

STATE OF NEW YORK

6523

2021-2022 Regular Sessions

IN SENATE

May 4, 2021

Introduced by Sen. REICHLIN-MELNICK -- 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 the senior
citizen and disabled property owner exemption

The People of the State of New York, represented in Senate and Assem-
bly, 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	

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

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1 ~~less than (M+ \$5,700) 20 per centum]~~
 2 (2) Any local law, ordinance or resolution adopted pursuant to subpar-
 3 agraph one of this paragraph may be amended, or a local law, ordinance
 4 or resolution may be adopted, to provide an exemption so as to increase
 5 the maximum income eligibility level of such municipal corporation as
 6 provided in subdivision three of this section (represented in the here-
 7 inbelow schedule as M), and as increased as provided for in such subpar-
 8 agraph one to the extent provided in the following schedule:

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

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

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

26 § 2. Paragraph (a) of subdivision 3 of section 467 of the real proper-
 27 ty tax law, as separately amended by chapters 131 and 279 of the laws of
 28 2017, 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 twenty-nine thousand dollars beginning July first, two thousand nine,
 37 and [~~in a city with a population of one million or more~~] fifty thousand
 38 dollars beginning July first, two thousand seventeen, as may be provided
 39 by the local law, ordinance or resolution adopted pursuant to this
 40 section. Income tax year shall mean the twelve month period for which
 41 the owner or owners filed a federal personal income tax return, or if no
 42 such return is filed, the calendar year. Where title is vested in either
 43 the husband or the wife, their combined income may not exceed such sum,
 44 except where the husband or wife, or ex-husband or ex-wife is absent
 45 from the property as provided in subparagraph (ii) of paragraph (d) of
 46 this subdivision, then only the income of the spouse or ex-spouse resid-
 47 ing on the property shall be considered and may not exceed such sum.
 48 Such income shall include social security and retirement benefits,
 49 interest, dividends, total gain from the sale or exchange of a capital
 50 asset which may be offset by a loss from the sale or exchange of a capi-
 51 tal asset in the same income tax year, net rental income, salary or
 52 earnings, and net income from self-employment, but shall not include a
 53 return of capital, gifts, inheritances, payments made to individuals
 54 because of their status as victims of Nazi persecution, as defined in

1 P.L. 103-286 or monies earned through employment in the federal foster
 2 grandparent program and any such income shall be offset by all medical
 3 and prescription drug expenses actually paid which were not reimbursed
 4 or paid for by insurance, if the governing board of a municipality,
 5 after a public hearing, adopts a local law, ordinance or resolution
 6 providing therefor. In addition, an exchange of an annuity for an annui-
 7 ty contract, which resulted in non-taxable gain, as determined in
 8 section one thousand thirty-five of the internal revenue code, shall be
 9 excluded from such income. Provided that such exclusion shall be based
 10 on satisfactory proof that such an exchange was solely an exchange of an
 11 annuity for an annuity contract that resulted in a non-taxable transfer
 12 determined by such section of the internal revenue code. Furthermore,
 13 such income shall not include the proceeds of a reverse mortgage, as
 14 authorized by section six-h of the banking law, and sections two hundred
 15 eighty and two hundred eighty-a of the real property law; provided,
 16 however, that monies used to repay a reverse mortgage may not be
 17 deducted from income, and provided additionally that any interest or
 18 dividends realized from the investment of reverse mortgage proceeds
 19 shall be considered income. The provisions of this paragraph notwith-
 20 standing, such income shall not include veterans disability compen-
 21 sation, as defined in Title 38 of the United States Code provided the
 22 governing board of such municipality, after public hearing, adopts a
 23 local law, ordinance or resolution providing therefor. In computing net
 24 rental income and net income from self-employment no depreciation
 25 deduction shall be allowed for the exhaustion, wear and tear of real or
 26 personal property held for the production of income;

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

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

36 ANNUAL INCOME	37 PERCENTAGE ASSESSED VALUATION EXEMPT FROM TAXATION
38 More than (M) but	
39 [less than (M+ \$1,000)	45 per centum
40 (M+ \$1,000 or more) but	
41 less than (M+ \$2,000)	40 per centum
42 (M+ \$2,000 or more) but]	
43 less than (M+ [\$3,000 <u>\$10,000</u>)	35 per centum
44 [(M+ \$3,000 or more) but	
45 less than (M+ \$3,900)	30 per centum
46 (M+ \$3,900 or more) but	
47 less than (M+ \$4,800)	25 per centum
48 (M+ \$4,800 or more) but	
49 less than (M+ \$5,700)	20 per centum]
50 (M+ [\$5,700 <u>\$10,000</u> or more) but	
51 less than (M+ [\$6,600 <u>\$25,000</u>)	15 per centum
52 [(M+ \$6,600 or more) but	
53 less than (M+ \$7,500)	10 per centum]
54 (M + [\$7,500 <u>\$25,000</u> or more) but	
55 less than (M+ [\$8,400 <u>\$35,000</u>)	5 per centum

1 § 4. Paragraph (a) of subdivision 5 of section 459-c of the real prop-
2 erty tax law, as amended by chapter 131 of the laws of 2017, is amended
3 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 and [~~in a city with a population of one million or more~~] fifty thousand
13 dollars beginning July first, two thousand seventeen, as may be provided
14 by the local law or resolution adopted pursuant to this section. Income
15 tax year shall mean the twelve month period for which the owner or
16 owners filed a federal personal income tax return, or if no such return
17 is filed, the calendar year. Where title is vested in either the husband
18 or the wife, their combined income may not exceed such sum, except where
19 the husband or wife, or ex-husband or ex-wife is absent from the proper-
20 ty due to divorce, legal separation or abandonment, then only the income
21 of the spouse or ex-spouse residing on the property shall be considered
22 and may not exceed such sum. Such income shall include social security
23 and retirement benefits, interest, dividends, total gain from the sale
24 or exchange of a capital asset which may be offset by a loss from the
25 sale or exchange of a capital asset in the same income tax year, net
26 rental income, salary or earnings, and net income from self-employment,
27 but shall not include a return of capital, gifts, inheritances or monies
28 earned through employment in the federal foster grandparent program and
29 any such income shall be offset by all medical and prescription drug
30 expenses actually paid which were not reimbursed or paid for by insur-
31 ance, if the governing board of a municipality, after a public hearing,
32 adopts a local law or resolution providing therefor. In computing net
33 rental income and net income from self-employment no depreciation
34 deduction shall be allowed for the exhaustion, wear and tear of real or
35 personal property held for the production of income;

36 § 5. The state shall, within an appropriation made available therefor,
37 reimburse municipal corporations for the difference between the amount
38 of real property tax revenue abated for the fiscal year of such munici-
39 pality that occurs after April 1, 2021 pursuant to the income thresholds
40 established pursuant to the provisions of this act, and the amount of
41 real property tax revenue that would have been abated for such period
42 pursuant to the income thresholds that were in effect immediately prior
43 to the effective date of this act.

44 § 6. This act shall take effect immediately and shall apply to any
45 local law, resolution or ordinance amended or adopted on and after the
46 effective date of this act.