

ALTERNATIVE EXEMPTION FOR WARTIME VETERANS:
FIRST YEAR RESULTS



STATE BOARD OF EQUALIZATION AND ASSESSMENT

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STATE OF NEW YORK

MARIO M. CUOMO, GOVERNOR

Governor Nelson A. Rockefeller Empire State Plaza, Albany, New York 12223

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William J. Heidelmark

Office of Policy Analysis and Development

Donald F. Clifford
Chief of Research
and Development

Peter A. Wissel
Director of Real Property
Tax Research

EXECUTIVE SUMMARY

Chapter 525 of the Laws of 1984 established an alternative property tax exemption for wartime veterans, which was first applied to the 1985 assessment rolls. On the 1985 rolls, statewide, close to 197,000 exemptions appeared using the new exemption criteria, exempting \$1.6 billion in property value from taxation. Some of this reflects changes from the prior veterans' exemptions, which declined from almost 507,000 in 1984 (exempting \$6.2 billion) to only 458,000 exemptions in 1985 (exempting almost \$6.4 billion from the 1985 rolls). The net increase in veterans' exemptions of all kinds between 1984 and 1985 was almost 148,000. The additional exempt value derived from the new exemptions and changes from the former exemption criteria produced tax shifts for county and city/town purposes of approximately \$18.3 million.

Three categories of exemption are included in the newly-established veterans' exemption, based on (1) period and location of service and (2) service-incurred disabilities. Up to certain authorized maximum exempt amounts, veterans serving during a prescribed period of war are entitled to:

- a basic 15% exemption,
- an additional 10% exemption for duty in a combat zone, and
- an additional exemption based on one-half of a disability rating.

The enactment of this percentage exemption was partially due to the criticisms brought against the eligible funds veterans' exemption, especially the inequities inherent in a fixed dollar assessed value exemption and varying assessment levels. Additionally, problems with the local administration of the exemption have been alleviated by standardizing the exemption qualifications.

Participation in the alternative veterans' exemption is determined at the local level by allowing municipalities the opportunity to opt out of the

exemption if they adopted a local law to that effect. Less than one-third of New York's counties and slightly more than one-third of New York's cities and towns exercised this option. Municipalities granting the exemption had the additional option of reducing the maximum exempt amount by either 25% or 50%, but in any case could not grant any new eligible funds exemptions after March 2, 1986.

Statewide, the alternative exemption for combat veterans outnumbered noncombat exemptions by almost 25,000 and produced almost a half billion dollars more of equalized exempt value. Places with the greatest number of combat exemptions were: New York City (13,724), Nassau County (12,108), and Orange County (8,662). Less than five percent of the veterans who were qualified and were granted noncombat and combat exemptions were also granted a disabled exemption. Statewide, 9,226 exemptions were given to disabled wartime veterans under this section of law.

The added exempt value of all alternative veterans' exemptions caused \$18.3 million to be shifted to property owners not receiving the exemption. This tax shift was composed of an \$8.4 million tax shift for county purposes and a \$9.8 million city/town tax shift. Combined county and city/town tax shifts were highest in Erie County (\$2.4 million), New York City (\$2.1 million), and Monroe County (\$1.9 million). A tax shift also occurred in villages, but data is not available to measure the impact.

The new alternative veterans' exemptions on the 1985 rolls brought the total number of all veterans' exemptions to nearly 655,000. This 29% increase in the number of veterans' exemptions from the 1984 assessment rolls meant that 56% of all partial exemptions granted in New York State in 1985 were for veterans. On the other hand, the exempt percentages associated with veterans' exemptions resulted in an equalized exempt value (\$8.0 billion) that represents less than one-third of the value exempted by all partial exemptions.

These exempt percentages are not uncommon for exemptions granted to residential property owners, e.g., aged (RPTL §467) exemptions (133,107) accounted for nearly 15% of all partial exemptions, but the equalized exempt value of these exemptions (\$1.7 billion) represented less than 7% of the total equalized value of all partial exemptions. In contrast, business investment (RPTL §485-b) exemptions (11,835) made up only 1.3% of all partial exemptions, but the equalized exempt value generated by these business exemptions (\$2.8 billion) was almost 11% of the total equalized exempt value of all partial exemptions.

The total number of alternative veterans' exemptions on the 1985 rolls was highest in New York City (22,910), Nassau County (22,410), and Orange County (16,070). Counties with the highest amount of value exempted by the new veterans' exemptions were: Nassau (\$233.4 million), Suffolk (\$146.9 million), and Monroe (\$144.8 million) counties.

Genesee and Orange counties experienced the largest change in the number of total veterans' exemptions from 1984 to 1985 with increases in excess of 200%; likewise their exempt value growth was the highest in the state with, respectively, 900% and 696%.

Total tax shifts resulting from all veterans exemptions increased by 24% from 1984 to 1985 from \$76.2 million to \$94.5 million. This figure includes a county tax shift of \$43.2 million and a city/town tax shift of \$51.3 million. Suffolk (\$17.7 million), Erie (\$13.6 million), and Nassau (\$12.7 million) counties had the largest combined tax shifts in New York State.

First year results of any new exemption do not predict total participation, for participation in similar programs usually rises in response to the public's increased awareness of the exemption.

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Alternative Exemption for Wartime Veterans

Introduction

Unless local governments opt not to allow it, section 458-a of the Real Property Tax Law (RPTL) provides an alternative to the "eligible funds" veterans' exemption available previously. The new statute (L. 1984, ch. 525) mandates three categories of exempt benefits based on (1) period and location of service and (2) service-incurred disabilities. The alternative exemption for wartime veterans applies to general municipal taxes, but does not extend to school taxes or to special district levies and assessments.

This alternative veterans' exemption provides veterans who were on active duty during a period of war with a 15% exemption (not to exceed \$12,000 or its equalized equivalent). An additional exemption of 10% (not to exceed \$8,000) is available to those who served in combat zones. Veterans who sustained service-related disabilities, as evidenced by receipt of a disability compensation rating from the Veterans Administration or the Department of Defense, are eligible for a percentage exemption equal to one-half of their disability rating (not to exceed \$40,000) in addition to the wartime and combat zone exemptions.

Municipalities electing to allow the alternative veterans' exemption need not pass any local legislation, but cannot grant any new eligible funds or pro rata veterans' exemptions after March 2, 1986. On the other hand, taxing jurisdictions not desiring the alternative veterans' exemption must have passed a local law opting out of the exemption no later than 90 days prior to the 1985 taxable status date of the jurisdiction. The local law may be repealed at a later date, if the taxing unit subsequently decides to allow the exemption.

A jurisdiction which allows the alternative veterans' exemption has the additional option of using either of the following reduced maximum exempt amounts instead of the maximum amounts authorized by state law:

	<u>State Law Maximum</u>	<u>Reduced Maximum Pursuant to Local Law</u>	
Wartime veteran (15%)	\$ 12,000	\$ 9,000	\$ 6,000
Combat zone veteran (10%)	8,000	6,000	4,000
Disabled veteran (1/2 of rating %)	40,000	30,000	20,000

The wartime and combat zone exemptions are limited to a period of ten years, generally commencing with the assessment roll prepared on the basis of the second taxable status date after December 31, 1984. Veterans who did not own qualifying property at that time may receive the exemption for 10 years commencing on the first assessment roll with a taxable status date at least 60 days after the acquisition of the property. There is no time limit for the duration of the disability exemption.

In its initial year, for the 1985 assessment rolls, the alternative veterans' exemption expanded the total number of veterans' exemptions from about 507,000 in 1984 to almost 655,000. This 29% increase in the number of exemptions contrasts with the decreases that occurred from 1983 to 1984 (1.8%) and from 1982 to 1983 (0.3%).

History

In 1890, the Court of Appeals interpreted section 1393 of the New York State Code of Civil Procedure as exempting real property owned by a military pensioner from levy and sale on execution so long as the property was at least partially purchased with military pension monies and necessary or convenient for the support and maintenance of the pensioner and his family. In that case (Yates County National Bank v. Carpenter, 119 NY.550) relief was sought from the execution sale of property bought with the proceeds of a military pension by a disabled Civil War veteran. Lawyers for the veteran relied on a liberal

interpretation of an 1864 statute exempting veterans' pensions from execution. Finding in Carpenter's favor, the court reasoned that the existing "exemption for veteran's pension monies can produce no beneficial effect, unless it is extended beyond the letter of the Act." Following the Carpenter decision, the lower courts held that military pensioners' dwellings were exempt from real property taxation to the extent U.S. Government pension monies had been used to purchase the dwelling.

In 1897, the statute from which the present section 458 of the Real Property Tax Law is derived was enacted by amending the Tax Law of 1896. This enactment (L. 1897, ch. 347) incorporated the veterans' exemption, as interpreted by the courts, into the Tax Law and established a procedure for granting the exemption. These provisions have been retained and constitute the principal provisions of subdivision 1 of section 458.

Over the years, there have been only slight changes to the statute. Chapter 278 of the Laws of 1914 amended the statute to provide a \$5,000 assessed value ceiling on the amount of the basic exemption added. Concurrently, language was removed requiring that the property be the residence of the veteran and the implicit requirement that the veteran be a resident of the State. No statement of legislative intent can be found for either change. Two additional exemptions were added and made available to disabled veterans by chapter 139 of the Laws of 1946 [RPTL §458(3)], and by chapter 708 of the Laws of 1950 [RPTL §458(2)]. Subsequent amendments during the next 28 years mainly elaborated the list of sources which could be considered eligible funds for determining the amount of exemption.

