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:

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

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

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

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

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

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

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

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

(F) "Levy credit factor" means the allowable levy growth factor for a 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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general municipal law or section two thousand twenty-three-a of the education law, minus one.

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

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

(B) If a taxing jurisdiction, other than a school district or a city with a dependent school district, has a freeze-compliant budget for its fiscal year starting in two thousand twenty-eight, a credit shall be allowed for the eligible taxpayer's two thousand twenty-eight taxable year in the amount that is the greater of the amount by which the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in two thousand twenty-eight exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-seven, or the product of the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in two thousand twenty-seven multiplied by the levy credit factor for that taxing jurisdiction for the fiscal year starting in two thousand twenty-eight.

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

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

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

(ii) if the school district's budget for the fiscal year starting in two thousand twenty-seven was not a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's two thousand twenty-eight taxable year in the amount that is the greater of the amount by which the real property taxes imposed upon such residence by or on behalf of that school district for the fiscal year starting in two thousand twenty-eight exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-seven, or the product of the real property taxes imposed upon such residence by or on behalf of such school district for the fiscal year starting in two thousand twenty-seven multiplied by the levy credit factor for such school district for the fiscal year starting in two thousand twenty-eight.

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

(i) if the taxing jurisdiction's budget for the fiscal year starting in two thousand twenty-eight was a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's two thousand twenty-nine taxable year in the amount of the credit for the taxes imposed by or on behalf of such taxing jurisdiction allowed for the eligible taxpayer's two thousand twenty-eight taxable year; together with the amount that is the greater of the amount by which the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in two thousand twenty-nine exceeds the real property taxes imposed upon such residence by or on behalf of that taxing jurisdiction for the fiscal year starting in two thousand twenty-eight, or the product of the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in two thousand twenty-eight multiplied by the levy credit factor for such taxing jurisdiction for the fiscal year starting in two thousand twenty-nine.

(ii) if the taxing jurisdiction's budget for the fiscal year starting in two thousand twenty-eight was not a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's two thousand twenty-nine taxable year in the amount that is the greater of the amount by which the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in two thousand twenty-nine exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-eight, or the product of the real property taxes imposed upon such residence by or on behalf of such taxing jurisdiction for the fiscal year starting in two thousand twenty-eight multiplied by the levy credit factor for such taxing jurisdiction for the fiscal year starting in two thousand twenty-nine.

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

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

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

(i) if the city's budget for the fiscal year starting in two thousand twenty-six was a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's two thousand twenty-eight taxable year in an amount equivalent to thirty-three percent of the amount that is the greater of the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in two thousand twenty-seven exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-six, or the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in two thousand twenty-six multiplied by the levy credit factor for such city for the fiscal year starting in two thousand twenty-seven; together with the amount of the credit for the taxes imposed by or on behalf of such city allowed for the eligible taxpayer's two thousand twenty-six taxable year; and together with an amount equivalent to sixty-seven percent of the amount that is the greater of the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in two thousand twenty-eight exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-seven; or the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in two thousand twenty-seven multiplied by the levy credit factor for such city for the fiscal year starting in two thousand twenty-eight; and a credit shall be allowed for the eligible taxpayer's two thousand twenty-nine taxable year in an amount equivalent to thirty-three percent of the amount that is the greater of the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in two thousand twenty-eight exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-seven, or the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in two thousand twenty-eight multiplied by the levy credit factor for such city for the fiscal year starting in two thousand twenty-eight; together with an amount equivalent to 49.25 percent of the amount of the credit for the taxes imposed by or on behalf of such city allowed for the eligible taxpayer's two thousand twenty-seven taxable year.

(ii) if the city's budget for the fiscal year starting in two thousand twenty-seven was not a freeze-compliant budget, a credit shall be allowed for the eligible taxpayer's two thousand twenty-eight taxable year in an amount equivalent to sixty-seven percent of the amount that is the greater of the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in two thousand twenty-eight exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-seven or the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in two thousand twenty-seven multiplied by the levy credit factor for such city for the fiscal year starting in two thousand twenty-eight; and a credit shall be allowed for the eligible taxpayer's two thousand twenty-nine taxable year in an amount equivalent to thirty-three percent of the amount that is the greater of the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in two thousand twenty-eight

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

(G) If a city with a dependent school district has a freeze-compliant budget for its fiscal year starting in two thousand twenty-seven but does not have a freeze-compliant budget for its fiscal year starting in two thousand twenty-eight, a tax credit shall be allowed for the eligible taxpayer's two thousand twenty-eight taxable year an amount representing thirty-three percent of the amount that is the greater of the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in two thousand twenty-seven exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-six or the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in two thousand twenty-six multiplied by the levy credit factor for such city for the fiscal year starting in two thousand twenty-seven.

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

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

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

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

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

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

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

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

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

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

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

(i) A physical improvement to the eligible taxpayer's primary residence.

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

(iii) A revaluation that caused the assessment of the eligible taxpayer's primary residence to increase by a percentage that is greater than the applicable change in level of assessment. As used herein, the terms "revaluation" and "change in level of assessment" shall have the same meanings as defined in sections one hundred two and twelve hundred twenty of the real property tax law, respectively.

(E) In the case of property consisting of a cooperative apartment corporation that is described by paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, an eligible owner shall be allowed a credit in the amount equal to sixty percent of the average tax credit in that taxing jurisdiction for that fiscal year, as determined by the commissioner, or in the case of a cooperative apartment corporation that is described by subparagraph (iv) of paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, a credit of twenty percent of such average tax credit.

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

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

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

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

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

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

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

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

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

d. Notwithstanding any provision of law to the contrary, every school district that is subject to the provisions of section two thousand twenty-three-a of this part shall report both its proposed budget and its adopted budget to the office of the state comptroller and the commissioner at the time and in the manner as they may prescribe, whether or not such budget has been or will be certified as provided by this subdivision.

§ 3. This act shall take effect immediately.