

# STATE OF NEW YORK

5376

2021-2022 Regular Sessions

## IN SENATE

March 3, 2021

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Cities 1

AN ACT to amend the administrative code of the city of New York and the tax law, in relation to the imposition of tax on the transfer of certain properties in the city of New York

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

1 Section 1. This act shall be known and may be cited as the "COVID-19  
2 community protection act of 2021".

3 § 2. The administrative code of the city of New York is amended by  
4 adding a new section 11-2120 to read as follows:

5 § 11-2120 Residential real property sold within two years. a. In addi-  
6 tion to the tax imposed by section 11-2102 of this chapter, there is  
7 hereby imposed on each deed, instrument or transaction at the time of  
8 transfer whereby any properties of one to three residential units are  
9 transferred by a grantor to a grantee, and such transfer is made within  
10 two years from the prior conveyance of the property, including but not  
11 limited to transfers which are all cash transactions and transfers of  
12 property which have been rented out during such time period. The tax  
13 which shall be paid by the grantor shall be at the rate of:

14 (1) sixty-five percent of the difference between the current sales  
15 price and the sales price of the prior conveyance when the time since  
16 the prior conveyance of the property is less than one year; and

17 (2) fifty percent of the difference between the current sales price  
18 and the sales price of the prior conveyance when the time since the  
19 prior conveyance of the property is greater than or equal to one year  
20 but less than two years.

21 b. The tax defined in subdivision a of this section shall expire when  
22 the time since the prior conveyance of the property is two years.

23 c. (1) The following qualified persons shall be exempt from the  
24 payment of the tax imposed by this section:

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

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1 (i) Property owners conveying property to a family member.

2 (ii) Property owners who can demonstrate a financial hardship which  
3 justifies a conveyance of property in less than or equal to two years.

4 (2) The following properties shall be exempt from the payment of the  
5 tax imposed by this section:

6 (i) Property which was conveyed following the death of the property  
7 owner.

8 (ii) Property being sold as new housing.

9 (iii) Property which the consideration or value conveyed, which is  
10 otherwise subject to the tax imposed in this section, is less than or  
11 equal to ten percent more than the consideration or value of such prop-  
12 erty conveyed at the time of the prior conveyance of property.

13 (iv) Property which was conveyed to a mortgagee or an affiliate agent  
14 thereof by a mortgagor by deed in lieu of foreclosure or in satisfaction  
15 of the mortgage debt.

16 (v) Property which was conveyed to a mortgagee or an affiliate agent  
17 thereof pursuant to a foreclosure sale that follows a default in the  
18 satisfaction of an obligation that is secured by a mortgage.

19 (vi) Property which is otherwise exempt from payment of a real proper-  
20 ty transfer tax pursuant to this chapter.

21 § 3. Section 252-a of the tax law is amended by adding a new subdivi-  
22 sion 3 to read as follows:

23 3. Property acquisitions in the amount of seven hundred fifty thousand  
24 dollars or less for one to three residential units, including one to  
25 three family homes and condominiums, located within the city of New York  
26 shall be exempt from any tax or fee imposed by this article; provided,  
27 however, that this exemption shall not apply to legal entities. For the  
28 purposes of this subdivision, the term "legal entities" shall mean busi-  
29 ness trusts, estates, trusts, limited liability companies, limited  
30 liability partnerships, limited liability investment companies, associ-  
31 ations, joint ventures, business or nonprofit entities, public corpo-  
32 rations, government or governmental subdivisions, agencies, instrumen-  
33 talities, or other legal or commercial entities.

34 § 4. The administrative code of the city of New York is amended by  
35 adding a new section 11-2121 to read as follows:

36 § 11-2121 Imposition of tax on certain properties. In addition to the  
37 tax imposed by section 11-2102 of this chapter, there is hereby imposed  
38 on each deed, instrument or transaction at the time of the transfer  
39 whereby any properties of one to three residential units, including one  
40 to three family homes, condominiums or cooperative units, are trans-  
41 ferred by a grantor to a grantee for a sales price of one million  
42 dollars or more. The tax, which shall be paid by the grantee, shall be  
43 at the rate of one percent of the purchase price.

44 § 5. Severability. If any clause, sentence, paragraph, section or part  
45 of this act shall be adjudged by any court of competent jurisdiction to  
46 be invalid, such judgment shall not affect, impair or invalidate the  
47 remainder thereof, but shall be confined in its operation to the clause,  
48 sentence, paragraph, section or part thereof directly involved in the  
49 controversy in which such judgment shall have been rendered.

50 § 6. This act shall take effect on the ninetieth day after it shall  
51 have become a law.