

STATE OF NEW YORK

8489

2025-2026 Regular Sessions

IN SENATE

August 22, 2025

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

AN ACT to amend the tax law and the education law, in relation to establishing a real property tax freeze credit

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

1 Section 1. Section 606 of the tax law is amended by adding a new
2 subsection (bbb) to read as follows:

3 (bbb) Real property tax freeze credit. (1) As used in this subsection:

4 (A) "Freeze-compliant budget" means a budget of a taxing jurisdiction
5 that has met the requirements of section two thousand twenty-three-b of
6 the education law or section three-d of the general municipal law,
7 whichever is applicable.

8 (B) "Independent special district" and "dependent school district"
9 have the same meaning as set forth in section three-d of the general
10 municipal law.

11 (C) "STAR exemption" means the school tax relief exemption authorized
12 by section four hundred twenty-five of the real property tax law.

13 (D) "STAR credit" means the school tax relief credit authorized by
14 subsection (eee) of this section.

15 (E) "Taxing jurisdiction" means a county, city, town, village, school
16 district or an independent special district, except that such term shall
17 not include a city with a population of one million or more, nor shall
18 it include a county wholly located within such a city.

19 (F) "Levy credit factor" means the allowable levy growth factor for a
20 taxing jurisdiction, as determined pursuant to section three-c of the
21 general municipal law or section two thousand twenty-three-a of the
22 education law, minus one.

23 (2) An individual taxpayer who meets the eligibility standards set
24 forth in paragraph three of this subsection and whose primary residence
25 is located in a taxing jurisdiction that has a freeze-compliant budget

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

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1 for the fiscal year starting in two thousand twenty-six, two thousand
2 twenty-seven and two thousand twenty-eight shall be allowed a credit
3 against the taxes imposed by this article. Subject to the provisions of
4 paragraph six of this subsection, such credit shall be determined as
5 follows:

6 (A) If a school district other than a dependent school district has a
7 freeze-compliant budget for its fiscal year starting in two thousand
8 twenty-six, a credit shall be allowed for the eligible taxpayer's two
9 thousand twenty-six taxable year in the amount that is the greater of
10 the amount by which the real property taxes imposed upon such residence
11 by or on behalf of that school district for the fiscal year starting in
12 two thousand twenty-six exceeds the real property taxes so imposed for
13 the fiscal year starting in two thousand twenty-five, or the product of
14 the real property taxes imposed upon such residence by or on behalf of
15 that school district for the fiscal year starting in two thousand twen-
16 ty-five multiplied by the levy credit factor for that school district
17 for the fiscal year starting in two thousand twenty-six.

18 (B) If a taxing jurisdiction, other than a school district or a city
19 with a dependent school district, has a freeze-compliant budget for its
20 fiscal year starting in two thousand twenty-seven, a credit shall be
21 allowed for the eligible taxpayer's two thousand twenty-seven taxable
22 year in the amount that is the greater of the amount by which the real
23 property taxes imposed upon such residence by or on behalf of that
24 taxing jurisdiction for the fiscal year starting in two thousand twen-
25 ty-seven exceeds the real property taxes so imposed for the fiscal year
26 starting in two thousand twenty-six, or the product of the real property
27 taxes imposed upon such residence by or on behalf of that taxing juris-
28 isdiction for the fiscal year starting in two thousand twenty-six multi-
29 plied by the levy credit factor for that taxing jurisdiction for the
30 fiscal year starting in two thousand twenty-seven.

