

# 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:

1 Section 1. Paragraph (b) of subdivision 1 of section 467 of the real  
2 property tax law, as amended by section 1 of part B of chapter 686 of  
3 the laws of 2022, is amended to read as follows:

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

11 ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION
12	EXEMPT FROM TAXATION OR PILOT
13 More than (M) but	
14 [ <del>less than (M+ \$1,000)</del> ]	<del>45 per centum</del>
15 <del>(M+ \$1,000 or more) but</del>	
16 <del>less than (M+ \$2,000)</del>	<del>40 per centum</del>
17 <del>(M+ \$2,000 or more) but]</del>	
18 less than (M+ [ <del>\$3,000</del>	35 per centum
19 <del>\$10,000)</del>	
20 [ <del>(M+ \$3,000 or more) but</del>	
21 <del>less than (M+ \$3,900)</del>	<del>30 per centum</del>
22 <del>(M+ \$3,900 or more) but</del>	

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

LBD06648-01-3

1 ~~less than (M+ \$4,800) 25 per centum~~  
 2 ~~(M+ \$4,800 or more) but~~  
 3 ~~less than (M+ \$5,700) 20 per centum]~~

4 (2) Any local law, ordinance or resolution adopted pursuant to subpar-  
 5 agraph one of this paragraph may be amended, or a local law, ordinance  
 6 or resolution may be adopted, to provide an exemption so as to increase  
 7 the maximum income eligibility level of such municipal corporation as  
 8 provided in subdivision three of this section (represented in the here-  
 9 inbelow schedule as M), and as increased as provided for in such subpar-  
 10 agraph one to the extent provided in the following schedule:

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

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

25 ANNUAL INCOME	26 PERCENTAGE ASSESSED VALUATION EXEMPT FROM TAXATION OR PILOT
27 (M+ [ <del>\$7,500</del> <u>\$25,000</u> or more)	
28 less than (M+ [ <del>\$8,400</del>	29 5 per centum
29 <u>\$35,000</u> )	

30 § 2. Paragraph (a) of subdivision 3 of section 467 of the real proper-  
 31 ty tax law, as separately amended by chapter 488 and section 1 of part B  
 32 of chapter 686 of the laws of 2022, is amended to read as follows:

33 (a) if the income of the owner or the combined income of the owners of  
 34 the property for the income tax year immediately preceding the date of  
 35 making application for exemption exceeds the sum of three thousand  
 36 dollars, or such other sum not less than three thousand dollars nor more  
 37 than twenty-six thousand dollars beginning July first, two thousand six,  
 38 twenty-seven thousand dollars beginning July first, two thousand seven,  
 39 twenty-eight thousand dollars beginning July first, two thousand eight,  
 40 twenty-nine thousand dollars beginning July first, two thousand nine,  
 41 fifty thousand dollars beginning July first, two thousand twenty-two,  
 42 and [~~in a city with a population of one million or more~~] fifty thousand  
 43 dollars beginning July first, two thousand seventeen, as may be provided  
 44 by the local law, ordinance or resolution adopted pursuant to this  
 45 section. Where the taxable status date is on or before April fourteenth,  
 46 income tax year shall mean the twelve-month period for which the owner  
 47 or owners filed a federal personal income tax return for the year before  
 48 the income tax year immediately preceding the date of application and  
 49 where the taxable status date is on or after April fifteenth, income tax

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 § 3. Paragraph (b) of subdivision 1 of section 459-c of the real prop-  
 43 erty tax law, as amended by section 2 of part B of chapter 686 of the  
 44 laws of 2022, is amended to read as follows:

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

51 ANNUAL INCOME	PERCENTAGE ASSESSED VALUATION
52	EXEMPT FROM TAXATION OR PILOT
53 More than (M) but	
54 [ <del>less than (M+ \$1,000)</del>	<del>45 per centum</del>
55 <del>(M+ \$1,000 or more) but</del>	

~~1 less than (M+ \$2,000) 40 per centum~~  
~~2 (M+ \$2,000 or more) but ]~~  
 3 less than (M+ [~~\$3,000~~ \$10,000) 35 per centum  
~~4 [(M+ \$3,000 or more) but~~  
~~5 less than (M+ \$3,900) 30 per centum~~  
~~6 (M+ \$3,900 or more) but~~  
~~7 less than (M+ \$4,800) 25 per centum~~  
~~8 (M+ \$4,800 or more) but~~  
~~9 less than (M+ \$5,700) 20 per centum]~~  
 10 (M+ [~~\$5,700~~ \$10,000 or more) but  
 11 less than (M+ [~~\$6,600~~ \$25,000) 15 per centum  
~~12 [(M+ \$6,600 or more) but~~  
~~13 less than (M+ \$7,500) 10 per centum]~~  
 14 (M + [~~\$7,500~~ \$25,000 or more) but  
 15 less than (M+ [~~\$8,400~~ \$35,000) 5 per centum

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

19 (a) if the income of the owner or the combined income of the owners of  
 20 the property for the income tax year immediately preceding the date of  
 21 making application for exemption exceeds the sum of three thousand  
 22 dollars, or such other sum not less than three thousand dollars nor more  
 23 than twenty-six thousand dollars beginning July first, two thousand six,  
 24 twenty-seven thousand dollars beginning July first, two thousand seven,  
 25 twenty-eight thousand dollars beginning July first, two thousand eight,  
 26 twenty-nine thousand dollars beginning July first, two thousand nine,  
 27 and fifty thousand dollars beginning July first, two thousand twenty-  
 28 two, and [~~in a city with a population of one million or more~~] fifty  
 29 thousand dollars beginning July first, two thousand seventeen, as may be  
 30 provided by the local law or resolution adopted pursuant to this  
 31 section. Income tax year shall mean the twelve month period for which  
 32 the owner or owners filed a federal personal income tax return, or if no  
 33 such return is filed, the calendar year. Where title is vested in either  
 34 the husband or the wife, their combined income may not exceed such sum,  
 35 except where the husband or wife, or ex-husband or ex-wife is absent  
 36 from the property due to divorce, legal separation or abandonment, then  
 37 only the income of the spouse or ex-spouse residing on the property  
 38 shall be considered and may not exceed such sum. Such income shall  
 39 include social security and retirement benefits, interest, dividends,  
 40 total gain from the sale or exchange of a capital asset which may be  
 41 offset by a loss from the sale or exchange of a capital asset in the  
 42 same income tax year, net rental income, salary or earnings, and net  
 43 income from self-employment, but shall not include a return of capital,  
 44 gifts, inheritances or monies earned through employment in the federal  
 45 foster grandparent program and any such income shall be offset by all  
 46 medical and prescription drug expenses actually paid which were not  
 47 reimbursed or paid for by insurance, if the governing board of a munici-  
 48 pality, after a public hearing, adopts a local law or resolution provid-  
 49 ing therefor. In computing net rental income and net income from self-  
 50 employment no depreciation deduction shall be allowed for the  
 51 exhaustion, wear and tear of real or personal property held for the  
 52 production of income;

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

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

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