

STATE OF NEW YORK

1451

2019-2020 Regular Sessions

IN SENATE

January 15, 2019

Introduced by Sens. HOYLMAN, CARLUCCI -- 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 allowing for
increases in the amount of income property owners may earn for
purposes of qualification for certain tax exemptions

The People of the State of New York, represented in Senate and Assem-
bly, 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~~
8 ~~more than twenty-six thousand dollars beginning July first, two thousand~~
9 ~~six, twenty-seven thousand dollars beginning July first, two thousand~~
10 ~~seven, twenty-eight thousand dollars beginning July first, two thousand~~
11 ~~eight, twenty-nine~~], fifty thousand dollars beginning July first, two
12 thousand [~~nine~~] nineteen, and in a city with a population of one million
13 or more fifty thousand dollars beginning July first, two thousand seven-
14 teen, as may be provided by the local law, ordinance or resolution
15 adopted pursuant to this section; provided, however, beginning July
16 first, two thousand twenty-one and every two years thereafter, the maxi-
17 mum allowable income shall increase by the product of the average annual
18 percentage changes in the consumer price index for all urban consumers
19 (CPI-U) as published by the United States department of labor bureau of
20 labor statistics for the two year period rounded to the nearest one
21 thousand dollars. Income tax year shall mean the twelve month period
22 for which the owner or owners filed a federal personal income tax
23 return, or if no such return is filed, the calendar year. Where title is
24 vested in either the husband or the wife, their combined income may not

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

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

38 § 2. This act shall take effect immediately.