STATE OF NEW YORK

5948

2023-2024 Regular Sessions

IN SENATE

March 23, 2023

Introduced by Sen. SKOUFIS -- 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 Assembly, do enact as follows:

Section 1. Paragraph (b) of subdivision 1 of section 467 of the real property tax law, as amended by section 1 of part B of chapter 686 of the laws of 2022, 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, 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), to the extent provided in the following schedule:

ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION EXEMPT FROM TAXATION OR PILOT
More than (M) but	
[~~less than (M+ $1,000)~~	~~45 per centum~~
~~(M+ $1,000 or more) but~~	
~~less than (M+ $2,000)~~	~~40 per centum~~
~~(M+ $2,000 or more) but~~]	
less than (M+ [~~$3,000~~] **$10,000**)	35 per centum
[~~(M+ $3,000 or more) but~~	
~~less than (M+ $3,900)~~	~~30 per centum~~
~~(M+ $3,900 or more) but~~	

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

LBD06648-01-3

~~less than (M+ $4,800) 25 per centum~~
~~(M+ $4,800 or more) but~~
~~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 OR PILOT
(M+ [~~$5,700~~] $10,000 or more) but less than (M+ [~~$6,600~~] $25,000)	15 per centum
[~~(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 OR PILOT
(M+ [~~$7,500~~] $25,000 or more) less than (M+ [~~$8,400~~] $35,000)	5 per centum

§ 2. Paragraph (a) of subdivision 3 of section 467 of the real property tax law, as separately amended by chapter 488 and section 1 of part B of chapter 686 of the laws of 2022, 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, fifty thousand dollars beginning July first, two thousand twenty-two, 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. Where the taxable status date is on or before April fourteenth, income tax year shall mean the twelve-month period for which the owner or owners filed a federal personal income tax return for the year before the income tax year immediately preceding the date of application and where the taxable status date is on or after April fifteenth, income tax

year shall mean the twelve-month period for which the owner or owners filed a federal personal income tax return for the income tax year immediately preceding the date of application. 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 amended by section 2 of part B of chapter 686 of the laws of 2022, 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 OR PILOT
More than (M) but		
[~~less than (M+ $1,000)~~	~~(M+ $1,000 or more) but~~	~~45 per centum~~

~~less than (M+ $2,000) 40 per centum~~
~~(M+ $2,000 or more) but~~]
less than (M+ [~~$3,000~~] $10,000) 35 per centum
[~~(M+ $3,000 or more) but~~
~~less than (M+ $3,900) 30 per centum~~
~~(M+ $3,900 or more) but~~
~~less than (M+ $4,800) 25 per centum~~
~~(M+ $4,800 or more) but~~
~~less than (M+ $5,700) 20 per centum~~]
(M+ [~~$5,700~~] $10,000 or more) but
less than (M+ [~~$6,600~~] $25,000) 15 per centum
[~~(M+ $6,600 or more) but~~
~~less than (M+ $7,500) 10 per centum~~]
(M + [~~$7,500~~] $25,000 or more) but
less than (M+ [~~$8,400~~] $35,000) 5 per centum

§ 4. Paragraph (a) of subdivision 5 of section 459-c of the real property tax law, as separately amended by chapter 488 and section 2 of part B of chapter 686 of the laws of 2022, 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 fifty thousand dollars beginning July first, two thousand twenty-two, 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 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 due to divorce, legal separation or abandonment, 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 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 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;

§ 5. The state shall, within an appropriation made available therefor, reimburse municipal corporations for the difference between the amount of real property tax revenue abated for the fiscal year of such municipality that occurs after April 1, 2023 pursuant to the income thresholds

established pursuant to the provisions of this act, and the amount of real property tax revenue that would have been abated for such period pursuant to the income thresholds that were in effect immediately prior to the effective date of this act.

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