The most recent legislative enactments, with respect to the eligible funds veterans' exemption, concerned themselves with maintaining the ratio of exempt value to the total value of the property. Chapter 134 of the Laws of 1979

created RPTL §458(5) and provided that the ratio of exempt value to total value of a veteran's property be maintained when a court-mandated conversion to full value assessment takes place. This subdivision also provided a local option to sustain the exempt percentage for those localities that voluntarily undertook such a conversion. Subdivision 5 was designated to expire on December 31, 1980. It was subsequently extended three times by the Legislature to August 30, 1984. In Burrows v. Board of Assessors for Town of Chatham, 64 N.Y.2d.33 (1984), the Court of Appeals declared unconstitutional the dichotomy between automatic pro rata exemptions where a revaluation was mandated and optional pro rata exemptions where a revaluation was voluntary. Chapter 525 of the Laws of 1984 removed the expiration date provision, and authorized taxing jurisdictions to elect the "pro rata" provision by adopting a local law to such effect on or before August 30, 1985. In a footnote to its decision, the Burrows court indicated that the constitutional infirmity had been resolved.

Chapter 525 also provided a veteran receiving a pro rata veterans' exemption with the ability to transfer the exempt percentage of his or her existing property to a replacement residence, provided: (1) the replacement takes place within the same assessing unit; and (2) the total dollar amount of the new exemption does not exceed the previous exemption.

Concerns with the Eligible Funds Veterans' Exemption

Throughout the 1970's and early 1980's there was continuing criticism of the eligible funds exemption¹. Confusion over the legislative intent in granting the exemption often provided the fuel for this criticism. As has been previously noted, the statement of legislative intent for imposing the \$5,000 assessed value

¹ "Veterans Real Property Tax Exemptions in New York State," New York State Division of Equalization and Assessment, May 1982, pgs. 4-5.

ceiling and the removal of the residency requirement from the exemption has never been discovered. It's easy to speculate that the ceiling was imposed to limit the impact of the exemption on local governments, but deletion of the residency requirement may have been done inadvertently.

For whatever reasons, these two provisions have added to the confusion caused by the fact that RPTL §458 makes no distinction for need, type or length of military service, or for the type of property against which the exemption can be applied. Because of the determination of eligibility and the local administration of the exemption, widely varying benefits to New York veterans have resulted in differential shifts in tax burdens to non-veteran taxpayers.

Eligible Funds Criteria

1. While the amount of the exemption is based on the amount of the "eligible funds", the definition found in RPTL §458(1) for such funds is simply stated as "proceeds of a pension, bonus or insurance, or dividends or refunds on such insurance, or dividends or refunds on such insurance, or payments received as prisoner of war compensation from the United States Government." The precise determination of which funds meet this definition has been left to the courts and the State Board of Equalization and Assessment (SBEA). Over the years SBEA has identified nineteen distinct categories of eligible funds.
2. Entitlement to these funds has no direct relationship to whether a veteran served honorably or not, length of service, heroism or need. A case in point is payments made under the G.I. Bill of Rights. The portion of these payments applied to the cost of real property satisfies the eligible funds criteria. An annual benefit is thus derived from a payment intended to assist the continuance of a veteran's education. Readjustment allowances, a form of unemployment insurance granted after World War II, are another example. These payments are considered eligible funds, but the veteran who immediately resumed working upon discharge would not be entitled to such eligible funds.
3. The type of benefits available to veterans has changed. Many of the benefits obtainable by veterans of earlier wars were not available to Vietnam veterans. For example, mustering out pay, certain insurance benefits and other compensation available to veterans of World War II and Korea, were not granted to Vietnam veterans.

4. Additionally, the veterans' exemption statute has been interpreted to require that in order for moneys to be considered eligible funds, they must be traceable to the original compensation. This means that the veteran who spent his benefits upon discharge, but subsequently saved the equivalent of these funds to purchase real property, is technically not eligible for the exemption.

Fractional Assessment

5. Since the eligible funds exemption is applied against the assessed value of the veteran's property, the degree to which the assessing unit assesses at full value (100% of market value) greatly effects the percentage of the property which becomes exempt. Exempt property located in a municipality assessing at 10% of full value receives a disproportionate exemption relative to the property located in a locality assessing at 100% of full value, as per the following example:

	<u>Town A</u>	<u>Town B</u>
Property Value	50,000	50,000
Level of Assessing	10%	100%
Assessed Value	5,000	50,000
Exempt Value	5,000	5,000
Percent Exempt	100%	10%

The use of fixed dollar exemptions, combined with varied fractional assessment practices in different assessing units produces inequities among similarly eligible veterans.

Administrative Problems

6. The burden for administering the eligible funds exemption falls on the local assessor. He has to verify not only eligibility, but also the source of funds claimed for the exemption. This procedure is cumbersome for both the assessor and the veteran, especially the traceability requirement. If the veteran has not kept his eligible funds in a separate bank account as recommended by SBEA, it may be difficult to prove that these funds represent the original benefits.
7. The confusing nature of the exemption's eligibility requirements has prevented many veterans from applying for the exemption and has resulted in applications being denied. Different assessors require different documentation for determining proof of eligible funds. The variability of documentation can provide markedly different benefits for similar veterans. Veterans lacking an initial awareness of the exemption are at a distinct disadvantage when it becomes necessary to document the required information.

Alternative Veterans' Exemption Qualifications

The majority of the criticisms directed against the eligible funds veterans' exemption, detailed in the previous section, have been alleviated by the introduction of the alternative veterans' exemption. Inequities caused by inconsistencies in the receipt and documentation of eligible funds have been removed by the standardization of qualifications and inconsistencies brought about by uneven assessment levels have been equalized in the application of the percentage exemption. Other aspects of the exemption have also been made more consistent.

The alternative veterans' exemption is primarily based on period and location of service. The veteran applying for exemption must initially demonstrate that he or she served during a period of war and that an honorable discharge was received. A period of war is defined as the Spanish-American War, Mexican Border War, World War I, World War II, or the Korean (June 27, 1950 - January 31, 1955) or Vietnam (January 1, 1963 - May 7, 1975) hostilities. An honorable discharge is evidenced through a copy of the separation from service form such as the DD214 or other written evidence which provides proof of dates of service and type of discharge or release.

In order to receive the additional 10 percent exemption for service in a combat zone or combat theatre, the veteran's separation form or other written evidence must show such participation. Certain awards, when included on separation forms, document service in a combat zone or combat theatre, e.g. the Korean or Vietnam Service Ribbon. This supplementary exemption recognizes the distinction between a veteran who has served in a combat zone and one who has not.

This shift in focus from eligible funds requirements to period and location of service goes a long way toward preventing future inequities among veterans

with similar histories of military service. The veteran who did not or could not receive particular types of insurances, bonuses or certain other benefits is treated no differently under this exemption than the veteran who was granted such benefits.

Veterans claiming a disability exemption under RPTL 458-a must submit written evidence from the Veterans Administration or the Department of Defense showing the disability rating percentage. Prior to the enactment of this section of law, a disabled veteran might apply for one of two exemptions: RPTL §458(2) (Subscription Vets); or RPTL §458(3) (Paraplegic Vets).

Real property owned by an honorably discharged veteran of World War I or II or the Korean Conflict which was purchased with moneys collected by popular subscription is eligible to receive exemption under RPTL §458(2). The exemption is limited to the lesser of \$5,000 of assessed value or to the amount of the collected moneys used to purchase the property. Apparently, very few veterans can meet the qualifications imposed by this statute. The 1983, 1984 and 1985 assessment rolls each showed only two instances of the applicable exemption code statewide.

Alternatively, a seriously disabled veteran may be eligible for exemption under RPTL §458(3). The primary residence (including necessary land) of a seriously disabled veteran of World War I or II or the Korean or Vietnam conflicts which was purchased with financial assistance from the United States Government and is equipped with special fixtures or facilities to accommodate the veteran's disability qualifies for exemption from taxation. For the 1982-1985 assessment rolls: (1) the use of this exemption ranged from a high of 618 (1983) to a low of 611 (1982, 1985); and (2) the equalized exempt value saw a high of \$38.3 million (1985) and a low of \$32.1 million (1982). Obviously, this exemption is the more widely used of the two disabled veterans' exemptions.

Even though both of these exemptions provide relief to veterans, the exemptions appear to be aimed solely at the veteran who is extremely disabled. The flexibility of the disability exemption detailed in RPTL §458-a provides (1) a lower percentage exemption for disabilities that are not so severe as to require special residential equipment, but are severe enough to require financial assistance from the Veterans Administration and (2) a higher percentage exemption to veterans who are more seriously disabled.

Administratively, the alternative veterans' exemption is less cumbersome for both the assessor and the veteran. The documentation submitted to the assessor must contain certain very specific information concerning what the assessor is looking for, i.e., dates and locations of service and type of discharge. This uniformity works to the advantage of the assessor (less time needed to verify documentation) and the veteran applicant (traceability of benefit compensations is no longer an issue).

Lastly, because the exemption is applied as a percentage of the property's total equalized value (up to certain equalized value limits), the problem of varying assessment levels leading to uneven exemption levels has been resolved.

