STATE OF NEW YORK

4250

2021-2022 Regular Sessions

IN SENATE

February 3, 2021

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the real property tax law and the tax law, in relation to preventing the transitioning of the school tax relief (STAR) exemption into a personal income tax credit; and repealing certain provisions of the real property tax law and the tax law relating thereto

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

Section 1. Paragraph (a) of subdivision 6 of section 425 of the real property tax law, as amended by section 1 of part A of chapter 60 of the laws of 2016, is amended to read as follows:

(a) Generally. All owners of the property who primarily reside thereon [~~and who are not subject to the provisions of subdivision sixteen of this section~~] must jointly file an application for exemption with the assessor on or before the appropriate taxable status date. Such application may be filed by mail if it is enclosed in a postpaid envelope properly addressed to the appropriate assessor, deposited in a post office or official depository under the exclusive care of the United States postal service, and postmarked by the United States postal service on or before the applicable taxable status date. Each such application shall be made on a form prescribed by the commissioner, which shall require the applicant or applicants to agree to notify the assessor if their primary residence changes while their property is receiving the exemption. The assessor may request that proof of residency be submitted with the application. If the applicant requests a receipt from the assessor as proof of submission of the application, the assessor shall provide such receipt. If such request is made by other than personal request, the applicant shall provide the assessor with a self-addressed postpaid envelope in which to mail the receipt.

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

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§ 2. Subdivision 16 of section 425 of the real property tax law is REPEALED.

§ 3. Subdivision 2 of section 496 of the real property tax law, as amended by section 3 of part A of chapter 60 of the laws of 2016, paragraph (a) as amended by section 3 and paragraph (d) as amended by section 2 of part TT of chapter 59 of the laws of 2019, is amended to read as follows:

2. An application to renounce an exemption shall be made on a form prescribed by the commissioner and shall be filed with the county director of real property tax services no later than ten years after the levy of taxes upon the assessment roll on which the renounced exemption appears. The county director, after consulting with the assessor as appropriate, shall compute the total amount owed on account of the renounced exemption as follows:

(a) For each assessment roll on which the renounced exemption appears, the assessed value that was exempted shall be multiplied by the tax rate or rates that were applied to that assessment roll, or in the case of a renounced STAR exemption, the tax savings calculated pursuant to subdivision two of section thirteen hundred six-a of this chapter. Interest shall then be added to each such product at the rate prescribed by section nine hundred twenty-four-a of this chapter or such other law as may be applicable for each month or portion thereon since the levy of taxes upon such assessment roll.

(b) The sum of the calculations made pursuant to paragraph (a) of this subdivision with respect to all of the assessment rolls in question shall be determined.

(c) A processing fee of five hundred dollars shall be added to the sum determined pursuant to paragraph (b) of this subdivision[~~, unless the provisions of paragraph (d) of this subdivision are applicable.~~

~~(d) If the applicant is renouncing a STAR exemption in order to qualify for the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law, and no other exemptions are being renounced on the same application, or if the applicant is renouncing a STAR exemption before school taxes have been levied on the assessment roll upon which that exemption appears, no processing fee shall be applicable~~].

§ 4. Subdivision 6 of section 1306-a of the real property tax law is REPEALED.

§ 5. Subsection (eee) of section 606 of the tax law is REPEALED.

§ 6. The opening paragraph of subparagraph (a) of paragraph 2 of subsection (n-1) of section 606 of the tax law, as amended by section 7 of part A of chapter 60 of the laws of 2016, is amended to read as follows:

To be eligible for the credit, the taxpayer (or taxpayers filing joint returns) on the personal income tax return filed for the taxable year two years prior, must have (i) been a resident, (ii) owned and primarily resided in real property receiving [~~either~~] the STAR exemption authorized by section four hundred twenty-five of the real property tax law [~~or the school tax relief credit authorized by subsection (eee) of this section~~], and (iii) had qualified gross income no greater than two hundred seventy-five thousand dollars. Provided, however, that no credit shall be allowed if any of the following apply:

§ 7. This act shall take effect immediately.