



NEW YORK STATE SENATOR

Kenneth P. LaValle

## First-Time Home Buyer Bill Passes State Legislature

KENNETH P. LAVALLE May 12, 2011

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Senator Kenneth P. LaValle (R,C,I-Port Jefferson) and Assemblyman Robert K. Sweeney (D-Lindenhurst) today announced that legislation they sponsored to allow municipalities to continue the tax exemption for first-time home buyers of newly constructed homes has passed both chambers of the New York State Legislature. The bill will now go before Governor Cuomo for signature.

“Young, working families have a very hard time trying to meet the costs associated with the purchase of their first home. This legislation will make it easier for families to move from renter to homeowner,” said Sweeney.

“Owning a home is still the American dream,” said Senator LaValle. “This measure would help ease the financial strain in making that dream a reality by providing a real property tax exemption for first-time home buyers.”

The original law, sponsored by Assemblyman Sweeney and Senator LaValle, allowed local governments to grant first-time home buyers of newly constructed homes a five-year property tax exemption, starting at 50 percent in the first year and decreasing at a rate of 10 percent per year over the next four years.

The law expands the ability of local governments to lower property taxes for five years for first time homebuyers who buy newly constructed homes in New York State.

The temporary tax abatement would allow potential buyers, who may otherwise be unable to enter the housing market, an opportunity to purchase their first home. The exemption would apply to a newly constructed primary residence or the increase in the assessed value of a primary residential property which was the direct result of alterations, improvements or reconstruction exceeding \$3,000.

Under this measure, home value and income limitations would be defined by the New York State Mortgage Agency Low Interest Rate Mortgage Program (SONYMA) in effect on the contract date. The law will permit the limits to rise automatically with New SONYMA purchase price and income limits. For Suffolk county, the income limits are \$122,160. The purchase price limit is \$656,770.

Suffolk and Nassau counties have authorized the tax incentive, and it is currently applied in Smithtown, Southampton, Hempstead, Huntington, Babylon, Islip and Riverhead.

Additionally, many school districts have “opted in” to provide the exemption, including Copiague and Farmingdale. Other counties that have authorized the credit are Chautauqua, Allegany, Oswego, Schenectady, Orange, Oneida, Rensselaer and Albany.

“New York State has a number of very high cost areas, such as Long Island. Housing in these communities is often beyond the reach of working families who have good jobs. For too long, many working families have had to leave those areas in order to be able to afford their first home. That’s wrong. This legislation will provide meaningful financial relief,” continued Sweeney. “This will help those hardworking families obtain the American dream of home ownership.”

“There are many residents who would like to remain on Long Island, but feel it makes more sense to live and work in an area where housing is more affordable,” said Senator LaValle.

“This measure would not only make home ownership a reality, but would help stimulate the growth of our local real estate and construction economies.”

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