

# STATE OF NEW YORK

3852

2025-2026 Regular Sessions

## IN ASSEMBLY

January 30, 2025

Introduced by M. of A. WILLIAMS -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to exemption of capital improvements to residential buildings

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

1 Section 1. Subparagraph (iii) of paragraph (a) of subdivision 2 of  
2 section 421-f of the real property tax law, as amended by section 3 of  
3 part WW of chapter 55 of the laws of 2021, is amended to read as  
4 follows:  
5 (iii) Except in a special assessing unit that is not a city, such  
6 exemption shall be limited to [~~eighty~~] one hundred sixty-eight thousand  
7 dollars in increased market value, or such other sum less than [~~eighty~~]  
8 one-hundred sixty-eight thousand dollars, but not less than five thou-  
9 sand dollars as may be provided by the local law or resolution, of the  
10 property attributable to such reconstruction, alteration or improvement  
11 and any increase in market value greater than such amount shall not be  
12 eligible for the exemption pursuant to this section. In a special  
13 assessing unit that is not a city, the exemption shall be limited to  
14 seven hundred fifty thousand dollars in increased market value. For the  
15 purposes of this section, the market value of the reconstruction, alter-  
16 ation or improvement, or new construction as authorized by subdivision  
17 one-a of this section, shall be equal to the increased assessed value  
18 attributable to such reconstruction, alteration, improvement or new  
19 construction divided by the class one ratio in a special assessing unit  
20 or the most recently established state equalization rate or special  
21 equalization rate in the remainder of the state, except where the state  
22 equalization rate or special equalization rate equals or exceeds nine-  
23 ty-five percent, in which case the increase in assessed value attribut-  
24 able to such reconstruction, alteration, improvement or new construction

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

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1 shall be deemed to equal the market value of such reconstruction, alter-  
2 ation or improvement.

3 § 2. Subparagraph (iii) of paragraph (a) of subdivision 2 of section  
4 421-f of the real property tax law, as amended by chapter 590 of the  
5 laws of 1994, is amended to read as follows:

6 (iii) Such exemption shall be limited to [~~eighty~~] one hundred sixty-  
7 eight thousand dollars in increased market value, or such other sum less  
8 than [~~eighty~~] one hundred sixty-eight thousand dollars, but not less  
9 than five thousand dollars as may be provided by the local law or resolu-  
10 tion, of the property attributable to such reconstruction, alteration  
11 or improvement and any increase in market value greater than such amount  
12 shall not be eligible for the exemption pursuant to this section. For  
13 the purposes of this section, the market value of the reconstruction,  
14 alteration or improvement shall be equal to the increased assessed value  
15 attributable to such reconstruction, alteration or improvement divided  
16 by the class I ratio in a special assessing unit or the most recently  
17 established state equalization rate or special equalization rate in the  
18 remainder of the state, except where the state equalization rate or  
19 special equalization rate equals or exceeds ninety-five percent, in  
20 which case the increase in assessed value attributable to such recon-  
21 struction, alteration or improvement shall be deemed to equal the market  
22 value of such reconstruction, alteration or improvement.

23 § 3. This act shall take effect immediately; provided that the amend-  
24 ments to subparagraph (iii) of paragraph (a) of subdivision 2 of  
25 section 421-f of the real property tax law made by section one of this  
26 act shall be subject to the expiration and reversion of such subdivision  
27 when upon such date the provisions of section two of this act shall take  
28 effect.