Participation in Alternative Veterans' Exemption, 1985 Assessment Rolls

Considering the local option aspects of this exemption and the rising value of exempt property in New York State, it is notable that slightly more than two-thirds of the counties (68%) and a similar percentage of the cities and towns (61%) allowed the alternative veterans' exemption. The table below shows the number of cities, towns, villages, and counties that allowed the exemption for 1985 assessment rolls, as well as any reduced maximums that had been enacted:

**Number of Cities, Towns, Villages, and Counties
Allowing Alternative Exemption for Wartime Veterans**

1985 Assessment Rolls

<u>Dollar Amount of Exemption Limit</u>			<u>Cities</u>	<u>Towns</u>	<u>Villages</u>	<u>Counties</u>
12,000	8,000	40,000	28	409	26	27
9,000	6,000	30,000	0	20	0	0
6,000	4,000	20,000	<u>10</u>	<u>147</u>	<u>10</u>	<u>12</u>
Number Allowing Exemption			38	576	36	39
Not Authorized			24	356	96	18
No reply			<u>0</u>	<u>0</u>	<u>423</u>	<u>0</u>
TOTAL			62	932	555	57

The next two tables show in detail which counties and cities sustained the alternative exemption for wartime veterans and at what maximum the exemption is allowed. Due to the incomplete information available for villages (as noted above), this report will not incorporate village impacts.

**Table 1. Cities Allowing Alternative Exemption for Wartime Veterans,
1985 Assessment Rolls.**

<u>City</u>	<u>County</u>	<u>Exemption Limit</u>		
Albany	Albany	12,000	8,000	40,000
Amsterdam	Montgomery	12,000	8,000	40,000
Auburn	Cayuga	Not Authorized		
Batavia	Genesee	12,000	8,000	40,000
Beacon	Dutchess	Not Authorized		
Binghamton	Broome	6,000	4,000	20,000
Buffalo	Erie	Not Authorized		
Canandaigua	Ontario	12,000	8,000	40,000
Cohoes	Albany	Not Authorized		
Corning	Steuben	Not Authorized		
Cortland	Cortland	6,000	4,000	20,000
Dunkirk	Chautauqua	6,000	4,000	20,000
Elmira	Chemung	Not Authorized		
Fulton	Oswego	12,000	8,000	40,000
Geneva	Ontario	12,000	8,000	40,000
Glen Cove	Nassau	12,000	8,000	40,000
Glens Falls	Warren	12,000	8,000	40,000
Gloversville	Fulton	12,000	8,000	40,000
Hornell	Steuben	Not Authorized		
Hudson	Columbia	12,000	8,000	40,000
Ithaca	Tompkins	12,000	8,000	40,000
Jamestown	Chautauqua	Not Authorized		
Johnstown	Fulton	12,000	8,000	40,000
Kingston	Ulster	12,000	8,000	40,000
Lackawanna	Erie	12,000	8,000	40,000
Little Falls	Herkimer	Not Authorized		
Lockport	Niagara	6,000	4,000	20,000
Long Beach	Nassau	12,000	8,000	40,000
Mechanicville	Saratoga	12,000	8,000	40,000
Middletown	Orange	6,000	4,000	20,000
Mount Vernon	Westchester	Not Authorized		
Newburgh	Orange	Not Authorized		
New Rochelle	Westchester	6,000	4,000	20,000
New York City	Five Boroughs	12,000	8,000	40,000
Niagara Falls	Niagara	12,000	8,000	40,000
North Tonawanda	Niagara	Not Authorized		
Norwich	Chenango	6,000	4,000	20,000
Ogdensburg	St. Lawrence	6,000	4,000	20,000
Olean	Cattaraugus	Not Authorized		
Oneida	Madison	Not Authorized		

**Table 1. Cities Allowing Alternative Exemption for Wartime Veterans,
1985 Assessment Rolls (continued).**

<u>City</u>	<u>County</u>	<u>Exemption Limit</u>		
Oneonta	Otsego	Not Authorized		
Oswego	Oswego	Not Authorized		
Peekskill	Westchester	Not Authorized		
Plattsburgh	Clinton	Not Authorized		
Port Jervis	Orange	6,000	4,000	20,000
Poughkeepsie	Dutchess	Not Authorized		
Rensselaer	Rensselaer	12,000	8,000	40,000
Rochester	Monroe	Not Authorized		
Rome	Oneida	12,000	8,000	40,000
Rye	Westchester	12,000	8,000	40,000
Salamanca	Cattaraugus	12,000	8,000	40,000
Saratoga Springs	Saratoga	12,000	8,000	40,000
Schenectady	Schenectady	12,000	8,000	40,000
Sherrill	Oneida	Not Authorized		
Syracuse	Onondaga	12,000	8,000	40,000
Tonawanda	Erie	12,000	8,000	40,000
Troy	Rensselaer	12,000	8,000	40,000
Utica	Oneida	6,000	4,000	20,000
Watertown	Jefferson	Not Authorized		
Watervliet	Albany	12,000	8,000	40,000
White Plains	Westchester	Not Authorized		
Yonkers	Westchester	Not Authorized		

Table 2. Counties, Cities, and Towns Allowing Alternative Exemption for Wartime Veterans, 1985 Assessment Rolls.

County	County Exemption Limit (\$000)	Number of Cities and Towns				
		Total	Opting Out	Exemption Limits (\$000)		
				12/8/40	9/6/30	6/4/20
Albany	12/8/40	13	1	10	--	2
Allegany	Not Authorized	29	29	--	--	--
Broome	12/8/40	17	6	8	--	3
Cattaraugus	12/8/40	34	27	7	--	--
Cayuga	6/4/20	24	8	5	1	10
Chautauqua	Not Authorized	29	26	2	--	1
Chemung	Not Authorized	12	9	3	--	--
Chenango	6/4/20	22	--	7	--	15
Clinton	Not Authorized	15	15	--	--	--
Columbia	12/8/40	19	--	16	1	2
Cortland	6/4/20	16	5	8	--	3
Delaware	Not Authorized	19	8	2	--	9
Dutchess	Not Authorized	22	14	4	--	4
Erie	12/8/40	28	3	24	--	1
Essex	Not Authorized	18	15	3	--	--
Franklin	Not Authorized	19	17	2	--	--
Fulton	12/8/40	12	2	10	--	--
Genesee	6/4/20	14	1	3	1	9
Greene	12/8/40	14	2	11	1	--
Hamilton	12/8/40	9	1	8	--	--
Herkimer	Not Authorized	20	18	2	--	--
Jefferson	6/4/20	23	12	4	--	7
Lewis	Not Authorized	17	14	3	--	--
Livingston	12/8/40	17	--	16	--	1
Madison	Not Authorized	16	13	3	--	--
Monroe	12/8/40	21	1	18	1	1
Montgomery	12/8/40	11	--	8	--	3
Nassau	12/8/40	5	--	5	--	--
Niagara	12/8/40	15	1	12	1	1
Oneida	12/8/40	29	1	27	--	1
Onondaga	12/8/40	20	--	19	--	1
Ontario	6/4/20	18	6	3	--	9
Orange	6/4/20	23	3	14	--	6
Orleans	12/8/40	10	1	1	--	8
Oswego	12/8/40	24	4	18	--	2

**Table 2. Counties, Cities, and Towns Allowing Alternative Exemption for
Wartime Veterans, 1985 Assessment Rolls (continued).**

County	County Exemption Limit (\$000)	Number of Cities and Towns				
		Total	Opting Out	Exemption Limits (\$000)		
				12/8/40	9/6/30	6/4/20
Otsego	Not Authorized	25	24	1	--	--
Putnam	12/8/40	6	--	5	1	--
Rensselaer	12/8/40	16	--	13	2	1
Rockland	12/8/40	5	--	5	--	--
St. Lawrence	12/8/40	33	3	24	2	4
Saratoga	12/8/40	21	--	18	--	3
Schenectady	Not Authorized	6	--	4	--	2
Schoharie	6/4/20	16	2	--	3	11
Schuyler	Not Authorized	8	8	--	--	--
Seneca	Not Authorized	10	10	--	--	--
Steuben	Not Authorized	34	29	4	--	1
Suffolk	12/8/40	10	1	9	--	--
Sullivan	12/8/40	15	--	13	1	1
Tioga	12/8/40	9	3	4	--	2
Tompkins	6/4/20	10	7	2	--	1
Ulster	12/8/40	21	1	16	2	2
Warren	12/8/40	12	--	11	1	--
Washington	6/4/20	17	--	8	--	9
Wayne	6/4/20	15	--	5	--	10
Westchester	Not Authorized	25	17	6	1	1
Wyoming	6/4/20	16	3	2	1	10
Yates	Not Authorized	9	9	--	--	--
New York City (5 Boroughs)	Not Applicable	1	--	1	--	--
Statewide Total		994	380	437	20	157

In an attempt to explain why certain local governments would choose to opt out of the alternative veterans' exemption, the following conjectures were formulated:

1. Local governments with an existing high percentage of exempt property will be more likely to restrict the amount of new exemptions and thus not allow the exemption.
2. Local governments with a high percentage of veterans will be more likely to allow the exemption.
3. Local governments with a high percentage of Vietnam and Korean conflict era veterans relative to the total veteran population, many of which do not qualify for the eligible funds veterans' exemption, will be more likely to allow the exemption.
4. Rural local governments with a low concentration of veterans and relatively low absolute numbers of veterans will be less likely to allow the exemption.