31 (C) If a school district other than a dependent school district has a
32 freeze-compliant budget for its fiscal year starting in two thousand
33 twenty-seven, a credit shall be allowed for the eligible taxpayer's two
34 thousand twenty-seven taxable year in the amount by which the real prop-
35 erty taxes imposed upon such residence by or on behalf of such school
36 district for the fiscal year starting in two thousand twenty-six exceeds
37 the real property taxes so imposed for the fiscal year identified as
38 follows:

39 (i) if the school district's budget for the fiscal year starting in
40 two thousand twenty-six was a freeze-compliant budget, a credit shall be
41 allowed for the eligible taxpayer's two thousand twenty-seven taxable
42 year in the amount of the credit for school district taxes allowed for
43 the eligible taxpayer's two thousand twenty-six taxable year; together
44 with the amount that is the greater of the amount by which the real
45 property taxes imposed upon such residence by or on behalf of that
46 school district for the fiscal year starting in two thousand twenty-sev-
47 en exceeds the real property taxes so imposed for the fiscal year start-
48 ing in two thousand twenty-six, or the product of the real property
49 taxes imposed upon such residence by or on behalf of such school
50 district for the fiscal year starting in two thousand twenty-six multi-
51 plied by the levy credit factor for that school district for the fiscal
52 year starting in two thousand twenty-seven.

53 (ii) if the school district's budget for the fiscal year starting in
54 two thousand twenty-six was not a freeze-compliant budget, a credit
55 shall be allowed for the eligible taxpayer's two thousand twenty-seven
56 taxable year in the amount that is the greater of the amount by which

1 the real property taxes imposed upon such residence by or on behalf of
2 that school district for the fiscal year starting in two thousand twen-
3 ty-seven exceeds the real property taxes so imposed for the fiscal year
4 starting in two thousand twenty-six, or the product of the real property
5 taxes imposed upon such residence by or on behalf of such school
6 district for the fiscal year starting in two thousand twenty-six multi-
7 plied by the levy credit factor for such school district for the fiscal
8 year starting in two thousand twenty-seven.

9 (D) If a taxing jurisdiction, other than a school district or a city
10 with a dependent school district, has a freeze-compliant budget for its
11 fiscal year starting in two thousand twenty-eight:

12 (i) if the taxing jurisdiction's budget for the fiscal year starting
13 in two thousand twenty-seven was a freeze-compliant budget, a credit
14 shall be allowed for the eligible taxpayer's two thousand twenty-eight
15 taxable year in the amount of the credit for the taxes imposed by or on
16 behalf of such taxing jurisdiction allowed for the eligible taxpayer's
17 two thousand twenty-seven taxable year; together with the amount that is
18 the greater of the amount by which the real property taxes imposed upon
19 such residence by or on behalf of such taxing jurisdiction for the
20 fiscal year starting in two thousand twenty-eight exceeds the real prop-
21 erty taxes imposed upon such residence by or on behalf of that taxing
22 jurisdiction for the fiscal year starting in two thousand twenty-seven,
23 or the product of the real property taxes imposed upon such residence by
24 or on behalf of such taxing jurisdiction for the fiscal year starting in
25 two thousand twenty-seven multiplied by the levy credit factor for such
26 taxing jurisdiction for the fiscal year starting in two thousand twen-
27 ty-eight.

28 (ii) if the taxing jurisdiction's budget for the fiscal year starting
29 in two thousand twenty-seven was not a freeze-compliant budget, a credit
30 shall be allowed for the eligible taxpayer's two thousand twenty-eight
31 taxable year in the amount that is the greater of the amount by which
32 the real property taxes imposed upon such residence by or on behalf of
33 such taxing jurisdiction for the fiscal year starting in two thousand
34 twenty-eight exceeds the real property taxes so imposed for the fiscal
35 year starting in two thousand twenty-seven, or the product of the real
36 property taxes imposed upon such residence by or on behalf of such
37 taxing jurisdiction for the fiscal year starting in two thousand twen-
38 ty-seven multiplied by the levy credit factor for such taxing jurisdic-
39 tion for the fiscal year starting in two thousand twenty-eight.

