

# 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:

Section 1. Paragraph (b) of subdivision 1 of section 467 of the real  
property tax law, as amended by chapter 261 of the laws of 1994, subpar-  
agraph 3 as added by chapter 402 of the laws of 1995, is amended to read  
as follows:

(b) (1) Any local law, ordinance or resolution adopted pursuant to  
paragraph (a) of this subdivision may be amended, or a local law, ordi-  
nance or resolution may be adopted, to provide an exemption so as to  
increase the maximum income eligibility level of such municipal corpo-  
ration as provided in subdivision three of this section (represented in  
the hereinbelow schedule as M), to the extent provided in the following  
schedule:

ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION EXEMPT FROM TAXATION
More than (M) but	
[ <del>less than (M+ \$1,000)</del>	<del>45 per centum</del>
<del>(M+ \$1,000 or more) but</del>	
<del>less than (M+ \$2,000)</del>	<del>40 per centum</del>
<del>(M+ \$2,000 or more) but]</del>	
less than (M+ [ <del>\$3,000</del> <u>\$10,000</u> )	35 per centum
[ <del>(M+ \$3,000 or more) but</del>	
<del>less than (M+ \$3,900)</del>	<del>30 per centum</del>
<del>(M+ \$3,900 or more) but</del>	
<del>less than (M+ \$4,800)</del>	<del>25 per centum</del>
<del>(M+ \$4,800 or more) but</del>	

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

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~~less than (M+ \$5,700) 20 per centum]~~

(2) Any local law, ordinance or resolution adopted pursuant to subparagraph one of this paragraph may be amended, or a local law, ordinance or resolution may be adopted, to provide an exemption so as to increase the maximum income eligibility level of such municipal corporation as provided in subdivision three of this section (represented in the hereinbelow schedule as M), and as increased as provided for in such subparagraph one to the extent provided in the following schedule:

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

(3) Any local law, ordinance or resolution adopted pursuant to subparagraphs one and two of this paragraph may be amended, or a local law, ordinance or resolution may be adopted, to provide an exemption so as to increase the maximum income eligibility level of such municipal corporation as provided in subdivision three of this section (represented in the hereinbelow schedule as M), and as increased as provided for in such subparagraph one to the extent provided in the following schedule:

ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION EXEMPT FROM TAXATION
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(M+ [ <del>\$7,500</del> ] <u>\$25,000</u> or more) but less than (M+ [ <del>\$8,400</del> ] <u>\$35,000</u> )	5 per centum
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§ 2. Paragraph (a) of subdivision 3 of section 467 of the real property tax law, as separately amended by chapters 131 and 279 of the laws of 2017, is amended to read as follows:

(a) if the income of the owner or the combined income of the owners of the property for the income tax year immediately preceding the date of making application for exemption exceeds the sum of three thousand dollars, or such other sum not less than three thousand dollars nor more than twenty-six thousand dollars beginning July first, two thousand six, twenty-seven thousand dollars beginning July first, two thousand seven, twenty-eight thousand dollars beginning July first, two thousand eight, twenty-nine thousand dollars beginning July first, two thousand nine, and ~~[in a city with a population of one million or more]~~ fifty thousand dollars beginning July first, two thousand seventeen, as may be provided by the local law, ordinance or resolution adopted pursuant to this section. Income tax year shall mean the twelve month period for which the owner or owners filed a federal personal income tax return, or if no such return is filed, the calendar year. Where title is vested in either the husband or the wife, their combined income may not exceed such sum, except where the husband or wife, or ex-husband or ex-wife is absent from the property as provided in subparagraph (ii) of paragraph (d) of this subdivision, then only the income of the spouse or ex-spouse residing on the property shall be considered and may not exceed such sum. Such income shall include social security and retirement benefits, interest, dividends, total gain from the sale or exchange of a capital asset which may be offset by a loss from the sale or exchange of a capital asset in the same income tax year, net rental income, salary or earnings, and net income from self-employment, but shall not include a return of capital, gifts, inheritances, payments made to individuals because of their status as victims of Nazi persecution, as defined in

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

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

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

ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION EXEMPT FROM TAXATION
More than (M) but	
<del>less than (M+ \$1,000)</del>	<del>45 per centum</del>
<del>(M+ \$1,000 or more) but</del>	
<del>less than (M+ \$2,000)</del>	<del>40 per centum</del>
<del>(M+ \$2,000 or more) but</del>	
less than (M+ [ <del>\$3,000</del> ] <u>\$10,000</u> )	35 per centum
<del>[(M+ \$3,000 or more) but</del>	
<del>less than (M+ \$3,900)</del>	<del>30 per centum</del>
<del>(M+ \$3,900 or more) but</del>	
<del>less than (M+ \$4,800)</del>	<del>25 per centum</del>
<del>(M+ \$4,800 or more) but</del>	
<del>less than (M+ \$5,700)</del>	<del>20 per centum]</del>
(M+ [ <del>\$5,700</del> ] <u>\$10,000</u> or more) but	
less than (M+ [ <del>\$6,600</del> ] <u>\$25,000</u> )	15 per centum
<del>[(M+ \$6,600 or more) but</del>	
<del>less than (M+ \$7,500)</del>	<del>10 per centum]</del>
(M + [ <del>\$7,500</del> ] <u>\$25,000</u> or more) but	
less than (M+ [ <del>\$8,400</del> ] <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.