

STATE OF NEW YORK

10779

IN ASSEMBLY

April 1, 2026

Introduced by M. of A. BRABENEC -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law and the education law, in relation to establishing a real property tax freeze credit

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

1 Section 1. Section 606 of the tax law is amended by adding a new
2 subsection (bbb) to read as follows:

3 (bbb) Real property tax freeze credit. (1) As used in this subsection:

4 (A) "Freeze-compliant budget" means a budget of a taxing jurisdiction
5 that has met the requirements of section two thousand twenty-three-b of
6 the education law.

7 (B) "Dependent school district" means a school district that is
8 subject to article fifty-two of the education law and that has a popu-
9 lation of less than one million.

10 (B-1) "Independent special district" means a special district as
11 defined by section one hundred two of the real property tax law that
12 either: (i) has a separate independent elected board, and either has the
13 authority to levy a tax, or can require a municipal corporation to levy
14 a tax on its behalf; or (ii) has a separate independent board appointed
15 by the governing body of another municipal corporation and either has
16 the authority to levy a tax or can require a municipal corporation to
17 levy a tax on its behalf.

18 (C) "STAR exemption" means the school tax relief exemption authorized
19 by section four hundred twenty-five of the real property tax law.

20 (D) "STAR credit" means the school tax relief credit authorized by
21 subsection (eee) of this section.

22 (E) "Taxing jurisdiction" means a county, city, town, village, school
23 district or an independent special district, except that such term shall
24 not include a city with a population of one million or more, nor shall
25 it include a county wholly located within such a city.

26 (F) "Levy credit factor" means the allowable levy growth factor for a
27 taxing jurisdiction, as determined pursuant to section three-c of the

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

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1 general municipal law or section two thousand twenty-three-a of the
2 education law, minus one.

3 (2) An individual taxpayer who meets the eligibility standards set
4 forth in paragraph three of this subsection and whose primary residence
5 is located in a taxing jurisdiction that has a freeze-compliant budget
6 for the fiscal year starting in two thousand twenty-seven, two thousand
7 twenty-eight and two thousand twenty-nine shall be allowed a credit
8 against the taxes imposed by this article. Subject to the provisions of
9 paragraph six of this subsection, such credit shall be determined as
10 follows:

11 (A) If a school district other than a dependent school district has a
12 freeze-compliant budget for its fiscal year starting in two thousand
13 twenty-seven, a credit shall be allowed for the eligible taxpayer's two
14 thousand twenty-seven taxable year in the amount that is the greater of
15 the amount by which the real property taxes imposed upon such residence
16 by or on behalf of that school district for the fiscal year starting in
17 two thousand twenty-seven exceeds the real property taxes so imposed for
18 the fiscal year starting in two thousand twenty-six, or the product of
19 the real property taxes imposed upon such residence by or on behalf of
20 that school district for the fiscal year starting in two thousand twen-
21 ty-six multiplied by the levy credit factor for that school district for
22 the fiscal year starting in two thousand twenty-seven.

23 (B) If a taxing jurisdiction, other than a school district or a city
24 with a dependent school district, has a freeze-compliant budget for its
25 fiscal year starting in two thousand twenty-eight, a credit shall be
26 allowed for the eligible taxpayer's two thousand twenty-eight taxable
27 year in the amount that is the greater of the amount by which the real
28 property taxes imposed upon such residence by or on behalf of that
29 taxing jurisdiction for the fiscal year starting in two thousand twen-
30 ty-eight exceeds the real property taxes so imposed for the fiscal year
31 starting in two thousand twenty-seven, or the product of the real prop-
32 erty taxes imposed upon such residence by or on behalf of that taxing
33 jurisdiction for the fiscal year starting in two thousand twenty-seven
34 multiplied by the levy credit factor for that taxing jurisdiction for
35 the fiscal year starting in two thousand twenty-eight.