40 (E) If a city with a dependent school district has a freeze-compliant
41 budget for its fiscal year starting in two thousand twenty-six, a tax
42 credit shall be allowed for the eligible taxpayer's two thousand twen-
43 ty-six taxable year in the amount equivalent to sixty-seven percent of
44 the amount that is the greater of the amount by which the real property
45 taxes imposed upon such residence by or on behalf of that city for the
46 fiscal year starting in two thousand twenty-six exceeds the real proper-
47 ty taxes so imposed for the fiscal year starting in two thousand twen-
48 ty-five, or the product of the real property taxes imposed upon such
49 residence by or on behalf of such city for the fiscal year starting in
50 two thousand twenty-five multiplied by the levy credit factor for such
51 city for the fiscal year starting in two thousand twenty-six.

52 (F) If a city with a dependent school district has a freeze-compliant
53 budget for its fiscal year starting in two thousand twenty-seven:

54 (i) if the city's budget for the fiscal year starting in two thousand
55 twenty-five was a freeze-compliant budget, a credit shall be allowed for
56 the eligible taxpayer's two thousand twenty-seven taxable year in an

1 amount equivalent to thirty-three percent of the amount that is the
2 greater of the amount by which the real property taxes imposed upon such
3 residence by that city for the fiscal year starting in two thousand
4 twenty-six exceeds the real property taxes so imposed for the fiscal
5 year starting in two thousand twenty-five, or the product of the real
6 property taxes imposed upon such residence by or on behalf of such city
7 for the fiscal year starting in two thousand twenty-five multiplied by
8 the levy credit factor for such city for the fiscal year starting in two
9 thousand twenty-six; together with the amount of the credit for the
10 taxes imposed by or on behalf of such city allowed for the eligible
11 taxpayer's two thousand twenty-five taxable year; and together with an
12 amount equivalent to sixty-seven percent of the amount that is the
13 greater of the amount by which the real property taxes imposed upon such
14 residence by that city for the fiscal year starting in two thousand
15 twenty-seven exceeds the real property taxes so imposed for the fiscal
16 year starting in two thousand twenty-six; or the product of the real
17 property taxes imposed upon such residence by or on behalf of such city
18 for the fiscal year starting in two thousand twenty-six multiplied by
19 the levy credit factor for such city for the fiscal year starting in two
20 thousand twenty-seven; and a credit shall be allowed for the eligible
21 taxpayer's two thousand twenty-eight taxable year in an amount equiv-
22 alent to thirty-three percent of the amount that is the greater of the
23 amount by which the real property taxes imposed upon such residence by
24 that city for the fiscal year starting in two thousand twenty-seven
25 exceeds the real property taxes so imposed for the fiscal year starting
26 in two thousand twenty-six, or the product of the real property taxes
27 imposed upon such residence by or on behalf of such city for the fiscal
28 year starting in two thousand twenty-seven multiplied by the levy credit
29 factor for such city for the fiscal year starting in two thousand twen-
30 ty-seven; together with an amount equivalent to 49.25 percent of the
31 amount of the credit for the taxes imposed by or on behalf of such city
32 allowed for the eligible taxpayer's two thousand twenty-six taxable
33 year.

34 (ii) if the city's budget for the fiscal year starting in two thousand
35 twenty-six was not a freeze-compliant budget, a credit shall be allowed
36 for the eligible taxpayer's two thousand twenty-seven taxable year in an
37 amount equivalent to sixty-seven percent of the amount that is the
38 greater of the amount by which the real property taxes imposed upon such
39 residence by that city for the fiscal year starting in two thousand
40 twenty-seven exceeds the real property taxes so imposed for the fiscal
41 year starting in two thousand twenty-six or the product of the real
42 property taxes imposed upon such residence by or on behalf of such city
43 for the fiscal year starting in two thousand twenty-six multiplied by
44 the levy credit factor for such city for the fiscal year starting in two
45 thousand twenty-seven; and a credit shall be allowed for the eligible
46 taxpayer's two thousand twenty-eight taxable year in an amount equiv-
47 alent to thirty-three percent of the amount that is the greater of the
48 amount by which the real property taxes imposed upon such residence by
49 that city for the fiscal year starting in two thousand twenty-seven
50 exceeds the real property taxes so imposed for the fiscal year starting
51 in two thousand twenty-six or the product of the real property taxes
52 imposed upon such residence by or on behalf of such city for the fiscal
53 year starting in two thousand twenty-six multiplied by the levy credit
54 factor for such city for the fiscal year starting in two thousand twen-
55 ty-seven.

