

STATE OF NEW YORK

539

2023-2024 Regular Sessions

IN SENATE

January 4, 2023

Introduced by Sen. THOMAS -- 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 increasing the allowable maximum income of certain persons otherwise eligible for tax abatement in certain cases

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 section 1 of part B of chap-
3 ter 686 and chapter 488 of the laws of 2022, is amended to read as
4 follows:

5 (a) if the income of the owner or the combined income of the owners of
6 the property for the income tax year immediately preceding the date of
7 making application for exemption exceeds the sum of three thousand
8 dollars, or such other sum not less than three thousand dollars nor more
9 than twenty-six thousand dollars beginning July first, two thousand six,
10 twenty-seven thousand dollars beginning July first, two thousand seven,
11 twenty-eight thousand dollars beginning July first, two thousand eight,
12 twenty-nine thousand dollars beginning July first, two thousand nine,
13 fifty thousand dollars beginning July first, two thousand twenty-two,
14 [~~and~~] in a city with a population of one million or more fifty thousand
15 dollars beginning July first, two thousand seventeen, and in a county
16 with a population of between one million and one million four hundred
17 thousand, as of the last decennial census fifty thousand dollars begin-
18 ning July first, two thousand twenty-three, as may be provided by the
19 local law, ordinance or resolution adopted pursuant to this section.
20 Where the taxable status date is on or before April fourteenth, income
21 tax year shall mean the twelve-month period for which the owner or
22 owners filed a federal personal income tax return for the year before
23 the income tax year immediately preceding the date of application and
24 where the taxable status date is on or after April fifteenth, income tax

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

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1 year shall mean the twelve-month period for which the owner or owners
2 filed a federal personal income tax return for the income tax year imme-
3 diately preceding the date of application. Where title is vested in
4 either the husband or the wife, their combined income may not exceed
5 such sum, except where the husband or wife, or ex-husband or ex-wife is
6 absent from the property as provided in subparagraph (ii) of paragraph
7 (d) of this subdivision, then only the income of the spouse or ex-spouse
8 residing on the property shall be considered and may not exceed such
9 sum. Such income shall include social security and retirement benefits,
10 interest, dividends, total gain from the sale or exchange of a capital
11 asset which may be offset by a loss from the sale or exchange of a capi-
12 tal asset in the same income tax year, net rental income, salary or
13 earnings, and net income from self-employment, but shall not include a
14 return of capital, gifts, inheritances, payments made to individuals
15 because of their status as victims of Nazi persecution, as defined in
16 P.L. 103-286 or monies earned through employment in the federal foster
17 grandparent program and any such income shall be offset by all medical
18 and prescription drug expenses actually paid which were not reimbursed
19 or paid for by insurance, if the governing board of a municipality,
20 after a public hearing, adopts a local law, ordinance or resolution
21 providing therefor. In addition, an exchange of an annuity for an annui-
22 ty contract, which resulted in non-taxable gain, as determined in
23 section one thousand thirty-five of the internal revenue code, shall be
24 excluded from such income. Provided that such exclusion shall be based
25 on satisfactory proof that such an exchange was solely an exchange of an
26 annuity for an annuity contract that resulted in a non-taxable transfer
27 determined by such section of the internal revenue code. Furthermore,
28 such income shall not include the proceeds of a reverse mortgage, as
29 authorized by section six-h of the banking law, and sections two hundred
30 eighty and two hundred eighty-a of the real property law; provided,
31 however, that monies used to repay a reverse mortgage may not be
32 deducted from income, and provided additionally that any interest or
33 dividends realized from the investment of reverse mortgage proceeds
34 shall be considered income. The provisions of this paragraph notwith-
35 standing, such income shall not include veterans disability compen-
36 sation, as defined in Title 38 of the United States Code provided the
37 governing board of such municipality, after public hearing, adopts a
38 local law, ordinance or resolution providing therefor. In computing net
39 rental income and net income from self-employment no depreciation
40 deduction shall be allowed for the exhaustion, wear and tear of real or
41 personal property held for the production of income;

42 § 2. Paragraph (a) of subdivision 5 of section 459-c of the real prop-
43 erty tax law, as separately amended by section 2 of part B of chapter
44 686 and chapter 488 of the laws of 2022, is amended to read as follows:

45 (a) if the income of the owner or the combined income of the owners of
46 the property for the income tax year immediately preceding the date of
47 making application for exemption exceeds the sum of three thousand
48 dollars, or such other sum not less than three thousand dollars nor more
49 than twenty-six thousand dollars beginning July first, two thousand six,
50 twenty-seven thousand dollars beginning July first, two thousand seven,
51 twenty-eight thousand dollars beginning July first, two thousand eight,
52 twenty-nine thousand dollars beginning July first, two thousand nine,
53 and fifty thousand dollars beginning July first, two thousand twenty-
54 two, ~~and~~ in a city with a population of one million or more fifty
55 thousand dollars beginning July first, two thousand seventeen, and in a
56 county with a population of between one million and one million four

1 hundred thousand as of the last decennial census fifty thousand dollars
2 beginning July first, two thousand twenty-three, as may be provided by
3 the local law or resolution adopted pursuant to this section. Income tax
4 year shall mean the twelve month period for which the owner or owners
5 filed a federal personal income tax return, or if no such return is
6 filed, the calendar year. Where title is vested in either the husband or
7 the wife, their combined income may not exceed such sum, except where
8 the husband or wife, or ex-husband or ex-wife is absent from the proper-
9 ty due to divorce, legal separation or abandonment, then only the income
10 of the spouse or ex-spouse residing on the property shall be considered
11 and may not exceed such sum. Such income shall include social security
12 and retirement benefits, interest, dividends, total gain from the sale
13 or exchange of a capital asset which may be offset by a loss from the
14 sale or exchange of a capital asset in the same income tax year, net
15 rental income, salary or earnings, and net income from self-employment,
16 but shall not include a return of capital, gifts, inheritances or monies
17 earned through employment in the federal foster grandparent program and
18 any such income shall be offset by all medical and prescription drug
19 expenses actually paid which were not reimbursed or paid for by insur-
20 ance, if the governing board of a municipality, after a public hearing,
21 adopts a local law or resolution providing therefor. In computing net
22 rental income and net income from self-employment no depreciation
23 deduction shall be allowed for the exhaustion, wear and tear of real or
24 personal property held for the production of income;

25 § 3. This act shall take effect immediately and shall apply to appli-
26 cations made for an exemption pursuant to this act for the county fiscal
27 year commencing in 2023 and all county fiscal years thereafter. Appli-
28 cations received for the county fiscal year commencing in 2023 shall be
29 considered timely if they are filed on or before the one hundred twenti-
30 eth day following the effective date of the local law implementing the
31 provisions of this act.