



S.1157(Cooney)

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BILL S.1157(Cooney)
SUBJECT Establishment of the New York State First Home Savings Program
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SUPPORT

The Business Council of New York State supports bill S.1157 (Cooney), which aims to establish the New York State First Home Savings Program, allowing first-time homebuyers to create savings accounts dedicated to purchasing a home while providing a personal income tax deduction for deposits into these accounts. This legislation is a critical step toward addressing the challenges that many New Yorkers face when trying to afford their first home, particularly as housing costs continue to rise across the state. By incentivizing savings and providing tax advantages, this program will help more individuals and families achieve homeownership, strengthening communities and contributing to long-term economic stability.

Homeownership is a cornerstone of financial security and economic mobility. Yet for many New Yorkers, saving for a down payment and closing costs presents a significant barrier. This program provides a structured and tax-advantaged means of accumulating savings, ensuring that individuals have the financial resources necessary to enter the housing market. By allowing contributions from account owners and others, it encourages family support and community investment in homeownership, further reinforcing the importance of saving for a home purchase.

The program is designed to ensure responsible use of funds while providing flexibility for account holders. Contributions must be made in cash, and withdrawals are governed by clear guidelines to distinguish between qualified and non-qualified users. This structure prevents misuse while allowing participants to benefit from tax advantages when the funds are used for an eligible home purchase. To maintain the program’s integrity, penalties are in place for nonqualified withdrawals, with exceptions for cases of employment relocation, unforeseeable emergencies, military service, or death. These safeguards ensure that the program remains focused on its intended purpose of supporting first-time homebuyers. Additionally, this legislation establishes limits on contributions to ensure fair access to the program and to prevent excessive accumulation beyond what is necessary for a home purchase. By placing

reasonable caps on tax deductions, it ensures that the benefits of the program are directed toward those who need it most. Importantly, the program requires individuals to certify that they are first-time homebuyers, and that the property will be used as a primary residence rather than an investment or vacation home, reinforcing its goal of promoting stable homeownership rather than speculative real estate purchases.

The First Home Savings Program is a forward-thinking initiative that aligns with the state's broader efforts to make homeownership more attainable for New Yorkers. It provides a meaningful solution to help individuals and families save for their first home while offering a responsible and transparent framework to ensure the program's long-term success. The Business Council of New York State strongly supports this bill as a necessary step to foster economic growth, strengthen communities, and empower more New Yorkers to achieve the dream of homeownership.