Although these conjectures were developed for all types of local governments (i.e., cities, towns, and counties), 1985 veteran population figures were available only at the county level.

The percent of property that is exempt for county tax purposes in a given county on the 1985 assessment rolls in New York State ranges from a high of 55.1% (St. Lawrence County) to a low of 10.3% (Greene County). Had the first conjecture been true, we would have expected a majority of those counties opting out of this exemption to have exempt property percentages above the statewide median of 24.2%. Such was not the case. Of the eighteen counties that opted out of the exemption, only seven were above the median. Additionally, the range of the percentage of exempt property in the nonparticipating counties varied little from the statewide figures, i.e., 54.3% (Clinton County) to 16.4% (Lewis County).

Statewide, wartime veterans are estimated at 1,558,700 persons² and represent 8.8% of the overall estimated population of 17,783,000³. At the county level, the percent of wartime veterans ranged from 12.2% in Hamilton County to 7.0% in Tompkins County. Of the 18 counties not participating in the alternative veterans' exemption, 10 had veteran population percentages below the statewide median of 9.4%. Additionally, 9 of the 12 counties allowing the alternative veterans' exemption at a reduced level (i.e., 6,000; 4,000; 20,000) had veteran population percentages below the statewide median. These figures demonstrate a slight tendency for counties with lower veteran population percentages to either opt out of the exemption or to grant the exemption at the lowest allowable level. For a complete listing of county populations versus county wartime veterans see the Appendix.

Counties opting out of the alternative veterans' exemption had at least 42.5% (Westchester County), but not more than 59.5% (Clinton County) of their total wartime veterans on active duty during the Vietnam or Korean conflict eras. These figures deviate only slightly from the statewide range of 40.5% (Montgomery County) to 59.8% (Livingston County). The nonparticipating counties fluctuated from the statewide median of 50.5% in a fashion similar to the total wartime veterans percentages; that is, seven counties were above the median and eleven were below it. To some extent this supports a conjecture that counties with a lower number of Vietnam/Korean era veterans will be less likely to sustain the exemption, but the relationship is weak.

² "New York Veteran Population by Sex, County and Period of Service as of March 31, 1985", Veterans Administration, Office of Information Management and Statistics, Washington, D.C.

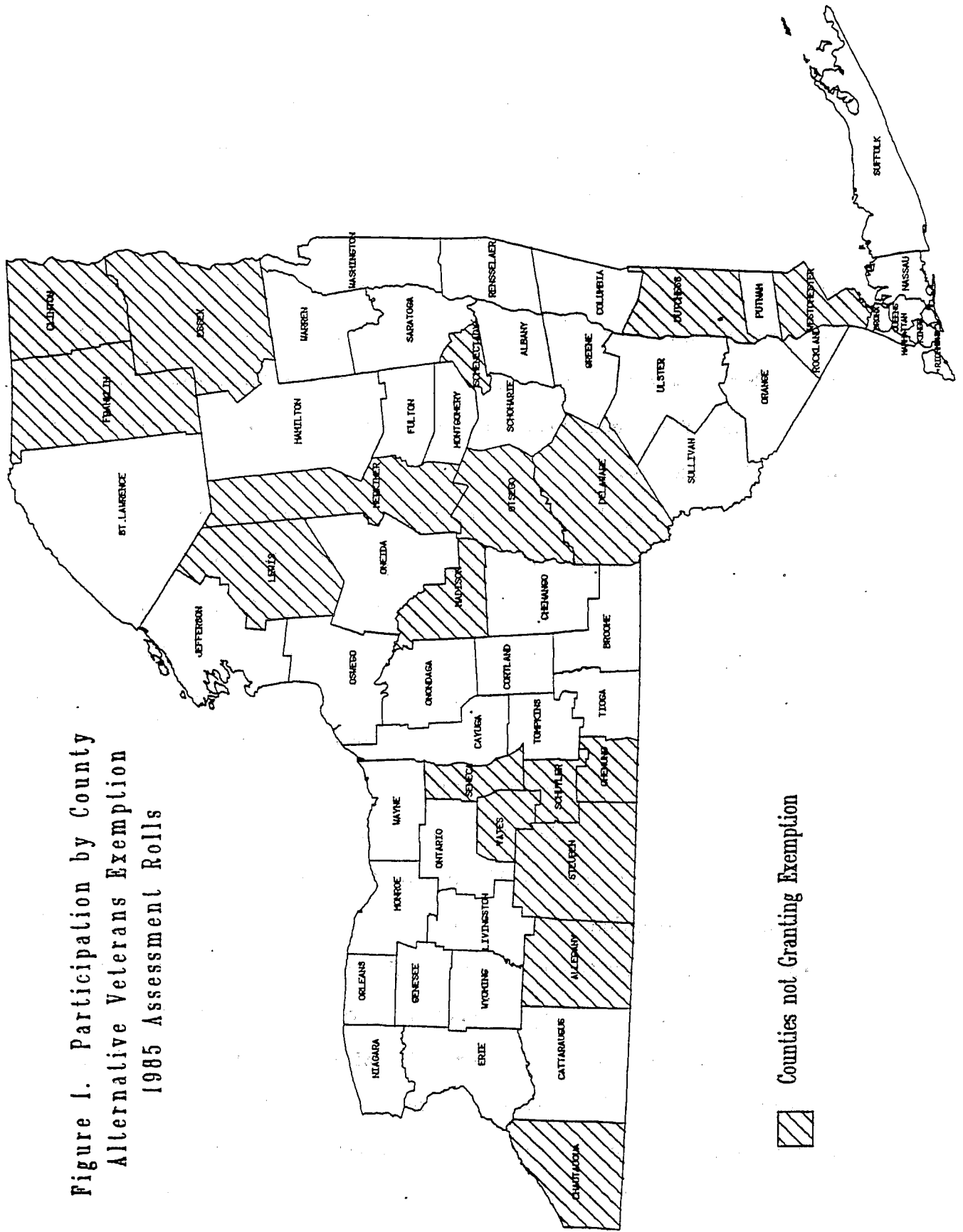
³ "Provisional Estimate of the Population of Counties: July 1, 1985", U.S. Department of Commerce, Bureau of the Census, Washington, D.C.

Urban areas with relatively high concentrations of veterans' groups, e.g., Veterans of Foreign Wars, American Legion, Disabled American Veterans, may have been better organized to deter local legislation that would disallow the alternative exemption for wartime veterans. The map on page 18 shows the geographic locations of the counties that opted out of the exemption and the counties that did not. Generally, the nonparticipating counties fall into four areas of the state: the northern region (Clinton, Essex, Franklin, Herkimer, and Lewis counties); the central region (Delaware, Madison, Otsego, and Schenectady counties); the southern tier (Allegany, Chautauqua, Chemung, Schuyler, Seneca, Steuben, and Yates counties); and the lower Hudson Valley (Dutchess and Westchester counties).

As can be seen from the map, nonparticipating counties are somewhat clustered together, but they do not represent a distinctly rural/urban bias. On the other hand, the apparent groupings tend to support an observation that communications and information among counties in the same geographic region may have spillover effects. For example, a decision by one county not to allow the alternative veterans' exemption may have influenced one or more neighboring counties' decisions to opt out of the exemption.

The majority (15) of the twenty-four cities that chose not to accept the exemptions provided in RPTL §458-a are located in counties that also chose not to allow the exemption. This phenomenon is hardly surprising. The city's decision may well have triggered the county's decision or vice versa. Large and even small cities have a large voice in county government. As was the case with counties, there was no tendency for cities with high percentages of exempt property to opt out of the exemption any more than cities with low exempt percentages. In fact, fifteen of the nonparticipating cities had exempt percentages above the statewide median of 35.7%. Comparisons of the

Figure 1. Participation by County
Alternative Veterans Exemption
1985 Assessment Rolls



Counties not Granting Exemption

percentage of wartime and Vietnam/Korean conflict veterans were not performed due to insufficient data, but the nonparticipating cities do not appear to exhibit any characteristics that distinguish them from other cities. An exception to this generality is that three of the "Big Five" cities (i.e., the cities of Buffalo, New York, Rochester, Syracuse, and Yonkers) chose not to allow the exemption. These nonparticipating cities were Buffalo, Rochester, and Yonkers. This trend was almost exactly the opposite of the trend that occurred statewide, where over 60% of the cities sustained the exemption.

Table 3 details the counts, total equalized values, and equalized exempt values for the noncombat, combat, and disabled exemptions provided in RPTL §458-a. These statistics are summarized at the county level and are taken from the 1985 assessment rolls. Exemption counts for counties include the number of parcels with an alternative veterans' exemption for either county, city/town, or combined county and city/town purposes. For this reason, counties that chose not to allow the exemption usually show exemption counts greater than zero. This simply means that at least one assessing unit in that county allowed the exemption and granted it to at least one veteran. For example, Clinton, Schuyler, Seneca, and Yates counties are the only counties of the eighteen nonparticipating counties without a noncombat alternative veterans' exemption.

