

STATE OF NEW YORK

11678

IN ASSEMBLY

September 2, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Ra) -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to expanding the tax exemption for first-time home buyers

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

Section 1. Section 457 of the real property tax law, as added by chapter 529 of the laws of 2001, the closing paragraph of subdivision 1 and subdivision 7 as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, paragraph (a) of subdivision 2 as amended by chapter 496 of the laws of 2003, paragraph (c) of subdivision 2 as separately amended by chapter 529 of the laws of 2001 and chapter 496 of the laws of 2003 and subdivision 5 as amended by chapter 485 of the laws of 2022, is amended to read as follows:

§ 457. Exemption for first-time homebuyers [~~of newly constructed homes~~]. 1. [~~Newly constructed primary~~] **Primary** residential property purchased by one or more persons, each of whom is a first-time homebuyer and has not been married to a homeowner in the three years prior to applying for this first-time homeowners exemption, shall be exempt from taxation levied by or on behalf of any county, city, town, village or school district in which such [~~newly constructed~~] residential property is located, provided the legislative body or governing board of such county, city, town or village, after public hearing, adopts a local law, or a school district, other than a school district to which article fifty-two of the education law applies, adopts a resolution providing therefor. The length of such exemption shall be set forth in such local law or resolution, but in no event shall it exceed five years.

Such exemption shall be computed in accordance with the following table:

Year of Exemption	Percentage assessed Valuation exempt from tax
1	50
2	40
3	30
4	20

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

LBD16276-01-6

1	5	10
2	6 or more	0

3 A copy of such local laws or resolutions shall be filed with the
4 commissioner and the assessor of such county, city, town, or village who
5 prepares the assessment roll on which the taxes of such county, city,
6 town, village or school district are levied.

7 Local laws adopted pursuant to this section prior to assessment rolls
8 based upon taxable status dates occurring on or after March first, two
9 thousand twenty-seven may remain in effect as enacted unless the legis-
10 lative body or governing board of such county, city, town, village or
11 school district adopts a new resolution to expand the exemption to
12 include all primary residential properties purchased by eligible first-
13 time homebuyers.

14 2. (a) Any [~~newly constructed~~] primary residential real property with-
15 in the purchase price limits defined by the state of New York mortgage
16 agency low interest rate mortgage program in the non-target, one family
17 new category for the county where such property is located and in effect
18 on the contract date for the purchase and sale of such property, shall
19 be eligible for the exemption allowed pursuant to this section.

20 (b) A first-time homebuyer who either as part of the written contract
21 for sale of the primary residential property, or who enters into a writ-
22 ten contract within ninety days after closing of the sale of the primary
23 residence for reconstruction, alteration or improvements, the value of
24 which exceeds three thousand dollars, to the primary residential proper-
25 ty shall be exempt from taxation to the extent provided by this section.
26 Such exemption shall apply solely to the increase in assessed value
27 thereof attributable to such reconstruction, alteration or improvement
28 provided that the assessed value after reconstruction, alteration, or
29 improvements does not exceed fifteen percent more than the purchase
30 price limits as defined in paragraph (a) of this subdivision. For
31 purposes of this section the terms reconstruction, alteration and
32 improvement shall not include ordinary maintenance and repairs.

33 (c) A first-time homebuyer shall not qualify for the exemption author-
34 ized pursuant to this section if the household income exceeds income
35 limits defined by the state of New York mortgage agency low interest
36 rate mortgage program in the non-target, one and two person household
37 category for the county where such property is located and in effect on
38 the contract date for the purchase and sale of such property.

39 (i) The term "household income" as used herein shall mean the total
40 combined income of all the owners, and of any owners' spouses residing
41 on the premises, for the income tax year preceding the date of making
42 application for the exemption.

43 (ii) The term "income" as used herein shall mean the "adjusted gross
44 income" for federal income tax purposes as reported on the applicant's
45 latest available federal or state income tax return subject to any
46 subsequent amendments or revisions, reduced by distributions, to the
47 extent included in federal adjusted gross income, received from an indi-
48 vidual retirement account and an individual retirement annuity; provided
49 that if no such return was filed within the one year period preceding
50 taxable status date, "income" shall mean the adjusted gross income that
51 would have been so reported if such a return had been filed. For
52 purposes of this subdivision, "latest available return" shall mean the
53 federal or state income tax return for the year immediately preceding
54 the date of making application, provided however, that if the tax return
55 for such tax year has not been filed, then the income tax return for the

1 tax year two years preceding the date of making application shall be
2 considered the latest available.

