

Summary – Assembly and Senate Proposed Budgets (March 16, 2022)

HOUSING

Homeowner and Rental Assistance

The Senate and Assembly reject the Governor's proposals to prohibit landlords from automatically rejecting or refusing to rent to an applicant based on certain prior criminal convictions or credit score/history.

Assembly

- Provides an additional \$1.25 billion in ERAP funding, \$400 million in LRAP funding, \$500 million in utility arrears program.
- Provides \$6.17 billion for a 5-year Affordable Housing Capital Plan including:
 - \$250 million for a Housing Access Voucher Program to provide rental assistance for individuals who are homeless or facing imminent risk of becoming homeless in the form of vouchers paid to owners.
 - \$1.5 billion for development and preservation of supportive housing.
 - \$1 billion for new construction or adaptive reuse of rental housing, including conversion of hotels or commercial buildings into affordable housing.
 - \$400 million for promoting home ownership for low- and moderate-income families.
 - \$250 million to create permanently affordable home ownership for low and moderate income through community land trust investment, conversion of rental housing to homeownership housing, and land banks.
 - \$250 million for capital projects including all-electric, high performance heating equipment and alternative energy sources.
 - \$300 million for developing senior rental affordable housing.
 - \$90 million for new construction or reconstruction of affordable housing for earners 60%-130% of AMI.
 - \$450 million for rehab of site-specific multi-family rental housing.
 - \$1 billion for the Foundations for Futures Homeownership Program (proposed program to provide payment, grants and loan assistance for the formation of limited equity cooperative housing that would remain affordable (Part SS of ELFA)).
 - Additional \$15 million for the Homeowner Protection Program (HOPP) for a total of \$35 million.
 - \$500 million for NYCHA.
 - \$10 million for subsidies to landlords to remove lead from rental properties.

Senate

- Provides an additional \$1 billion in funding for ERAP and LRAP combined, \$400 million in utility arrears program.
- Provides for \$4.7 billion 5-year Affordable Housing Capital Plan including:
 - \$500 million for the Homeowner Assistance Fund (HAF).
 - \$250 million for a Housing Access Voucher Program to provide rental assistance for individuals who are homeless or facing imminent risk of becoming homeless in the form of vouchers paid to owners.
 - \$150 million for the Housing Our Neighbors with Dignity Act (HONDA), with language to allow funds provided for HONDA to be utilized statewide.

- Additional \$15 million for the Homeowner Protection Program (HOPP) for a total of \$35 million.
- \$500 million for NYCHA.
- \$85 million for Code Compliance Grants, including lead abatement and remediation of hazardous living conditions, and for a Community Land Trust Acquisition Fund to acquire vacant or blighted property for conversion to affordable housing.

421-a tax abatement

The Senate and Assembly reject the Governor's proposal to eliminate and replace the current 421-a tax abatement program for affordable housing development.

Accessory Dwelling Units

The Senate and Assembly reject the Governor's budget proposal to require local governments to provide for the creation of accessory dwelling units (ADUs).

The Senate additionally recommends repurposing \$85 million intended for ADUs for Code Compliance Grants, including lead abatement and remediation of hazardous living conditions, and for a Community Land Trust Acquisition Fund to acquire vacant or blighted property for conversion to affordable housing.

Broadband

The Senate and Assembly accept the Governor's \$1.45 billion ConnectAll broadband proposal to study and increase broadband internet across the state. Additionally, the Senate proposes to create the Division of Broadband Development within the Department of Economic Development.

REVENUE

Property Tax Rebate Credit Program

The Senate and Assembly accept the Governor's proposal to create a one-time \$2 billion property tax rebate credit program for homeowners with household incomes under \$250,000 to be distributed in the fall of 2022. The Senate modifies the program to increase the rebate credit for NYC residents earning less than \$150,000 and reducing the rebate credit for NYC residents earning over \$150,000.

Small Business Tax Reductions

The Senate and Assembly accept the Governor's proposal to adopt a refundable credit under the corporate franchise and personal income tax of 50% of costs of qualifying capital expenditures made in response to COVID-19 pandemic between 1/1/21 and 12/31/22 up to \$25,000.

Senate

- Accepts the Governor's proposal to increase business income exclusion within a different structure; proposes a 4% corporate franchise tax small business rate for taxpayers with business income based under \$290,000 and phasing out at \$390,000.

Assembly

- Accepts the Governor's proposal to increase the NYS and NYC personal income tax small business income exclusion from 5 to 15% of net business income; expands eligibility to include LLCs, partnerships and S corporations with a total income up to \$1.5 million.

STAR

The Senate and Assembly reject the Governor's proposal to incentivize taxpayers to switch from the STAR exemption to the STAR credit program.

Alternative Energy Tax Credits

Senate

- Proposes a personal income tax credit of 25% or \$5,000 of the cost of installing a geothermal energy system; modifies the existing personal income tax credit for installing solar equipment by increasing the credit from \$5,000 to \$10,000 requiring systems to include energy storage; reduces the size eligibility for condo projects from 50kW to 10kW.

Assembly

- Proposes a personal income tax credit of 25% or \$5,000 of the cost of installing a geothermal energy system.

Business Tax Credit for No. 6 Heating Oil Conversion

The Senate and Assembly accept the Governor's proposal to create a refundable tax credit under the personal income and corporate franchise tax for business expense to convert heating systems from #6 oil to biodiesel or geothermal heat, with total credits limited to \$500,000 for all businesses within any specific municipality. The Senate would, however, limit the credit to \$500,000 per taxpayer.

Sales Tax on Vacation Rentals

The Senate and Assembly reject the Governor's proposal to clarify the application of sales tax and NYC hotel unit fees to vacation rentals and require vacation marketplace providers to collect and remit sales tax on transactions.

Historic Preservation Tax Credit

The Assembly proposes to extend the credit for rehabilitation of historic properties from 1/1/25 to 1/1/32.

Opportunity Zones

The Senate proposes to decouple NYS and NYC tax laws from the ten-year Exclusion Benefit of the federal opportunity zones program.

Allocation of Real Estate Transfer Tax Revenue to EPF

The Senate and Assembly accept the Governor's proposal to increase the amount of the real estate transfer tax revenue that is dedicate to the Environmental Protection Fund from \$119 million to \$257 million annually.

Gas Tax

The Senate proposes a state sales tax and fuel tax "holiday" for motor fuels from May through December 2022.

ENVIRONMENT

All Electric Building Act

The Senate amends the Governor's proposal requiring all-electric buildings by expediting the implementation dates. The Senate proposes a statewide ban on the new construction of any building 7 stories or less that is not an all-electric building by 2024 and for 7 stories or more by 2027. The Assembly does not include any proposal to require new construction to be all-electric.

Environmental Bond Act

Senate

- Proposes to increase the Environmental Bond Act from \$4 billion to \$6 billion with additional funding going toward renewable heating and cooling and weatherization of low-to-moderate income households, and for the purchase of zero emission school and transit buses.

Assembly

- Proposes to increase the Environmental Bond Act from \$4 billion to \$5 billion with additional funding going toward "climate change mitigation." The Assembly also adds prevailing wage requirements on all projects associated with funds allocated from the Environmental Bond Act.

Wetlands

The Senate modifies the Governor's proposal to amend the Freshwater Wetland Act to eliminate the jurisdictional mapping requirement and provide for protection of smaller wetlands of unusual importance. The Assembly rejects the Governor's proposal to increase regulations regarding freshwater wetlands.