Where a county has opted to allow the alternative veterans' exemption at a different maximum level than the majority of its cities and towns, double-counting of number of parcels and equalized values will occur. This is particularly true in Orange County where 16,070 alternative veterans' exemptions worth \$130.7 million was a product of (1) 8,740 exemptions applied to county tax purposes and 8,914 exemptions for city/town tax purposes and (2) \$76.5 million exempt from county tax purpose and \$65 million exempt from city/town purposes.

Table 3. 1985 Participants in Alternative Veterans' Exemption by County.

County	NONCOMBAT			COMBAT			DISABLED		
	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)
Albany	1,360	64,499	9,253	1,949	82,466	20,139	60	2,585	571
Allegany	14	337	48	18	382	96	---	---	---
Broome	1,411	52,620	7,597	1,590	63,210	12,272	90	3,242	490
Cattaraugus	196	5,706	857	347	10,518	2,624	14	437	84
Cayuga	504	21,024	2,600	910	35,249	7,510	110	4,277	683
Chautauqua	274	7,530	1,042	553	14,628	3,507	22	553	128
Chemung	12	499	75	33	1,536	378	2	106	34
Chenango	416	14,726	1,932	685	21,350	4,885	116	4,062	648
Clinton	---	---	---	---	---	---	---	---	---
Columbia	306	14,585	1,975	576	25,678	5,775	46	3,096	592
Cortland	550	19,858	2,773	786	26,977	6,333	80	3,018	558
Delaware	307	10,569	1,995	---	---	---	---	---	---
Dutchess	1,136	55,563	8,008	1,138	55,202	10,149	112	5,619	932
Erie	7,571	354,072	51,854	7,990	357,624	87,770	130	6,394	967
Essex	17	351	52	37	806	202	1	45	13
Franklin	1	11	2	10	203	51	---	---	---
Fulton	176	5,525	817	209	6,440	1,608	3	120	47
Genesee	1,800	74,946	10,100	2,736	109,872	24,874	688	26,877	3,871
Greene	138	6,152	866	283	12,319	2,864	11	457	108
Hamilton	8	247	37	14	321	80	1	12	1
Herkimer	2	47	7	6	174	44	---	---	---
Jefferson	770	22,025	3,075	1,316	36,597	8,587	161	4,836	866
Lewis	4	84	12	14	325	82	2	15	1
Livingston	638	25,812	3,811	877	35,848	8,780	111	4,413	753
Madison	17	517	77	26	703	174	3	96	7
Monroe	6,272	334,054	47,556	7,630	390,549	93,559	464	24,988	3,679
Montgomery	217	6,632	989	427	12,981	3,238	32	1,088	148
Nassau	10,176	614,556	78,988	12,108	689,280	153,470	126	6,826	815
Niagara	2,271	102,887	14,802	3,216	140,943	34,145	205	9,831	1,450
Oneida	946	33,163	4,871	1,319	42,821	10,561	65	2,217	517

Table 3. 1985 Participants in Alternative Veterans' Exemption by County (continued).

County	NONCOMBAT			COMBAT			DISABLED		
	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)
Onondaga	4,954	192,064	28,113	4,238	156,120	25,733	982	47,381	8,985
Ontario	968	47,642	5,057	1,520	72,929	12,983	232	10,672	1,706
Orange	6,013	282,230	36,729	8,662	384,161	84,915	1,395	64,167	9,065
Orleans	1,118	41,742	5,868	1,866	65,287	15,516	311	11,501	1,804
Oswego	520	16,562	2,460	699	21,457	5,281	17	481	63
Otsego	1	51	6	---	---	---	---	---	---
Putnam	397	26,244	3,705	555	35,502	8,461	18	1,061	124
Rensselaer	2,079	74,848	11,188	3,472	118,438	29,453	442	15,029	2,459
Rockland	3,921	281,178	33,426	4,487	306,116	63,441	687	47,803	6,158
St. Lawrence	789	21,210	3,156	1,231	33,090	8,171	103	3,169	565
Saratoga	1,278	54,485	7,960	2,159	84,546	20,685	238	8,964	1,385
Schenectady	900	39,479	5,447	1,451	56,665	13,362	111	4,208	654
Schoharie	53	1,877	249	113	3,785	802	5	162	22
Schuyler	---	---	---	---	---	---	---	---	---
Seneca	---	---	---	---	---	---	---	---	---
Steuben	4	85	13	9	214	53	---	---	---
Suffolk	7,012	391,136	55,822	7,024	378,970	90,199	81	3,659	915
Sullivan	200	6,404	953	262	8,089	2,011	17	511	77
Tioga	282	12,646	1,862	420	17,104	4,095	17	1,018	175
Tompkins	89	4,128	472	189	9,287	1,774	49	2,527	474
Ulster	1,199	47,229	6,932	1,789	65,629	16,202	234	8,851	1,446
Warren	550	20,607	3,076	1,121	39,503	9,736	116	4,623	866
Washington	489	16,182	2,292	753	23,373	5,542	52	1,614	267
Wayne	1,546	61,851	7,386	2,191	81,334	17,067	371	13,880	2,202
Westchester	772	59,922	7,540	869	69,317	13,997	75	6,120	1,123
Wyoming	367	13,366	1,806	605	21,467	4,794	56	1,967	371
Yates	---	---	---	---	---	---	---	---	---
New York City	8,224	240,207	27,027	13,724	374,904	73,703	962	45,898	4,507
TOTAL	81,235	3,801,972	514,616	106,212	4,602,289	1,031,733	9,226	420,476	63,376

Alternative Exemption for Noncombat Veterans

Preliminary calculations currently being performed by the Veterans Administration indicate that approximately 44% of all Vietnam era veterans were stationed in Vietnam. Figures are not available for the Korean conflict, but given the amount of military stations and personnel outside Korea during this period (June 27, 1950 - January 31, 1955), it is difficult to imagine that the percentage would be higher than in the Vietnam era. Considering these figures and the initial assumption that post-World War II veterans were expected to be the primary recipients of this exemption, it would seem logical that more noncombat exemptions would be granted than combat exemptions. This did not occur. Combat exemptions (which are an additional ten percent exemption) outnumbered noncombat exemptions by almost 25,000 exemptions. As with all averages, there has to be some deviation from the mean, but there were more combat exemptions than noncombat exemptions in all but two counties (Delaware and Otsego).

Whatever the cause, a little more than a billion dollars of equalized exempt value resulted from these combat exemptions. The noncombat exemptions produced less than half of this amount or \$514.6 million. The exempt value difference is explained by the difference in the number of exemptions and by the difference in the exemption percentage granted: 15% for the noncombat versus 25% for the combat exemption.

At the municipal level, the noncombat exemption provided in RPTL §458-a was granted by at least one local government in all but four counties in New York State: Clinton, Schuyler, Seneca, and Yates counties. Of the remaining fifty-four counties, thirty-six counties had exemption counts ranging from 1 to a 1,000; twelve had 1,001 to 5,000; and six had more than 5,000. Nassau County with the second highest wartime veteran population in the state had the greatest

number of noncombat exemptions (10,176) and was followed closely by New York City (8,224) and by Erie County (7,751). At the other end of the spectrum, Franklin and Otsego counties each had only one exemption, while Herkimer County had two noncombat exemptions.

The exempt values generated by these counts did not always produce the same rankings at the upper end of the scale. Even though New York City had the second highest number of noncombat exemptions, it ranked eighth among New York State's counties in terms of exempt value. Again, Nassau County had the greatest amount of exempt value with nearly \$79 million being removed from the 1985 assessment rolls. Suffolk County (\$55.8 million) and Erie County (\$51.9 million) placed second and third in this regard. Franklin County with \$2,000 of exempt value; Otsego County with \$6,000 of exempt value; and Herkimer County with \$7,000 of exempt value retained their positions as the counties with the least amount of exempt value among those where exemptions were granted.

Alternative Exemption for Combat Veterans

Combat veterans received exemptions under RPTL §458-a from at least one local government in all but six counties in 1985. These counties were Clinton, Delaware, Otsego, Schuyler, Seneca, and Yates. As was the case with the noncombat exemptions, the majority (28) of the counties that had at least one combat exemption also had no more than 1,000 exemptions. Counties with combat exemption counts between 1,001 and 5,000 numbered eighteen, while six counties had greater than 5,000 combat exemptions.

New York City had the most combat alternative veterans' exemptions on the 1985 assessment rolls (13,724), but Nassau County did not lag far behind (12,108). Herkimer, Steuben, and Franklin counties, on the other hand, had the fewest exemptions, respectively, with six, nine, and ten combat alternative

veterans' exemptions. With respect to equalized exempt values, Nassau County with \$153.5 million of exempt value had considerably more exempt value than the next two counties: Monroe County (\$93.6 million) and Suffolk County (\$90.2 million). New York City ranked fifth with \$73.7 million of exempt value. The three lowest ranking counties in this regard were: Herkimer County with \$44,000; Franklin County with \$51,000; and Steuben County with \$53,000.

Alternative Exemption for Disabled Veterans

Less than five percent of the veterans who were qualified and were granted noncombat or combat exemptions under RPTL §458-a were also granted a disabled exemption. Statewide, 9,226 disabled exemptions were given to disabled wartime veterans under this section of law. The resultant equalized exempt value was nearly \$63.4 million, less than the Nassau County amount for noncombat veterans alone.