3 3. [~~Newly constructed primary~~] Primary residential property purchased
4 by first-time homebuyers at a sales price greater than the maximum
5 eligible sales price shall qualify for the exemption allowed pursuant to
6 this section for that portion of the sales price of such [~~newly~~
7 ~~constructed~~] primary residential property equal to the maximum eligible
8 sales price, provided, however, that any [~~newly constructed~~] primary
9 residential property purchased at a sales price greater than fifteen
10 percent above the maximum eligible sales price shall not be allowed any
11 exemption.

12 4. The legislative body or governing board of a county, city, town or
13 village may adopt a local law, or a school district, other than a school
14 district to which article fifty-two of the education law applies may
15 adopt a resolution to provide for an increase not to exceed twenty-five
16 per centum on the purchase price limit used for eligibility for the
17 exemption provided for in this section.

18 5. No exemption shall be allowed pursuant to this section for any
19 [~~newly constructed~~] primary residential property purchased by a first-
20 time homebuyer on or after December thirty-first, two thousand [~~twenty-~~
21 ~~eight~~] thirty-four, unless such purchase is pursuant to a binding writ-
22 ten contract entered into prior to December thirty-first, two thousand
23 [~~twenty-eight~~] thirty-four. Provided, however, that any first-time home-
24 buyer who is allowed an exemption pursuant to this section prior to such
25 date shall continue to be allowed further exemptions pursuant to subdi-
26 vision one of this section.

27 6. (a) No portion of a single family [~~newly constructed~~] primary resi-
28 dential property shall be leased during the period of time when the
29 first-time homeowner exemption shall apply to the residence. If any
30 portion of the single family [~~newly constructed~~] primary residential
31 property is found to be the subject of a lease agreement the assessor
32 shall discontinue any exemption granted pursuant to this section.

33 (b) In the event that a primary residential property granted an
34 exemption pursuant to this section ceases to be used primarily for resi-
35 dential purposes or title thereto is transferred to other than the heirs
36 or distributees of the owner, the exemption granted pursuant to this
37 section shall be discontinued.

38 (c) Upon determining that an exemption granted pursuant to this
39 section should be discontinued, the assessor shall mail a notice so
40 stating to the owner or owners thereof at the time and in the manner
41 provided by section five hundred ten of this chapter. Such owner or
42 owners shall be entitled to seek administrative and judicial review of
43 such action in the manner provided by law, provided that the burden
44 shall be on such owner or owners to establish eligibility for the
45 exemption.

46 7. Such exemption shall be granted only upon application by the owner
47 of such building on a form prescribed by the commissioner. The applica-
48 tion shall be filed with the assessor of the city, town, village or
49 county having the power to assess property for taxation on or before the
50 appropriate taxable status date of such city, town, village and county.

51 8. If satisfied that the applicant is entitled to an exemption pursu-
52 ant to this section, the assessor shall approve the application and such
53 primary residential property shall thereafter be exempt from taxation
54 and special ad valorem levies as provided in this section commencing
55 with the assessment roll prepared on the basis of the taxable status
56 date referred to in subdivision seven of this section. The assessed

1 value of any exemption granted pursuant to this section shall be entered
2 by the assessor on the assessment roll with the taxable property, with
3 the amount of the exemption shown in a separate column.

4 9. For purposes of this section: (a) "first-time homebuyer" means a
5 person who has not owned a primary residential property and is not
6 married to a person who has owned a residential property during the
7 three-year period prior to ~~[his or her]~~ **their** purchase of the primary
8 residential property, and who does not own a vacation or investment
9 home.

10 (b) "Primary residential property" means any one or two family house,
11 townhouse or condominium located in this state which is owner occupied
12 by such homebuyer.

13 ~~[(c) "Newly constructed" means an improvement to real property which~~
14 ~~was constructed as a primary residential property, and which has never~~
15 ~~been occupied and was constructed after the effective date of this~~
16 ~~section. "Newly constructed" shall also mean that portion of a primary~~
17 ~~residential property that is altered, improved or reconstructed.]~~

18 § 2. This act shall take effect immediately and shall apply to assess-
19 ment rolls based on taxable status dates beginning on or after March 31,
20 2027.