

STATE OF NEW YORK

7406

2017-2018 Regular Sessions

IN ASSEMBLY

April 25, 2017

Introduced by M. of A. DILAN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the administrative code of the city of New York, in relation to a tax on the transfer of certain real property within three years of the prior transfer of such property

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

1 Section 1. Section 11-2101 of the administrative code of the city of
2 New York is amended by adding four new subdivisions 19, 20, 21 and 22 to
3 read as follows:

4 19. "Prior conveyance of the property." The most recent conveyance of
5 the real property, whether conveyed on its own or as part of a larger
6 conveyance.

7 20. "Family member." A person's child, spouse, domestic partner,
8 parent, sibling, grandchild or grandparent, or the child or parent of a
9 person's spouse or domestic partner.

10 21. "Principal place of residence." A person's permanent or primary
11 home that the person occupies for more than a temporary or transitory
12 purpose.

13 22. "New housing." A residential unit or units that did not exist at
14 the time of the prior conveyance of the property to the extent that the
15 property had no residential units at the time of the prior conveyance
16 and at least one residential unit was subsequently added.

17 § 2. The administrative code of the city of New York is amended by
18 adding a new section 11-2120 to read as follows:

19 § 11-2120 Imposition of flip tax. a. In addition to the tax imposed by
20 section 11-2102 of this chapter, there is hereby imposed on each deed,
21 instrument or transaction at the time of the transfer whereby any prop-
22 erties of one to five separate residential units are transferred by a
23 grantor to a grantee, and such transfer is made within two years from

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

LBD09992-05-7

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1 the prior conveyance of the property. The tax, which shall be paid by
2 the grantor, shall be at the rate of:

3 (1) fifteen percent when the time since the prior conveyance of the
4 property is less than one year; and

5 (2) ten percent when the time since the prior conveyance of the prop-
6 erty is greater than or equal to one year but less than two years.

7 b. The tax defined in subdivision a of this section shall expire when
8 the time since the prior conveyance of the property is two years.

9 c. All revenues resulting from the imposition of the tax under this
10 section shall be paid into the treasury of the city and shall be credit-
11 ed to and deposited in the general fund of the city.

12 d. (1) The following persons shall be exempt from the payment of the
13 tax imposed by this section:

14 (i) Property owners conveying property to a family member.

15 (ii) Property owners who can demonstrate a financial hardship which
16 justifies a conveyance of property in less than or equal to two years.

17 (2) The following properties shall be exempt from the payment of the
18 tax imposed by this section:

19 (i) Property which was conveyed within one year of the death of the
20 property owner.

21 (ii) Property being sold as new housing.

22 (iii) Property which the consideration or value conveyed, which is
23 otherwise subject to the tax imposed in this section, is less than or
24 equal to the consideration or value of such property conveyed at the
25 time of the prior conveyance of property.

26 (iv) Property which is otherwise exempt from payment of a real prop-
27 erty transfer tax, as defined in this chapter.

28 § 3. This act shall take effect on the ninetieth day after it shall
29 have become a law and shall apply to conveyances occurring on or after
30 such date.

**NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)**

BILL NUMBER: A7406

SPONSOR: Dilan

TITLE OF BILL:

An act to amend the administrative code of the city of New York, in relation to a tax on the transfer of certain real property within three years of the prior transfer of such property

PURPOSE OR GENERAL IDEA OF BILL:

Incorporate an additional 15% tax on properties sold within one year and 10% tax on properties sold after one year but less than two years after purchase in an effort deter property speculation and flipping in vulnerable neighborhoods.

SUMMARY OF SPECIFIC PROVISIONS:

Section 1 would amend the administration code of the city of New York by adding four new subdivisions, which defines the prior conveyance of property. Section 2 has a layout of the tax rate which will be imposed within the two year prior conveyance of the property. This section also lists the properties which will be exempt from the imposed tax. Section 3 enacts the effective date.

JUSTIFICATION:

Imposing a "flip-tax" on the transfers of multi-unit residential buildings within two years of their acquisition is intended to discourage short-term real estate speculation.

As such, all residential properties sold within one year of conveyance would incur a 15% tax. If sold after one year, but less than two years from purchase, the penalty would be reduced to 10%. To avoid undue harm to private homeowners, this bill would exempt transfers to family members and homeowners who can establish a reasonable financial hardship; or properties sold within one year of the death of the owner, sites which had no existing residential units, and properties exempt from payment of property tax.

PRIOR LEGISLATIVE HISTORY:

None

FISCAL IMPLICATIONS:

None

EFFECTIVE DATE:

This act shall take effect on the ninetieth day after it shall have become a law and shall apply to conveyances occurring on or after such date.

STATE OF NEW YORK

6488

2017-2018 Regular Sessions

IN SENATE

May 25, 2017

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

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9 person's spouse or domestic partner.

10 21. "Principal place of residence." A person's permanent or primary
11 home that the person occupies for more than a temporary or transitory
12 purpose.

13 22. "New housing." A residential unit or units that did not exist at
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7 b. The tax defined in subdivision a of this section shall expire when
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9 c. All revenues resulting from the imposition of the tax under this
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11 ed to and deposited in the general fund of the city.
12 d. (1) The following persons shall be exempt from the payment of the
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24 equal to the consideration or value of such property conveyed at the
25 time of the prior conveyance of property.
26 (iv) Property which is otherwise exempt from payment of a real prop-
27 erty transfer tax, as defined in this chapter.
28 § 3. This act shall take effect on the ninetieth day after it shall
29 have become a law and shall apply to conveyances occurring on or after
30 such date.

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S6488

SPONSOR: HAMILTON

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FISCAL IMPLICATIONS:

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