There were ten counties in the state that did not contain a single assessing unit in which a disabled exemption occurred. These counties were Allegany, Clinton, Delaware, Franklin, Herkimer, Otsego, Schuyler, Seneca, Steuben, and Yates counties. The counts in the remaining 47 counties and New York City ranged from a low of one exemption (Essex and Hamilton counties) to a high of 1,395 (Orange County) with the bulk of these counties (35) having between one and two hundred exemptions. Orange County's disabled count represents 15% of all the disabled wartime exemptions granted under RPTL §458-a. Onondaga County with 982 disabled exemptions and New York City with 962 exemptions placed second and third when considering this factor, while Chemung and Lewis counties tied for next to last place with two disabled wartime veterans' exemptions each.

Orange County's prominent placement with respect to the number of disabled wartime exemptions translates into a high amount of exempt value for this portion of the alternative veterans' exemption. The \$9.1 million of exempt value in Orange County was only marginally higher than Onondaga County's \$8.9 million of exempt value, but almost 50% higher than third-ranked Rockland County's \$6.2 million of exempt value. Lewis and Hamilton Counties had the least amount of exempt value with \$1,000 each, while Madison County had only \$7,000 exempted.

Tax Shifts, Total Alternative Exemptions for Wartime Veterans

The total equalized exempt value of all alternative veterans' exemptions amounted to just over \$1.6 billion on the 1985 assessment rolls and caused almost \$18.3 million to be shifted to property owners not receiving this exemption. This tax shift was a combination of an \$8.4 million county tax shift and a \$9.8 million city/town tax shift.

Before going any further with this tax shift analysis, an understanding of how these shifts were calculated is in order. Most important is the exclusion of the exemption for village tax purposes. This exclusion was necessitated by the form of the data. That is, the exemption counts and values were taken from the data files used in the 1985 exemption report⁴ and are summarized at the city and town level. Thus, veterans' exemptions granted in the village portion of a town were treated as if they were granted in the town outside village portion of the town for tax impact purposes. This will result in a slight underestimate of overall tax impacts. While parcels located in the village portion of a town have

⁴ "Exemptions from Real Property Taxation in New York State: 1985 Assessment Rolls," New York State Division of Equalization and Assessment, April 1987.

different tax rates than their nonvillage town neighbors, the difference is almost always one of addition, i.e., combined village taxes in full value terms are generally higher than taxes on parcels outside any village portions. After making this exclusion, municipal equalized exempt values were multiplied by the appropriate county and city/town full value tax rates. This process generates a county tax shift and a city/town tax shift for each municipality, which, when aggregated, results in the estimates of total county tax shifts and total statewide tax shifts.

There is no legal requirement for villages to provide SDEA with information concerning the property tax exemptions they have granted. While many villages voluntarily provide SDEA with their exemption data, many also do not. This lack of comprehensive data is the reason village impacts have not been shown.

Table 4 summarizes the noncombat, combat, and disabled portions of the data contained in Table 3 and adds the average percent exempt for each county, as well as the computed tax shifts.

Table 4. Tax Shift 1985 Alternative Veterans' Exemptions by County.

County	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Avg. Pct. Exempt	Taxes on Exempt Value (1986 Tax Rates)		
					County	City/Town	Total
Albany	3,369	149,550	29,963	20.0	\$ 98,801	\$ 204,429	\$ 303,230
Allegany	32	719	144	20.0	---	2,200	2,200
Broome	3,091	119,072	20,359	17.1	94,853	98,957	193,810
Cattaraugus	557	16,661	3,565	21.4	30,378	17,440	47,818
Cayuga	1,524	60,550	10,793	17.8	72,431	23,729	96,160
Chautauqua	849	22,711	4,677	20.6	---	57,932	57,932
Chemung	47	2,141	487	22.7	---	190	190
Chenango	1,217	40,138	7,465	18.6	57,173	59,140	116,313
Clinton	---	---	---	---	---	---	---
Columbia	928	43,359	8,342	19.2	57,604	27,292	84,896
Cortland	1,416	49,853	9,664	19.4	74,004	47,710	121,714
Delaware	307	10,569	1,995	18.9	---	15,209	15,209
Dutchess	2,386	116,384	19,089	16.4	---	69,553	69,553
Erie	15,691	718,090	140,591	19.6	1,652,492	732,209	2,384,701
Essex	55	1,202	267	22.2	---	2,583	2,583
Franklin	11	214	53	24.8	---	434	434
Fulton	388	12,085	2,472	20.5	30,129	19,707	49,836
Genesee	5,224	211,695	38,845	18.3	172,992	61,838	234,830
Greene	432	18,928	3,838	20.3	16,568	20,272	36,840
Hamilton	23	580	113	20.3	349	930	1,279
Herkimer	8	221	51	23.1	---	241	241
Jefferson	2,247	63,458	12,528	19.7	47,926	36,151	84,077
Lewis	20	424	95	22.4	---	708	708
Livingston	1,626	66,073	13,344	20.2	89,421	78,634	168,055
Madison	46	1,316	258	19.6	---	2,208	2,208
Monroe	14,366	749,591	144,794	19.3	1,180,703	752,275	1,932,978
Montgomery	676	20,701	4,375	21.1	33,897	7,643	41,540
Nassau	22,410	1,310,662	233,273	17.8	873,476	903,540	1,777,016
Niagara	5,692	253,661	50,397	19.9	374,048	92,076	466,124
Oneida	2,330	78,201	15,949	20.4	97,795	118,302	216,097

Table 4. Tax Shift 1985 Alternative Veterans' Exemptions by County (continued).

County	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Avg. Pet. Exempt	Taxes on Exempt Value (1986 Tax Rates)		
					County	City/Town	Total
Onondaga	10,174	395,565	62,831	15.9	735,401	252,327	987,728
Ontario	2,720	131,243	19,746	15.0	67,158	55,947	123,105
Orange	16,070	730,558	130,709	17.9	497,775	581,741	1,079,516
Orleans	3,295	118,530	23,188	19.6	98,375	41,525	139,900
Oswego	1,236	38,500	7,804	20.3	72,743	39,295	112,038
Otsego	1	51	6	11.8	---	47	47
Putnam	970	62,807	12,290	19.6	56,228	71,762	127,990
Rensselaer	5,993	208,315	43,100	20.7	306,352	330,167	636,519
Rockland	9,095	635,097	103,025	16.2	611,292	1,017,208	1,628,500
St. Lawrence	2,123	57,469	11,892	20.7	42,631	65,209	107,840
Saratoga	3,675	147,995	30,030	20.3	52,052	51,096	103,148
Schenectady	2,462	100,352	19,463	19.4	---	125,144	125,144
Schoharie	171	5,824	1,073	18.4	10,788	6,693	17,481
Schuyler	---	---	---	---	---	---	---
Seneca	---	---	---	---	---	---	---
Steuben	13	299	66	22.1	---	716	716
Suffolk	14,117	773,765	146,936	19.0	484,267	998,819	1,483,086
Sullivan	479	15,004	3,041	20.3	19,096	27,289	46,385
Tioga	719	30,768	6,132	19.9	42,281	27,146	69,427
Tompkins	327	15,942	2,720	17.1	1,256	4,992	6,248
Ulster	3,222	121,709	24,580	20.2	67,003	180,134	247,137
Warren	1,787	64,733	13,678	21.1	32,231	61,567	93,798
Washington	1,294	41,169	8,101	19.7	30,879	33,352	64,321
Wayne	4,108	157,065	26,655	17.0	134,313	94,981	229,294
Westchester	1,716	135,359	22,660	16.7	---	177,727	177,727
Wyoming	1,028	36,800	6,971	18.9	32,496	27,988	60,484
Yates	---	---	---	---	---	---	---
New York City	22,910	661,009	105,237	15.9	---	2,094,667	2,094,667
TOTAL	196,673	8,824,737	1,609,725	18.2	\$8,449,657	\$9,821,071	\$18,270,728

Almost 60% of New York State's 196,673 alternative exemptions for wartime veterans are located in the seven counties containing more than ten thousand exemptions each. The magnitude of these new exemptions is even more apparent when it is noted that twenty-two percent of all partial exemptions granted statewide on the 1985 assessment rolls were for this purpose.

Two of the three places with the most alternative exemptions also have the highest number of wartime veterans or the highest number of Vietnam and Korean conflict veterans. These were New York City with 22,910 exemptions and Nassau County with 22,410 exemptions. The third-ranked was Orange County (16,070). Orange County is eighth in overall number of wartime veterans and ninth in the number of Vietnam and Korean conflict veterans. The ranking may be due to either a high ownership percentage among these two groups of veterans, or a high recognition among veterans that the exemption was available and that they met the qualifications for exemption.

As was the case with the total number of alternative veterans' exemptions in each county, most counties had relatively low total exempt values. Specifically, thirty-six of the fifty-four counties granting this exemption each had less the \$20 million of value exempted, but 62% of the total statewide equalized value being exempted under this statute was located in the seven counties with more than \$100 million each. The three highest of these seven were Nassau County (233,273 exemptions), Suffolk County (146,936 exemptions), and Monroe County (144,794 exemptions). Not surprisingly, the three counties with the fewest exemptions had the least amount of equalized value exempted. These were Otsego County with \$6,000 of exempt value, Herkimer County with \$51,000 of exempt value and Franklin County with \$53,000 of exempt value.

