STATE OF NEW YORK

5850

2025-2026 Regular Sessions

IN SENATE

March 3, 2025

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the real property tax law and the tax law, in relation to the definition of income in relation to the enhanced STAR exemption

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

Section 1. Subparagraph (ii) of paragraph (b) of subdivision 4 of section 425 of the real property tax law, as amended by section 1 of part B of chapter 59 of the laws of 2018, is amended to read as follows:

(ii) The term "income" as used herein shall mean the "adjusted gross income" for federal income tax purposes as reported on the applicant's federal or state income tax return for the applicable income tax year, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity**, and distribution from a thrift savings plan established prior to January first, nineteen hundred eighty-four**; provided that if no such return was filed for the applicable income tax year, "income" shall mean the adjusted gross income that would have been so reported if such a return had been filed. Provided further, that effective with exemption applications for final assessment rolls to be completed in two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return for the applicable income tax year, then in order for the application to be considered complete, each such individual must file a statement with the department showing the source or sources of [~~his or her~~] **the individual's** income for that income tax year, and the amount or amounts thereof, that would have been reported on such a return if one had been filed. Such statement shall be filed at such time, and in such form and manner, as may be prescribed by the department, and shall be subject to the secrecy provisions of the tax law to the same extent that

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

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a personal income tax return would be. The department shall make such forms and instructions available for the filing of such statements. The local assessor shall upon the request of a taxpayer assist such taxpayer in the filing of the statement with the department.

§ 2. Subparagraph (B) of paragraph 1 of subsection (eee) of section 606 of the tax law, as amended by section 10 of part B of chapter 59 of the laws of 2018, is amended to read as follows:

(B) "Affiliated income" shall mean for purposes of the basic STAR credit, the combined income of all of the owners of the parcel who resided primarily thereon as of December thirty-first of the taxable year, and of any owners' spouses residing primarily thereon as of such date, and for purposes of the enhanced STAR credit, the combined income of all of the owners of the parcel as of December thirty-first of the taxable year, and of any owners' spouses residing primarily thereon as of such date; provided that for both purposes the income to be so combined shall be the "adjusted gross income" for the taxable year as reported for federal income tax purposes, or that would be reported as adjusted gross income if a federal income tax return were required to be filed, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity**, and distribution from a thrift savings plan established prior to January first, nineteen hundred eighty-four**. For taxable years beginning on and after January first, two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return pursuant to section six hundred fifty-one of this article for the applicable income tax year, then in order to be eligible for the credit authorized by this subsection, each such individual must file a statement with the department showing the source or sources of [~~his or her~~] **the individiual's** income for that income tax year, and the amount or amounts thereof, that would have been reported on such a return if one had been filed. Such statement shall be filed at such time, and in such form and manner, as may be prescribed by the department, and shall be subject to the provisions of section six hundred ninety-seven of this article to the same extent that a return would be. The department shall make such forms and instructions available for the filing of such statements. The local assessor shall upon the request of a taxpayer assist such taxpayer in the filing of the statement with the department. Provided further, that if the qualified taxpayer was an owner of the property during the taxable year but did not own it on December thirty-first of the taxable year, then the determination as to whether the income of an individual should be included in "affiliated income" shall be based upon the ownership and/or residency status of that individual as of the first day of the month during which the qualified taxpayer ceased to be an owner of the property, rather than as of December thirty-first of the taxable year.

§ 3. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.