

ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION EXEMPT FROM TAXATION
More than (M) but	
less than (M+ \$1,000)	45 per centum
(M+ \$1,000 or more) but	
less than (M+ \$2,000)	40 per centum
(M+ \$2,000 or more) but]	
less than (M+ [\$3,000 <u>\$10,000</u>)	35 per centum
[(M+ \$3,000 or more) but	
less than (M+ \$3,900)	30 per centum
(M+ \$3,900 or more) but	
less than (M+ \$4,800)	25 per centum
(M+ \$4,800 or more) but	
less than (M+ \$5,700)	20 per centum]
(M+ [\$5,700 <u>\$10,000</u> or more) but	
less than (M+ [\$6,600 <u>\$25,000</u>)	15 per centum
[(M+ \$6,600 or more) but	
less than (M+ \$7,500)	10 per centum]
(M + [\$7,500 <u>\$25,000</u> or more) but	
less than (M+ [\$8,400 <u>\$35,000</u>)	5 per centum

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

1 (a) if the income of the owner or the combined income of the owners of
2 the property for the income tax year immediately preceding the date of
3 making application for exemption exceeds the sum of three thousand
4 dollars, or such other sum not less than three thousand dollars nor more
5 than twenty-six thousand dollars beginning July first, two thousand six,
6 twenty-seven thousand dollars beginning July first, two thousand seven,
7 twenty-eight thousand dollars beginning July first, two thousand eight,
8 twenty-nine thousand dollars beginning July first, two thousand nine,
9 and [~~in a city with a population of one million or more~~] fifty thousand
10 dollars beginning July first, two thousand seventeen, as may be provided
11 by the local law or resolution adopted pursuant to this section. Income
12 tax year shall mean the twelve month period for which the owner or
13 owners filed a federal personal income tax return, or if no such return
14 is filed, the calendar year. Where title is vested in either the husband
15 or the wife, their combined income may not exceed such sum, except where
16 the husband or wife, or ex-husband or ex-wife is absent from the proper-
17 ty due to divorce, legal separation or abandonment, then only the income
18 of the spouse or ex-spouse residing on the property shall be considered
19 and may not exceed such sum. Such income shall include social security
20 and retirement benefits, interest, dividends, total gain from the sale
21 or exchange of a capital asset which may be offset by a loss from the
22 sale or exchange of a capital asset in the same income tax year, net
23 rental income, salary or earnings, and net income from self-employment,
24 but shall not include a return of capital, gifts, inheritances or monies
25 earned through employment in the federal foster grandparent program and
26 any such income shall be offset by all medical and prescription drug
27 expenses actually paid which were not reimbursed or paid for by insur-
28 ance, if the governing board of a municipality, after a public hearing,
29 adopts a local law or resolution providing therefor. In computing net
30 rental income and net income from self-employment no depreciation
31 deduction shall be allowed for the exhaustion, wear and tear of real or
32 personal property held for the production of income;

33 § 5. The state shall, within an appropriation made available therefor,
34 reimburse municipal corporations for the difference between the amount
35 of real property tax revenue abated for the fiscal year of such munici-
36 pality that occurs after April 1, 2018 pursuant to the income thresholds
37 established pursuant to the provisions of this act, and the amount of
38 real property tax revenue that would have been abated for such period
39 pursuant to the income thresholds that were in effect immediately prior
40 to the effective date of this act.

41 § 6. This act shall take effect immediately.