

How is my tax bill calculated?

The amount of your property tax bill is based on your property's taxable assessment and local tax rates.

Local governments determine tax rates by dividing the total amount of money that has to be raised from the property tax (the tax levy) by the taxable assessed value of real property in the municipality. To give a simplified example:

- Town A's tax levy is \$2,000,000.
- The town has a total taxable assessed value of \$40,000,000.
- $\$2,000,000 / \$40,000,000 = .050$
- $.05 \times \$1,000 =$ a tax rate of \$50 per every \$1,000 of taxable assessed value. (Tax rates are typically based upon \$1,000 of assessed value.)

To determine the tax bill for a house in Town A with a taxable assessed value of \$15,000:

- divide the taxable assessment by 1,000 ($\$15,000 / 1,000 = 15$)
- multiple by the tax rate ($\$15 \times \$50 = \$750$ tax bill)

What other factors affect tax rates?

Changes in local budgets, revenues from other sources other than the property tax, and the taxable assessed value of your municipality or other municipalities in your county or school district can all affect tax rates.

For counties and most school districts, the tax rates cannot be finalized until the tax levy is apportioned—or divided—among various municipalities. Apportionment is necessary when there is more than one municipality in the tax jurisdiction and each municipality assesses at a different percentages of market value.

By apportioning the tax levy, the taxable property in each municipality pays its fair share of the tax levy. In addition, New York City, Nassau County, and certain other municipalities apportion taxes among various classes of real property as authorized by law.

Language access

To increase your access to information, we've translated vital documents on our website into Spanish, Chinese, Russian, Bengali, Korean, and Haitian Creole (search: *language*).

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Pub 1113 (8/19)



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How real property tax works



What Is the property tax?

In New York State, the real property tax is a tax based on the value of real property. Counties, cities, towns, villages, school districts, and special districts each raise money through the real property tax. The money funds schools, pays for police and fire protection, maintains roads, and funds other municipal services enjoyed by residents.

In New York State, there is no personal property tax (a tax on personal items, such as cars and jewelry) on real property.



What kinds of property are assessed?

Every parcel of real property in an assessing unit, no matter how big or how small, is assessed. Real property is defined as land and any permanent structures attached to it. Examples of real property are houses, office buildings, vacant land, shopping centers, farms, cell towers, apartments, factories, restaurants, and, in many instances, mobile homes.

Though all real property in an assessing unit is assessed, not all of it is taxable. Some, such as property owned by governments or religious organizations, may be completely exempt from paying property taxes. Various types of partial property tax exemptions are also available, including exemptions for qualifying seniors and veterans.

What is an assessment?

A property's assessment is based on its market value. Market value is how much a property would sell for under normal conditions. Assessments are determined by the assessor, a local official who independently estimates the value of real property for a city, town, or village.

The assessor can estimate the market value of property based on the sale prices of similar properties. A property can also be valued based on the cost of materials and labor required to replace it, minus depreciation. Commercial property may be valued on its potential to produce rental income for its owners.

Once the assessor estimates the value of a property, its total assessment should be calculated by multiplying the market value by the uniform percentage for the municipality. New York State law requires all property in a municipality to be assessed at the same uniform percentage of value (except in Nassau County and New York City where different types of property may be assessed at different percentages). That percentage can be five percent, ten percent, 50 percent, or any other percentage not exceeding 100 percent.

After a property's total assessment is determined, its taxable assessed value is computed. The taxable assessed value is the total assessment minus any applicable property tax exemptions.



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For example, if property is assessed at 15 percent of market value in Town A, a house and land with a market value of \$100,000 should have an assessment of \$15,000. If the property is not receiving any exemptions, \$15,000 would be the property's taxable assessed value.

How do I know if my assessment is fair?

In communities assessing property at 100 percent of market value, your assessment should equal roughly the price for which you could sell your property. In communities assessing at a percentage of market value, the estimated market value of each property is listed on the tentative assessment roll.

All property owners should check the tentative assessment roll each year to ensure their assessments are fair and that they are receiving the exemptions they expect to receive. In most communities, the tentative roll is filed on May 1, but you should check with your assessor for the specific date for your community.

How can I contest my assessment?

It is helpful for taxpayers to bring any questions about assessments to the assessor before the tentative roll is filed. Often, an informal discussion between a taxpayer and an assessor can result in sharing information that is beneficial to both parties.

If an informal discussion with your assessor does not result in a reduction in your assessment, and you still feel as though your assessment is too high, you may wish to contest your assessment.

For forms and information about contesting your assessment:

- Type www.tax.ny.gov into the address bar of your Internet browser and press *Enter*.
- Type *contest* into the Search Tax box (upper right corner) and press *Enter*.
- The links under *Top Recommendations* provide helpful information.

Note: Assessors can only address your property's assessment, not the amount of your taxes. The taxes to be collected are set by local jurisdictions, not by the assessor.