

for local governments going forward, the Executive Budget:

- Grants permanent local sales tax authority for all counties and cities at their existing rates or up to 4 percent.
- As such, local governments would no longer need to seek and receive the State's approval as long as they want to extend their existing rates or increase their rate to no more than 4 percent.
- All local governments will still be required to seek and receive temporary approval by a majority vote of the local government's governing body in order to impose additional sales tax above the current statutory 3 percent threshold.

#### **Return Foreclosure Excess to Property Owners.**

When a delinquent property taxpayer experiences a loss of their property through a foreclosure proceeding, any equity that has been accumulated during their ownership is forfeited. To rectify this injustice, the Executive Budget provides that when a tax delinquent property is foreclosed upon by the county and sold, any money the county receives that exceeds the liability amount (e.g., overdue taxes, penalties, interest, mortgage liens, etc.) will be returned to the property owner, minus applicable administrative costs to the local government.

**Simplify and Modernize the Local Senior Citizens Exemption Income Definition.** Local governments and school districts can opt to grant a reduction on the amount of property taxes paid by qualifying senior citizens. This is accomplished by reducing the taxable assessment of the senior's home by as much as 50 percent – dependent on age, income, and other local requirements and thresholds.

The definition of income for this exemption is long, cumbersome, and often difficult to understand. To simplify the income definition used by local governments, the Executive Budget amends the statute to match the income definition that is used to qualify for the School Tax Relief Program. This change would eliminate the need for seniors to bring multiple documents to their assessor to verify their income, and reduce the burden on the State's senior homeowners, as well as assessors.

**Allow DTF the Right to Appeal DTA Tribunal Decisions.** The New York State Division of Tax Appeals Tribunal (DTA) is an independent body with the ability to cancel assessments, invalidate regulations, and reverse prior Tribunal decisions (and its predecessor, the State Tax Commission). While a taxpayer may appeal an adverse decision of the Tribunal to a court, the Tax Commissioner may not. This presents a significant flaw in the statute; it denies New York State Department of Taxation and Finance (DTF) the right to seek judicial review of an adverse decision that it believes is contrary to the interests of the people of this state.

**Clarification of the Treatment of Limited Partners for the Metropolitan Commuter Transportation Mobility Tax.** The Executive Budget amends the definition of "net earnings from self-employment" to clarify the definition of a limited partner for the purposes of the Metropolitan Commuter Transportation Mobility Tax (MCTMT), thereby eliminating an ambiguity that some individuals have exploited to avoid paying the MCTMT.

**Extend and Limit the Vending Machine Sales Tax Exemption to Business Enterprise Program Vendors for One Year.** To support the continued efforts of the New York State Commission for the Blind Business Enterprise Program (BEP), the Executive Budget extends for one year, the existing sales tax exemption for certain food and drink purchased from vending machines (\$1.50 or less for items purchased from vending machines that only accept coin or currency and \$2.00 or less from vending machines that can accept cashless payments) to vending machines operated by vendors in the BEP. The current exemption is scheduled to expire May 31, 2023.

**Extend the Temporary Article 9-A Tax Rates for Three Years.** The FY 2022 Enacted Budget established temporary tax rates on the business income base for Article 9-A filers with business income tax bases over \$5 million, as well as reinstated the capital base tax rate for certain taxpayers. The Executive Budget extends these temporary Article 9-A rates for three years, through Tax Year 2026.