36 (C) If a school district other than a dependent school district has a
37 freeze-compliant budget for its fiscal year starting in two thousand
38 twenty-eight, a credit shall be allowed for the eligible taxpayer's two
39 thousand twenty-eight taxable year in the amount by which the real prop-
40 erty taxes imposed upon such residence by or on behalf of such school
41 district for the fiscal year starting in two thousand twenty-seven
42 exceeds the real property taxes so imposed for the fiscal year identi-
43 fied as follows:

44 (i) if the school district's budget for the fiscal year starting in
45 two thousand twenty-seven was a freeze-compliant budget, a credit shall
46 be allowed for the eligible taxpayer's two thousand twenty-eight taxable
47 year in the amount of the credit for school district taxes allowed for
48 the eligible taxpayer's two thousand twenty-seven taxable year; together
49 with the amount that is the greater of the amount by which the real
50 property taxes imposed upon such residence by or on behalf of that
51 school district for the fiscal year starting in two thousand twenty-
52 eight exceeds the real property taxes so imposed for the fiscal year
53 starting in two thousand twenty-seven, or the product of the real prop-
54 erty taxes imposed upon such residence by or on behalf of such school
55 district for the fiscal year starting in two thousand twenty-seven

1 multiplied by the levy credit factor for that school district for the
2 fiscal year starting in two thousand twenty-eight.

3 (ii) if the school district's budget for the fiscal year starting in
4 two thousand twenty-seven was not a freeze-compliant budget, a credit
5 shall be allowed for the eligible taxpayer's two thousand twenty-eight
6 taxable year in the amount that is the greater of the amount by which
7 the real property taxes imposed upon such residence by or on behalf of
8 that school district for the fiscal year starting in two thousand twen-
9 ty-eight exceeds the real property taxes so imposed for the fiscal year
10 starting in two thousand twenty-seven, or the product of the real prop-
11 erty taxes imposed upon such residence by or on behalf of such school
12 district for the fiscal year starting in two thousand twenty-seven
13 multiplied by the levy credit factor for such school district for the
14 fiscal year starting in two thousand twenty-eight.

15 (D) If a taxing jurisdiction, other than a school district or a city
16 with a dependent school district, has a freeze-compliant budget for its
17 fiscal year starting in two thousand twenty-nine:

18 (i) if the taxing jurisdiction's budget for the fiscal year starting
19 in two thousand twenty-eight was a freeze-compliant budget, a credit
20 shall be allowed for the eligible taxpayer's two thousand twenty-nine
21 taxable year in the amount of the credit for the taxes imposed by or on
22 behalf of such taxing jurisdiction allowed for the eligible taxpayer's
23 two thousand twenty-eight taxable year; together with the amount that is
24 the greater of the amount by which the real property taxes imposed upon
25 such residence by or on behalf of such taxing jurisdiction for the
26 fiscal year starting in two thousand twenty-nine exceeds the real prop-
27 erty taxes imposed upon such residence by or on behalf of that taxing
28 jurisdiction for the fiscal year starting in two thousand twenty-eight,
29 or the product of the real property taxes imposed upon such residence by
30 or on behalf of such taxing jurisdiction for the fiscal year starting in
31 two thousand twenty-eight multiplied by the levy credit factor for such
32 taxing jurisdiction for the fiscal year starting in two thousand twen-
33 ty-nine.

34 (ii) if the taxing jurisdiction's budget for the fiscal year starting
35 in two thousand twenty-eight was not a freeze-compliant budget, a credit
36 shall be allowed for the eligible taxpayer's two thousand twenty-nine
37 taxable year in the amount that is the greater of the amount by which
38 the real property taxes imposed upon such residence by or on behalf of
39 such taxing jurisdiction for the fiscal year starting in two thousand
40 twenty-nine exceeds the real property taxes so imposed for the fiscal
41 year starting in two thousand twenty-eight, or the product of the real
42 property taxes imposed upon such residence by or on behalf of such
43 taxing jurisdiction for the fiscal year starting in two thousand twen-
44 ty-eight multiplied by the levy credit factor for such taxing jurisdic-
45 tion for the fiscal year starting in two thousand twenty-nine.

