

# STATE OF NEW YORK

5557--A

2019-2020 Regular Sessions

## IN SENATE

May 7, 2019

Introduced by Sens. STEWART-COUSINS, BIAGGI, CARLUCCI, KAPLAN, LIU, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Aging -- recommitted to the Committee on Aging in accordance with Senate Rule 6, sec. 8 -- 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 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 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 fifty thousand dollars beginning July first, two thousand twenty, and in  
13 a city with a population of one million or more fifty thousand dollars  
14 beginning July first, two thousand seventeen, as may be provided by the  
15 local law, ordinance or resolution adopted pursuant to this section.  
16 Income tax year shall mean the twelve month period for which the owner  
17 or owners filed a federal personal income tax return, or if no such  
18 return is filed, the calendar year. Where title is vested in either the  
19 husband or the wife, their combined income 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 except where the husband or wife, or ex-husband or ex-wife is absent  
2 from the property as provided in subparagraph (ii) of paragraph (d) of  
3 this subdivision, then only the income of the spouse or ex-spouse resid-  
4 ing on the property shall be considered and may not exceed such sum.  
5 Such income shall include social security and retirement benefits,  
6 interest, dividends, total gain from the sale or exchange of a capital  
7 asset which may be offset by a loss from the sale or exchange of a capi-  
8 tal asset in the same income tax year, net rental income, salary or  
9 earnings, and net income from self-employment, but shall not include a  
10 return of capital, gifts, inheritances, payments made to individuals  
11 because of their status as victims of Nazi persecution, as defined in  
12 P.L. 103-286 or monies earned through employment in the federal foster  
13 grandparent program and any such income shall be offset by all medical  
14 and prescription drug expenses actually paid which were not reimbursed  
15 or paid for by insurance, if the governing board of a municipality,  
16 after a public hearing, adopts a local law, ordinance or resolution  
17 providing therefor. In addition, an exchange of an annuity for an annui-  
18 ty contract, which resulted in non-taxable gain, as determined in  
19 section one thousand thirty-five of the internal revenue code, shall be  
20 excluded from such income. Provided that such exclusion shall be based  
21 on satisfactory proof that such an exchange was solely an exchange of an  
22 annuity for an annuity contract that resulted in a non-taxable transfer  
23 determined by such section of the internal revenue code. Furthermore,  
24 such income shall not include the proceeds of a reverse mortgage, as  
25 authorized by section six-h of the banking law, and sections two hundred  
26 eighty and two hundred eighty-a of the real property law; provided,  
27 however, that monies used to repay a reverse mortgage may not be  
28 deducted from income, and provided additionally that any interest or  
29 dividends realized from the investment of reverse mortgage proceeds  
30 shall be considered income. The provisions of this paragraph notwith-  
31 standing, such income shall not include veterans disability compen-  
32 sation, as defined in Title 38 of the United States Code provided the  
33 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. Paragraph (a) of subdivision 5 of section 459-c of the real prop-  
39 erty tax law, as amended by chapter 131 of the laws of 2017, is amended  
40 to read as follows:

41 (a) if the income of the owner or the combined income of the owners of  
42 the property for the income tax year immediately preceding the date of  
43 making application for exemption exceeds the sum of three thousand  
44 dollars, or such other sum not less than three thousand dollars nor more  
45 than twenty-six thousand dollars beginning July first, two thousand six,  
46 twenty-seven thousand dollars beginning July first, two thousand seven,  
47 twenty-eight thousand dollars beginning July first, two thousand eight,  
48 twenty-nine thousand dollars beginning July first, two thousand nine,  
49 and fifty thousand dollars beginning July first, two thousand twenty,  
50 and in a city with a population of one million or more fifty thousand  
51 dollars beginning July first, two thousand seventeen, as may be provided  
52 by the local law or resolution adopted pursuant to this section. Income  
53 tax year shall mean the twelve month period for which the owner or  
54 owners filed a federal personal income tax return, or if no such return  
55 is filed, the calendar year. Where title is vested in either the husband  
56 or the wife, their combined income may not exceed such sum, except where

1 the husband or wife, or ex-husband or ex-wife is absent from the proper-  
2 ty due to divorce, legal separation or abandonment, then only the income  
3 of the spouse or ex-spouse residing on the property shall be considered  
4 and may not exceed such sum. Such income shall include social security  
5 and retirement benefits, interest, dividends, total gain from the sale  
6 or exchange of a capital asset which may be offset by a loss from the  
7 sale or exchange of a capital asset in the same income tax year, net  
8 rental income, salary or earnings, and net income from self-employment,  
9 but shall not include a return of capital, gifts, inheritances or monies  
10 earned through employment in the federal foster grandparent program and  
11 any such income shall be offset by all medical and prescription drug  
12 expenses actually paid which were not reimbursed or paid for by insur-  
13 ance, if the governing board of a municipality, after a public hearing,  
14 adopts a local law or resolution providing therefor. In computing net  
15 rental income and net income from self-employment no depreciation  
16 deduction shall be allowed for the exhaustion, wear and tear of real or  
17 personal property held for the production of income;  
18 § 3. This act shall take effect immediately.