Due to the relatively low exemption percentages provided to nondisabled veterans under RPTL §458-a -- no more than 15% for noncombat veterans and no

more than 25% for combat veterans — and the small number of alternative exemptions for disabled veterans in each county, the distribution of exempt percentages for all alternative veterans' exemptions ranged from a low of 11.8% (Otsego County) to a high 24.8% (Franklin County). Statewide, 22% of all partial exemptions are coded as alternative veterans' exemptions, but these same exemptions account for only 6.2% of the total exempt value of all partial exemptions.

As was previously discussed, 18 of the state's 57 counties opted out of the alternative exemption for wartime veterans for county tax purposes on the 1985 assessment rolls. In addition, New York City does not levy a county tax. The county tax shift caused by the alternative veterans' exemption in the remaining 39 counties was distributed as follows: 14 counties had tax shifts up to \$50,000; 14 counties had tax shifts ranging from \$50,001 to \$100,000; and 11 counties had tax shifts exceeding \$100,000.

Erie County's \$1.7 million county tax shift was the largest in the state. This shift was 40% higher than Monroe County's \$1.2 million shift and almost 90% higher than third-ranked Nassau County's \$0.9 million shift. Conversely, Hamilton County, with a \$349 county tax shift, had the lowest impact from the alternative veterans' exemption of those granting it. Hamilton County was followed by Tompkins County with a \$1,256 shift and then by Schoharie County with a \$10,788 shift. Continuing the distribution trend set by county exemption counts, 60% of the statewide county tax shift is located in the top five counties.

The \$9.8 million statewide city and town tax shift resulting from all alternative veterans' exemptions was one-sixth higher than the statewide county tax shift of \$8.4 million. This situation is generally due to the lower level of taxation imposed by county governments compared to the tax levels of the cities and towns contained therein.

New York City's \$2.1 million shift was far and away the greatest city/town tax shift in New York State. This magnitude is lessened to some degree by the absence of county taxes. Thus, as will be shown later, New York City fails to maintain this front position when county and city/town taxes are combined. The next largest city/town tax shifts occur in Rockland and Suffolk counties, with tax shifts of approximately one million dollars each. The lowest rankings belong to Otsego County (\$47), Chemung County (\$190), and Herkimer County (\$241).

Taxes amounting to \$18.3 million were shifted to property owners not receiving the alternative exemption for wartime veterans on the 1985 assessment rolls. While most counties (39) experienced a total tax shift of less than \$200,000, seven counties were in excess of one million dollars. These seven counties also made up more than two-thirds of the combined county and city/town taxes shifted statewide by the exemptions provided in RPTL §458-a.

With an average total tax shift of about \$152 per alternative veterans' exemption, Erie County had the largest combined tax shift of any county. This high average tax shift, second only to Rockland County's \$179, and Erie County's fourth place ranking with respect to total number of alternative veterans' exemptions, were in large part the cause for Erie County's total tax shift of almost \$2.4 million. Second-ranked New York City's average per parcel tax shift of over \$91 was considerably lower than Erie County's, but New York City had 7,219 more alternative veterans' exemptions than did Erie County. The third position in this regard was Monroe County with a total tax shift of over \$1.9 million. Monroe County's determination was made for much the same reason as Erie County's rank, a large number of exemptions (ranking fifth, statewide) and a high average per parcel tax shift (ranking third, statewide).

Other than Clinton, Schuyler, Seneca, and Yates counties which had no alternative veterans' exemptions and thus no tax shift, the same five counties

that had the least amount of city/town tax shift also had the least amount of combined county and city/town tax shift -- Otsego, Chemung, Herkimer, Franklin, and Lewis counties. The fact that these low-ranked counties are among the eighteen counties that chose not to sustain the alternative veterans' exemption for county tax purposes explains much of this phenomena.

Total Veterans' Exemptions, 1984 versus 1985 Assessment Rolls

Thus far the discussion has centered on the alternative veterans' exemptions provided under RPTL §458-a. In order to get a broader perspective on the changes that occurred within the different veterans exemptions, the analysis will now focus on the total of all veterans' exemptions. In addition to the alternative exemptions for wartime veterans, future references to "total veterans' exemptions" or "all veterans' exemptions" will include those exemptions provided in RPTL §458, i.e., veterans, generally (RPTL §458(1)); subscription veterans (RPTL §458(2)); paraplegic veterans (RPTL §458(3)); and veterans' exemptions due to change in assessing level (RPTL §458(5))⁵.

The 196,673 new alternative veterans' exemptions on the 1985 assessment rolls brought the total count of all veterans' exemptions to 654,550. This 29% increase from the 1984 rolls meant that 56% of all partial exemptions granted statewide in 1985 were for veterans. To put this into perspective, the senior citizen exemption (RPTL §467), with not quite 15% of all partial exemptions, is the closest competitor in this regard.

⁵ Tax districts which had a full-value revaluation could adopt a local law on or before October 31, 1985 to increase or decrease existing RPTL §458(1) veterans' exemptions in proportion to any change in assessed values resulting from the revaluation. The "pro rata" exemption preserves the prerevaluation ratio of veterans' exemption to total assessed value on property receiving the §458(1) exemption prior to revaluation.

In the face of a declining statewide veteran population and without the imposition of the alternative veterans' exemption, the natural expectation would have been that veterans' exemptions as a whole would have dropped from 1984 to 1985. With these increases in total veterans' exemptions, it is obvious that the belief that a large number of honorably discharged veterans, some of which were in combat situations, were being denied exemption for lack of "eligible funds" or for some other reason has been confirmed.

While more than 196,000 alternative veterans' exemptions were on the 1985 assessment rolls, the total number of all veterans' exemptions rose by only 147,516. Either almost 10% of the property owners receiving veterans' exemptions in 1984, for whatever reason, failed to qualify in 1985 or a portion of these same veterans switched from the eligible funds exemption to the alternative exemption for wartime veterans. Most likely, a combination of the two factors was at work, but for the veteran who had a small amount of eligible funds and consequently a small exempt amount, the switch to a fixed percentage exemption made very good sense.

On a county basis, the changes in the number of veterans' exemptions were both widespread and dramatic. On one hand, five counties (Clinton, Herkimer, Seneca, Otsego, and Yates) actually had a decrease in the total number of veterans' exemptions from 1984 to 1985, but five other counties (Genesee, Orange, Orleans, Jefferson, and Wayne) had their number of veterans' exemptions at least double in 1985. At the same time, 45 of the 53 counties with an increase in veterans exemptions had changes of less than 5,000 additional exemptions and 22 of these added fewer than 1,000 new exemptions to their 1985 rolls.

The changes reducing the number of exemptions were relatively minor. Clinton County with a total loss of 62 exemptions or -2.5% had the highest

county loss. On a percentage basis, Seneca County's -2.2% loss (32 veterans' exemptions) ranked it next to last statewide, but Herkimer County's loss of 37 veterans' exemptions (-1.2%) was higher in absolute terms.

The rankings for the counties with the greatest positive changes in the total number of veterans' exemptions were Nassau County (14,304); Orange County (13,441); and Erie county (11,934).

Table 5. Total Veterans Exemptions by County, 1984 versus 1985.

County	1984				1985				Increase In Ex. Value (\$'000)
	Count	Parcel Eq. Value (\$'000)	Exempt Eq. Value (\$'000)	Average Percent Exempt	Count	Parcel Eq. Value (\$'000)	Exempt Eq. Value (\$'000)	Average Percent Exempt	
Albany	8,844	338,056	131,880	39.0	11,718	476,767	166,386	34.9	34,506
Allegany	1,331	37,709	14,670	38.9	1,400	40,481	15,720	38.8	1,050
Broome	6,450	231,272	85,192	36.8	9,119	339,930	106,206	31.2	21,014
Cattaraugus	3,223	94,203	27,649	29.4	3,655	111,365	32,458	29.1	4,809
Cayuga	1,808	61,856	13,667	22.1	3,082	114,446	24,256	21.2	10,589
Chautauqua	3,824	127,207	15,611	12.3	4,681	154,387	21,650	14.0	6,039
Chemung	4,094	135,078	45,344	33.6	4,168	143,031	47,024	32.9	1,680
Chenango	1,313	42,120	3,038	7.2	2,374	80,703	11,402	14.1	8,364
Clinton	2,528	83,984	6,819	8.1	2,466	84,933	6,894	8.1	75
Columbia	2,180	86,632	29,587	34.2	3,067	129,199	42,404	32.8	12,817
Cortland	1,221	45,631	2,752	6.0	2,315	84,238	11,910	14.1	9,158
Delaware	1,617	55,609	11,749	21.1	1,956	67,951	14,395	21.2	2,646
Dutchess	6,399	280,857	26,030	9.3	8,740	406,152	46,473	11.4	20,443
Erie	45,424	1,706,734	595,810	34.9	57,358	2,328,812	752,478	32.3	156,668
Essex	1,858	47,822	30,559	63.9	1,909	49,726	31,675	63.7	1,116
Franklin	1,122	29,569	12,574	42.5	1,133	30,588	13,148	43.0	574
Fulton	3,164	85,097	40,133	47.2	3,553	100,785	45,784	45.4	5,651
Genesee	1,932	79,407	4,026	5.1	5,890	239,976	40,265	16.8	36,239
Greene	1,721	67,113	19,473	29.0	2,004	82,020	23,411	28.5	3,938
Hamilton	272	7,670	5,650	73.7	309	8,855	6,254	70.6	604
Herkimer	3,212	79,705	33,187	41.6	3,175	79,945	33,570	42.0	383
Jefferson	1,563	47,853	13,645	28.5	3,862	112,293	27,233	24.3	13,588
Lewis	577	15,607	4,193	26.9	600	16,814	4,437	26.4	244
Livingston	1,652	66,215	14,759	22.3	3,029	124,174	32,111	25.9	17,352
Madison	1,737	62,398	6,857	11.0	1,766	64,275	7,073	11.0	216
Monroe	20,473	913,866	267,650	29.3	31,607	1,532,306	399,482	26.1	131,832
Montgomery	2,860	83,541	18,644	22.3	3,279	97,165	22,454	23.1	3,810
Nassau	77,721	4,436,371	1,355,010	30.5	92,025	5,519,357	1,643,922	29.8	288,912
Niagara	10,076	394,860	79,238	20.1	14,763	614,720	127,057	20.7	47,819
Oneida	11,815	368,718	144,071	39.1	13,620	446,092	164,955	37.0	20,884

Table 5. Total Veterans Exemptions by County, 1984 versus 1985 (continued).