46 (E) If a city with a dependent school district has a freeze-compliant
47 budget for its fiscal year starting in two thousand twenty-seven, a tax
48 credit shall be allowed for the eligible taxpayer's two thousand twen-
49 ty-seven taxable year in the amount equivalent to sixty-eight percent of
50 the amount that is the greater of the amount by which the real property
51 taxes imposed upon such residence by or on behalf of that city for the
52 fiscal year starting in two thousand twenty-seven exceeds the real prop-
53 erty taxes so imposed for the fiscal year starting in two thousand twen-
54 ty-six, or the product of the real property taxes imposed upon such
55 residence by or on behalf of such city for the fiscal year starting in

1 two thousand twenty-six multiplied by the levy credit factor for such
2 city for the fiscal year starting in two thousand twenty-seven.

3 (F) If a city with a dependent school district has a freeze-compliant
4 budget for its fiscal year starting in two thousand twenty-eight:

5 (i) if the city's budget for the fiscal year starting in two thousand
6 twenty-six was a freeze-compliant budget, a credit shall be allowed for
7 the eligible taxpayer's two thousand twenty-eight taxable year in an
8 amount equivalent to thirty-three percent of the amount that is the
9 greater of the amount by which the real property taxes imposed upon such
10 residence by that city for the fiscal year starting in two thousand
11 twenty-seven exceeds the real property taxes so imposed for the fiscal
12 year starting in two thousand twenty-six, or the product of the real
13 property taxes imposed upon such residence by or on behalf of such city
14 for the fiscal year starting in two thousand twenty-six multiplied by
15 the levy credit factor for such city for the fiscal year starting in two
16 thousand twenty-seven; together with the amount of the credit for the
17 taxes imposed by or on behalf of such city allowed for the eligible
18 taxpayer's two thousand twenty-six taxable year; and together with an
19 amount equivalent to sixty-seven percent of the amount that is the
20 greater of the amount by which the real property taxes imposed upon such
21 residence by that city for the fiscal year starting in two thousand
22 twenty-eight exceeds the real property taxes so imposed for the fiscal
23 year starting in two thousand twenty-seven; or the product of the real
24 property taxes imposed upon such residence by or on behalf of such city
25 for the fiscal year starting in two thousand twenty-seven multiplied by
26 the levy credit factor for such city for the fiscal year starting in two
27 thousand twenty-eight; and a credit shall be allowed for the eligible
28 taxpayer's two thousand twenty-nine taxable year in an amount equivalent
29 to thirty-three percent of the amount that is the greater of the amount
30 by which the real property taxes imposed upon such residence by that
31 city for the fiscal year starting in two thousand twenty-eight exceeds
32 the real property taxes so imposed for the fiscal year starting in two
33 thousand twenty-seven, or the product of the real property taxes imposed
34 upon such residence by or on behalf of such city for the fiscal year
35 starting in two thousand twenty-eight multiplied by the levy credit
36 factor for such city for the fiscal year starting in two thousand twen-
37 ty-eight; together with an amount equivalent to 49.25 percent of the
38 amount of the credit for the taxes imposed by or on behalf of such city
39 allowed for the eligible taxpayer's two thousand twenty-seven taxable
40 year.

41 (ii) if the city's budget for the fiscal year starting in two thousand
42 twenty-seven was not a freeze-compliant budget, a credit shall be
43 allowed for the eligible taxpayer's two thousand twenty-eight taxable
44 year in an amount equivalent to sixty-seven percent of the amount that
45 is the greater of the amount by which the real property taxes imposed
46 upon such residence by that city for the fiscal year starting in two
47 thousand twenty-eight exceeds the real property taxes so imposed for the
48 fiscal year starting in two thousand twenty-seven or the product of the
49 real property taxes imposed upon such residence by or on behalf of such
50 city for the fiscal year starting in two thousand twenty-seven multi-
51 plied by the levy credit factor for such city for the fiscal year start-
52 ing in two thousand twenty-eight; and a credit shall be allowed for the
53 eligible taxpayer's two thousand twenty-nine taxable year in an amount
54 equivalent to thirty-three percent of the amount that is the greater of
55 the amount by which the real property taxes imposed upon such residence
56 by that city for the fiscal year starting in two thousand twenty-eight

1 exceeds the real property taxes so imposed for the fiscal year starting
2 in two thousand twenty-seven or the product of the real property taxes
3 imposed upon such residence by or on behalf of such city for the fiscal
4 year starting in two thousand twenty-seven multiplied by the levy credit
5 factor for such city for the fiscal year starting in two thousand twen-
6 ty-eight.