(G) If a city with a dependent school district has a freeze-compliant budget for its fiscal year starting in two thousand twenty-six but does not have a freeze-compliant budget for its fiscal year starting in two thousand twenty-seven, a tax credit shall be allowed for the eligible taxpayer's two thousand twenty-seven taxable year an amount representing thirty-three percent of the amount that is the greater of the amount by which the real property taxes imposed upon such residence by that city for the fiscal year starting in two thousand twenty-six exceeds the real property taxes so imposed for the fiscal year starting in two thousand twenty-five or the product of the real property taxes imposed upon such residence by or on behalf of such city for the fiscal year starting in two thousand twenty-five multiplied by the levy credit factor for such city for the fiscal year starting in two thousand twenty-six.

(3) To be eligible for such credit, the taxpayer, or taxpayers filing joint returns, must meet the following criteria:

(A) For the two thousand twenty-six taxable year, the taxpayer's primary residence must have qualified for the STAR exemption or credit for the two thousand twenty-six--two thousand twenty-seven school year, or would have so qualified if an application for such benefit had been submitted in a timely manner.

(B) For the two thousand twenty-seven taxable year, the taxpayer's primary residence must have qualified for the STAR exemption or credit for the two thousand twenty-seven--two thousand twenty-eight school year, or would have so qualified if an application for such benefit had been submitted in a timely manner.

(C) For the two thousand twenty-eight taxable year, the taxpayer's primary residence must have qualified for the STAR exemption or credit for the two thousand twenty-eight--two thousand twenty-nine school year, or would have so qualified if an application for such benefit had been submitted in a timely manner.

(4) For each year this credit is allowed, the commissioner shall determine the taxpayer's eligibility for this credit utilizing the information available to the commissioner. When the commissioner has determined a taxpayer to be eligible for this credit, the commissioner shall advance a payment of the amount determined in accordance with this subsection. The taxpayer shall not apply for such credit in conjunction with the filing of their return. A taxpayer who has failed to receive an advance payment that they believe was due to them, or who has received an advance payment that they believe is less than the amount that was due to them, may request payment of the claimed deficiency in a manner prescribed by the commissioner.

(5) If the amount of the credit allowed under this subsection, if any, shall exceed the taxpayer's tax for the taxable 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.

(6) The following provisions shall apply to the calculation of the credit pursuant to paragraph two of this subsection:

(A) If the tax bill pertaining to the eligible taxpayer's primary residence includes taxes levied by or on behalf of multiple taxing jurisdictions, the credit shall be based upon the change in the aggregate tax liability of such residence, provided that any tax appearing on the tax bill that is not attributable to a freeze-compliant budget shall be disregarded when determining the aggregate tax liability of such residence.

1 (B) If the tax bill pertaining to the eligible taxpayer's primary
2 residence includes relieved taxes or other taxes that were previously
3 billed but not paid, those taxes shall be disregarded when determining
4 the aggregate tax liability of such residence.

5 (C) If the tax bill pertaining to the eligible taxpayer's primary
6 residence includes usage charges, unit charges or other charges that are
7 based upon the consumption of a service, those charges shall be disre-
8 garded when determining the aggregate tax liability of such residence.

9 (D) Notwithstanding the foregoing provisions of this subsection, no
10 credit shall be allowed to the extent that the tax liability of the
11 eligible taxpayer's primary residence increased due to one or more of
12 the following events:

13 (i) A physical improvement to the eligible taxpayer's primary resi-
14 dence.

