STATE OF NEW YORK

5864

2025-2026 Regular Sessions

IN SENATE

March 3, 2025

Introduced by Sens. GOUNARDES, HELMING -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to establishing a tax credit for rent paid on the personal residence of certain taxpayers

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) Rent relief credit. (1) Allowance of credit. A qualified taxpayer shall be allowed a credit to be computed as provided in paragraph two of this subsection against the tax imposed by this article.

(2) Computation of credit. (A) Except as provided in subparagraphs (B) and (C) of this paragraph the amount of the credit allowed under this subsection shall be as follows:

(i) One hundred percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is twenty-five thousand dollars or less;

(ii) Seventy-five percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is greater than twenty-five thousand dollars but less than fifty thousand dollars;

(iii) Fifty percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is fifty thousand dollars or greater but less than seventy-five thousand dollars;

(iv) Twenty-five percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is seventy-five thousand dollars or greater but less than one hundred thousand dollars; or

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

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(v) Zero percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is one hundred thousand dollars or greater.

(B) Notwithstanding the provisions of subparagraph (A) of this paragraph, where the primary residence of a taxpayer is located in an area for which, under the rule published in the federal register on November sixteenth of two thousand sixteen (81 Fed. Reg. 80567), the small area fair market rent is used for purposes of the federal housing choice voucher program the amount of the credit allowed under this subsection shall be as follows:

(i) One hundred percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is twenty-five thousand dollars or less;

(ii) Seventy-five percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is greater than twenty-five thousand dollars but less than fifty thousand dollars;

(iii) Fifty percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is fifty thousand dollars or greater but less than seventy-five thousand dollars;

(iv) Twenty-five percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is seventy-five thousand dollars or greater but less than one hundred twenty-five thousand dollars; or

(v) Zero percent of the excess of thirty percent of the taxpayer's gross income such taxpayer pays in rent for such taxable year for taxpayers whose gross income is one hundred twenty-five thousand dollars or greater.

(C) Notwithstanding the provisions of subparagraph (A) or (B) of this paragraph, where the rent of the primary residence of a taxpayer is subsidized under a federal, state, local or tribal program, the amount of the credit allowed under this subsection shall be equal to one-twelfth of the amount of rent paid by such taxpayer that is not subsidized under any such program during the taxable year with respect to such residence.

(3) Limitation on amount of credit. For the purposes of determining the amount of the credit allowed under this subsection, with respect to a primary residence for the taxable year, there shall not be taken into account rent in excess of an amount equal to one hundred fifty percent of the fair market rent, including the utility allowance, applicable to such residence, as most recently published, as of the beginning of the taxable year, by the United States department of housing and urban development.

(4) Application of credit. If the amount of the credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such 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.

(5) Administration. The commissioner shall have the authority to promulgate such rules and regulations as may be necessary for the processing, determination and granting of credits under this subsection.

(6) Definitions. As used in this subsection, the following terms shall have the following meanings:

(A) "Qualified taxpayer" shall mean an individual who leases the individual's primary residence during the taxable year and who pays rent with respect to such residence in excess of thirty percent of such taxpayer's gross income for such taxable year.

(B) "Rent" shall include any amount paid for utilities.

(C) "Gross income" shall mean the federal adjusted gross income of a taxpayer.

§ 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law, and shall apply to taxable years commencing on and after such date. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.