7 (G) If a city with a dependent school district has a freeze-compliant
8 budget for its fiscal year starting in two thousand twenty-seven but
9 does not have a freeze-compliant budget for its fiscal year starting in
10 two thousand twenty-eight, a tax credit shall be allowed for the eligi-
11 ble taxpayer's two thousand twenty-eight taxable year an amount repres-
12 enting thirty-three percent of the amount that is the greater of the
13 amount by which the real property taxes imposed upon such residence by
14 that city for the fiscal year starting in two thousand twenty-seven
15 exceeds the real property taxes so imposed for the fiscal year starting
16 in two thousand twenty-six or the product of the real property taxes
17 imposed upon such residence by or on behalf of such city for the fiscal
18 year starting in two thousand twenty-six multiplied by the levy credit
19 factor for such city for the fiscal year starting in two thousand twen-
20 ty-seven.

21 (3) To be eligible for such credit, the taxpayer, or taxpayers filing
22 joint returns, must meet the following criteria:

23 (A) For the two thousand twenty-seven taxable year, the taxpayer's
24 primary residence must have qualified for the STAR exemption or credit
25 for the two thousand twenty-seven--two thousand twenty-eight school
26 year, or would have so qualified if an application for such benefit had
27 been submitted in a timely manner.

28 (B) For the two thousand twenty-eight taxable year, the taxpayer's
29 primary residence must have qualified for the STAR exemption or credit
30 for the two thousand twenty-eight--two thousand twenty-nine school year,
31 or would have so qualified if an application for such benefit had been
32 submitted in a timely manner.

33 (C) For the two thousand twenty-nine taxable year, the taxpayer's
34 primary residence must have qualified for the STAR exemption or credit
35 for the two thousand twenty-nine--two thousand thirty school year, or
36 would have so qualified if an application for such benefit had been
37 submitted in a timely manner.

38 (4) For each year this credit is allowed, the commissioner shall
39 determine the taxpayer's eligibility for this credit utilizing the
40 information available to the commissioner. When the commissioner has
41 determined a taxpayer to be eligible for this credit, the commissioner
42 shall advance a payment of the amount determined in accordance with this
43 subsection. The taxpayer shall not apply for such credit in conjunction
44 with the filing of their return. A taxpayer who has failed to receive an
45 advance payment that they believe was due to them, or who has received
46 an advance payment that they believe is less than the amount that was
47 due to them, may request payment of the claimed deficiency in a manner
48 prescribed by the commissioner.

49 (5) If the amount of the credit allowed under this subsection, if any,
50 shall exceed the taxpayer's tax for the taxable year, the excess shall
51 be treated as an overpayment of tax to be credited or refunded in
52 accordance with the provisions of section six hundred eighty-six of this
53 article, provided, however, that no interest shall be paid thereon.

54 (6) The following provisions shall apply to the calculation of the
55 credit pursuant to paragraph two of this subsection:

1 (A) If the tax bill pertaining to the eligible taxpayer's primary
2 residence includes taxes levied by or on behalf of multiple taxing
3 jurisdictions, the credit shall be based upon the change in the aggre-
4 gate tax liability of such residence, provided that any tax appearing on
5 the tax bill that is not attributable to a freeze-compliant budget shall
6 be disregarded when determining the aggregate tax liability of such
7 residence.

8 (B) If the tax bill pertaining to the eligible taxpayer's primary
9 residence includes relieved taxes or other taxes that were previously
10 billed but not paid, those taxes shall be disregarded when determining
11 the aggregate tax liability of such residence.

12 (C) If the tax bill pertaining to the eligible taxpayer's primary
13 residence includes usage charges, unit charges or other charges that are
14 based upon the consumption of a service, those charges shall be disre-
15 garded when determining the aggregate tax liability of such residence.

