STATE OF NEW YORK

11694

IN ASSEMBLY

September 2, 2026

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

AN ACT to amend the real property tax law, in relation to establishing a tax rebate program for rent-stabilized housing

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

Section 1. Legislative findings and purpose. The legislature finds that rent-stabilized apartments provide vital affordable housing to low- and moderate-income New Yorkers. However, property taxes can consume a disproportionate share of the rental income from such apartments, threatening their long-term affordability and sustainability. The purpose of this act is to establish a tax rebate program that targets buildings with individually occupied rent-stabilized apartments where the property tax burden significantly exceeds rental income, and to do so in a fiscally responsible and administratively coordinated manner.

§ 2. The real property tax law is amended by adding a new section 485-z to read as follows:

§ 485-z. Rent-stabilized housing tax relief rebate program. 1. Definitions. For purposes of this section:

(a) "Rent-stabilized apartment" means a housing unit subject to rent regulation under the emergency tenant protection act of nineteen seventy-four.

(b) "Eligible building" means a residential building where fifty percent or more of the units are rent-stabilized and individually occupied.

(c) "Effective tax burden" means the percentage of gross stabilized rental income allocated to property taxes, as derived from real property income and expense (RPIE) data or equivalent documentation.

(d) "Unit tax allocation factor" means a standardized formula, as promulgated by rule, to proportionally allocate property tax liability from the building level to individual rent-stabilized units based on square footage and rental income.

2. Eligibility. An owner shall be eligible for a rebate under this section if:

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

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(a) The effective tax burden for rent-stabilized units exceeds seventy-five percent of the gross stabilized rent received;

(b) The capitalization rate of the building is less than two percent above the federal prime rate, based on certified financial statements; and

(c) There are no open class C hazardous violations on record with the New York city department of housing preservation and development or its equivalent, or such violations are cured within six months of application.

3. Rebate calculation. The rebate authorized pursuant to this section shall be equal to fifty percent of the property tax amount attributable to rent-stabilized apartments that exceeds the seventy-five percent threshold defined in subdivision two of this section. Rebates shall be applied as credits against the following tax year's liability. Rebates shall be subject to recapture if the building fails to maintain eligibility for the two years following the award.

4. Application process. (a) Applications shall be submitted annually to the department on or before June thirtieth of each year.

(b) Each application shall include:

(i) Rent rolls and lease summaries;

(ii) RPIE filings or equivalent financial disclosures;

(iii) Property tax documentation; and

(iv) Proof of registration with the New York state division of housing and community renewal and, where applicable, New York city department of housing preservation and development.

(c) Application fees shall be:

(i) One hundred dollars for buildings with fewer than ten units; or

(ii) Two hundred fifty dollars or twenty dollars per unit, whichever is greater, for all other buildings, not to exceed two thousand dollars per tax lot.

5. Administration and implementation. (a) The department shall administer the program.

(b) The department shall, within one hundred eighty days of the effective date of this section, promulgate rules and regulations necessary to implement this section, including:

(i) A standardized method for calculating unit tax allocation factors;

(ii) A secure electronic application portal; and

(iii) Data-sharing protocols for interagency access.

(c) The department shall enter into a memorandum of understanding with the New York city department of finance, the New York state division of homes and community renewal, and the New York city department of housing preservation and development to facilitate data exchange and compliance monitoring.

6. Pilot implementation. The program shall initially be implemented in community boards established pursuant to section twenty-eight hundred of the New York city charter where the median household income is below forty percent of the area median income, as defined by the United States department of housing and urban development.

7. Reporting and evaluation. (a) The department shall submit an annual report to the temporary president of the senate, the speaker of the assembly, and the minority leaders of both houses on or before January first each year.

(b) Every four years, the department shall conduct a performance audit and may recommend revisions to eligibility criteria or rebate structure.

§ 3. This act shall take effect on the first of January next succeeding the date on which it shall have become a law, provided, however, that no rebates shall be issued until the second full tax year following such effective date. Effective immediately, the addition, amendment and/or repeal of any rule or regulation, and the execution of any inter-agency agreement by the department of taxation and finance necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.