15 (ii) A removal or reduction of an exemption on the eligible taxpayer's
16 primary residence, including a reduction of the STAR exempt amount
17 calculated pursuant to subdivision two of section four hundred twenty-
18 five of the real property tax law.

19 (iii) A revaluation that caused the assessment of the eligible taxpay-
20 er's primary residence to increase by a percentage that is greater than
21 the applicable change in level of assessment. As used herein, the terms
22 "revaluation" and "change in level of assessment" shall have the same
23 meanings as defined in sections one hundred two and twelve hundred twen-
24 ty of the real property tax law, respectively.

25 (E) In the case of property consisting of a cooperative apartment
26 corporation that is described by paragraph (k) of subdivision two of
27 section four hundred twenty-five of the real property tax law, an eligi-
28 ble owner shall be allowed a credit in the amount equal to sixty percent
29 of the average tax credit in that taxing jurisdiction for that fiscal
30 year, as determined by the commissioner, or in the case of a cooperative
31 apartment corporation that is described by subparagraph (iv) of para-
32 graph (k) of subdivision two of section four hundred twenty-five of the
33 real property tax law, a credit of twenty percent of such average tax
34 credit.

35 (F) In the case of property consisting of a mobile home that is
36 described by paragraph (l) of subdivision two of section four hundred
37 twenty-five of the real property tax law, an eligible owner shall be
38 allowed a credit in the amount equal to twenty-five percent of the aver-
39 age tax credit in that taxing jurisdiction for that fiscal year, as
40 determined by the commissioner.

41 (G) In the case of a city with a dependent school district, it shall
42 be presumed that sixty-seven percent of the city tax bill is for school
43 district purposes and that thirty-three percent is for general city
44 purposes.

45 (H) The amount of the credit shall be rounded to the nearest dollar,
46 except where such amount is greater than zero and less than one dollar
47 and fifty cents, in which case the amount of the credit shall be rounded
48 up to two dollars.

49 (7) No credit shall be allowed under this subsection in relation to
50 property located within a city with a population of one million or more.

51 § 2. The education law is amended by adding a new section 2023-c to
52 read as follows:

53 § 2023-c. Certification of compliance with property tax freeze
54 requirements. 1. A school district that is subject to the provisions of
55 section two thousand twenty-three-a of this part must comply with the
56 requirements of this section in order to render its taxpayers eligible

1 for the real property tax freeze credit authorized by subsection (bbb)
2 of section six hundred six of the tax law for a fiscal year starting in
3 two thousand twenty-six.

4 2. a. Upon the adoption of the budget of an eligible school district,
5 the chief executive officer of such school district shall certify to the
6 state comptroller, the commissioner of taxation and finance and the
7 commissioner that the budget so adopted does not exceed the tax levy
8 limit prescribed by section two thousand twenty-three-a of this part.
9 Such certification shall be made in a form and manner prescribed by the
10 state comptroller in consultation with the commissioner of taxation and
11 finance and the commissioner.

12 b. In order for such certification to give rise to a real property tax
13 freeze credit under subsection (bbb) of section six hundred six of the
14 tax law, such certification shall be made no later than the twenty-first
15 day of the fiscal year to which it applies.

16 c. If such a certification has been made and the actual tax levy of
17 the school district exceeds the applicable tax levy limit, the excess
18 amount shall be placed in reserve and used in the manner prescribed by
19 subdivision five of section two thousand twenty-three-a of this part,
20 even if a tax levy in excess of the tax levy limit had been duly author-
21 ized for the applicable fiscal year by the school district voters.

22 d. Notwithstanding any provision of law to the contrary, every school
23 district that is subject to the provisions of section two thousand twen-
24 ty-three-a of this part shall report both its proposed budget and its
25 adopted budget to the office of the state comptroller and the commis-
26 sioner at the time and in the manner as they may prescribe, whether or
27 not such budget has been or will be certified as provided by this subdi-
28 vision.

29 § 3. This act shall take effect immediately.