16 (D) Notwithstanding the foregoing provisions of this subsection, no
17 credit shall be allowed to the extent that the tax liability of the
18 eligible taxpayer's primary residence increased due to one or more of
19 the following events:

20 (i) A physical improvement to the eligible taxpayer's primary resi-
21 dence.

22 (ii) A removal or reduction of an exemption on the eligible taxpayer's
23 primary residence, including a reduction of the STAR exempt amount
24 calculated pursuant to subdivision two of section four hundred twenty-
25 five of the real property tax law.

26 (iii) A revaluation that caused the assessment of the eligible taxpay-
27 er's primary residence to increase by a percentage that is greater than
28 the applicable change in level of assessment. As used herein, the terms
29 "revaluation" and "change in level of assessment" shall have the same
30 meanings as defined in sections one hundred two and twelve hundred twen-
31 ty of the real property tax law, respectively.

32 (E) In the case of property consisting of a cooperative apartment
33 corporation that is described by paragraph (k) of subdivision two of
34 section four hundred twenty-five of the real property tax law, an eligi-
35 ble owner shall be allowed a credit in the amount equal to sixty percent
36 of the average tax credit in that taxing jurisdiction for that fiscal
37 year, as determined by the commissioner, or in the case of a cooperative
38 apartment corporation that is described by subparagraph (iv) of para-
39 graph (k) of subdivision two of section four hundred twenty-five of the
40 real property tax law, a credit of twenty percent of such average tax
41 credit.

42 (F) In the case of property consisting of a mobile home that is
43 described by paragraph (l) of subdivision two of section four hundred
44 twenty-five of the real property tax law, an eligible owner shall be
45 allowed a credit in the amount equal to twenty-five percent of the aver-
46 age tax credit in that taxing jurisdiction for that fiscal year, as
47 determined by the commissioner.

48 (G) In the case of a city with a dependent school district, it shall
49 be presumed that sixty-seven percent of the city tax bill is for school
50 district purposes and that thirty-three percent is for general city
51 purposes.

52 (H) The amount of the credit shall be rounded to the nearest dollar,
53 except where such amount is greater than zero and less than one dollar
54 and fifty cents, in which case the amount of the credit shall be rounded
55 up to two dollars.

1 (7) No credit shall be allowed under this subsection in relation to
2 property located within a city with a population of one million or more.

3 § 2. The education law is amended by adding a new section 2023-c to
4 read as follows:

5 § 2023-c. Certification of compliance with property tax freeze
6 requirements. 1. A school district that is subject to the provisions of
7 section two thousand twenty-three-a of this part must comply with the
8 requirements of this section in order to render its taxpayers eligible
9 for the real property tax freeze credit authorized by subsection (bbb)
10 of section six hundred six of the tax law for a fiscal year starting in
11 two thousand twenty-seven.

12 2. a. Upon the adoption of the budget of an eligible school district,
13 the chief executive officer of such school district shall certify to the
14 state comptroller, the commissioner of taxation and finance and the
15 commissioner that the budget so adopted does not exceed the tax levy
16 limit prescribed by section two thousand twenty-three-a of this part.
17 Such certification shall be made in a form and manner prescribed by the
18 state comptroller in consultation with the commissioner of taxation and
19 finance and the commissioner.

20 b. In order for such certification to give rise to a real property tax
21 freeze credit under subsection (bbb) of section six hundred six of the
22 tax law, such certification shall be made no later than the twenty-first
23 day of the fiscal year to which it applies.

24 c. If such a certification has been made and the actual tax levy of
25 the school district exceeds the applicable tax levy limit, the excess
26 amount shall be placed in reserve and used in the manner prescribed by
27 subdivision five of section two thousand twenty-three-a of this part,
28 even if a tax levy in excess of the tax levy limit had been duly author-
29 ized for the applicable fiscal year by the school district voters.

30 d. Notwithstanding any provision of law to the contrary, every school
31 district that is subject to the provisions of section two thousand twen-
32 ty-three-a of this part shall report both its proposed budget and its
33 adopted budget to the office of the state comptroller and the commis-
34 sioner at the time and in the manner as they may prescribe, whether or
35 not such budget has been or will be certified as provided by this subdi-
36 vision.

37 § 3. This act shall take effect immediately.