County	1984				1985				Increase In Ex. Value (\$000)
	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Average Percent Exempt	Count	Parcel Eq. Value (\$000)	Exempt Eq. Value (\$000)	Average Percent Exempt	
Onondaga	17,981	611,359	206,305	33.7	25,661	919,631	270,677	29.4	64,372
Ontario	2,497	103,375	15,352	14.9	4,441	201,646	29,224	14.5	13,872
Orange	6,628	270,562	18,045	6.7	20,069	894,568	143,628	16.1	125,583
Orleans	1,318	46,421	7,315	15.8	3,873	138,304	24,470	17.7	17,155
Oswego	3,655	97,013	55,162	56.9	4,876	138,022	65,760	47.6	10,598
Otsego	1,923	69,123	16,481	23.8	1,907	70,976	17,166	24.2	685
Putnam	3,370	215,441	48,303	22.4	4,357	273,339	61,661	22.6	13,358
Rensselaer	5,242	173,381	39,923	23.0	9,763	338,280	80,113	23.7	40,190
Rockland	10,419	670,197	68,287	10.2	18,282	1,293,450	177,576	13.7	109,289
St. Lawrence	3,339	86,752	35,270	40.7	5,734	154,268	48,685	31.6	13,415
Saratoga	5,500	210,780	56,553	26.8	7,956	316,825	82,645	26.1	26,092
Schenectady	6,708	231,344	69,452	30.0	9,050	331,645	81,603	24.6	12,151
Schoharie	989	31,506	18,546	58.9	1,174	38,070	20,026	52.6	1,480
Schuyler	635	18,838	2,327	12.4	677	21,604	2,936	13.6	609
Seneca	1,439	46,026	4,274	9.3	1,407	46,298	4,300	9.3	26
Steuben	2,745	76,696	17,452	22.8	3,096	90,364	18,765	20.8	1,313
Suffolk	74,161	3,709,012	1,662,543	44.8	85,258	4,477,066	1,899,115	42.4	236,572
Sullivan	3,102	90,818	44,877	49.4	3,525	105,841	49,092	46.4	4,215
Tioga	873	32,186	11,314	35.2	1,495	58,868	17,284	29.4	5,970
Tompkins	1,154	54,110	3,304	6.1	1,425	69,231	5,905	8.5	2,601
Ulster	7,515	258,007	83,597	32.4	10,439	386,234	122,091	31.6	38,494
Warren	1,806	62,614	11,173	17.8	3,080	109,457	23,173	21.2	12,000
Washington	1,965	63,476	24,317	38.3	3,119	102,005	33,915	33.2	9,598
Wayne	2,582	94,041	4,725	5.0	5,333	200,951	29,183	14.5	24,458
Westchester	23,646	1,699,388	268,283	15.8	24,834	1,911,982	306,736	16.0	38,453
Wyoming	1,028	36,043	9,471	26.3	1,809	64,115	14,430	22.5	4,959
Yates	585	20,913	1,974	9.4	581	21,275	2,026	9.5	52
New York City	81,858	2,053,707	348,451	16.7	92,706	2,483,697	423,061	17.0	74,610
TOTAL	507,034	21,245,889	6,212,543	29.2	654,550	28,939,498	7,977,733	27.6	1,765,190

The equalized exempt value of all veterans' exemptions increased from \$6.2 billion on the 1984 assessment rolls to almost \$8.0 billion on the 1985 assessment rolls. This change of nearly \$1.8 billion came on the heels of the initial application of the alternative exemption for wartime veterans which exempted \$1.6 billion of property value from the 1985 rolls. This \$1.8 billion increase in exempt value was distributed among the counties as follows: 28 counties had an increase of less than \$10 million each; 24 counties had a change between \$10 million and \$100 million; and 6 had a change in excess of \$100 million of exempt value. Unlike the changes occurring in the number of veterans' exemptions, every county saw a rise in the amount of exempt value due to veterans' exemptions from 1984 to 1985.

With all the changes that were going on statewide, there were also some constants. The four counties (New York City, Nassau, Suffolk, and Erie) with the greatest number of veterans' exemptions in 1984 maintained their positions in this regard in 1985; and these same four counties ranked among the top four counties with respect to total amount of exempt value in 1984 and in 1985. As was previously discussed, these four counties also held the first four rankings for both total number of wartime veterans and total number of Vietnam and Korean conflict veterans in 1985. Additionally, Yates and Schuyler counties retained their bottom positions, 57th and 58th, with respect to exempt value rankings from 1984 to 1985.

When analyzing absolute changes in the total amount of exempt value of veterans' exemptions, the expectation was that the counties with the highest values in the base year, in this case 1984, would also be the same counties that experienced the greatest change. This expectation was borne out among the top three rankings. Specifically, these counties were: Nassau County with \$288.9 million of added exempt value added; Suffolk County with \$236.6 million of exempt value added; and Erie County with \$156.7 million of added exempt value.

As has been the case with the low end of most of the rankings and distributions, there was a tight cluster of counties with small absolute changes in exempt value from 1984 to 1985 -- 10 counties had changes of less than one million dollars each. The counties with the least change were Seneca County (\$26,000), Yates County (\$52,000), and Clinton County (\$75,000).

Tax Shifts, Total Veterans' Exemptions 1984 and 1985

All the previous discussion has lead to the "bottom line." How many tax dollars were shifted to property owners who did not receive a veterans' exemption? Before going any further, two items need to be addressed. First of all, the exclusion of exempt parcels located in villages still holds. Secondly, the reason that equalized exempt values on the 1984 assessment rolls were multiplied by 1986 tax rates, normally used for the 1985 assessment rolls, was to determine what the 1985 tax shift would have been if exempt values had remained constant and if no new exemptions had been granted. These conditions allow a better comparison of the changes between the 1984 and 1985 assessment rolls. Table 6 details these comparisons on a county basis.

On average, combined county and city/town shifts increased by 24% from 1984 to 1985. Considering that the statewide tax shift for all veterans' exemptions in 1984 amounted to \$76.2 million, this \$18.3 million change represented a significant change. The increase in combined county and city/town tax shifts was comprised of an \$8.6 million county change and a \$9.7 million city/town change. The relatively small spread between these figures is even further modified when relative changes are computed. Statewide, county tax shifts rose by 25% and city/town tax shifts rose by 23%. A possible explanation for this close balance may be found in the participation levels of the alternative veterans' exemption: (1) 68% of New York's counties and 61% of

New York's cities and towns opted to grant this exemption; and (2) 28% of the state's participating counties and 29% of the state's participating cities and towns passed local legislation reducing the dollar amounts of the maximum exemption.

Table 6. Tax Shift Changes: 1984 and 1985 Total Veterans' Exemptions by County, 1986 Tax Rates.

County	1984 Tax Shift (1986 Tax Rates)		1985 Tax Shift (1986 Tax Rates)		1984-1985 Change (1986 Tax Rates)		Total
	County	City/Town	County	City/Town	County	City/Town	
Albany	\$ 438,530	\$ 849,061	\$ 552,280	\$ 1,086,506	\$ 113,750	\$ 237,445	\$ 351,195
Allegany	148,290	127,641	157,433	137,919	9,143	10,278	19,421
Broome	473,815	574,921	573,327	686,081	99,512	111,160	210,672
Cattaraugus	236,856	205,161	276,549	230,407	39,693	25,246	64,939
Cayuga	123,752	84,211	194,135	107,979	70,383	23,768	94,151
Chautauqua	132,728	142,464	144,589	207,076	11,861	64,612	76,473
Chemung	329,608	229,583	339,812	226,064	10,204	(3,519)	6,685
Chenango	23,501	23,209	87,502	88,569	64,001	65,360	129,361
Clinton	24,675	43,664	24,809	44,052	135	388	523
Columbia	214,730	116,669	268,231	152,585	53,501	35,916	89,417
Cortland	27,495	20,185	94,812	63,389	67,317	43,204	110,521
Delaware	98,712	80,623	104,221	98,326	5,509	17,703	23,212
Dutchess	201,637	185,878	212,117	256,854	10,480	70,976	81,456
Erie	7,052,628	3,844,565	8,896,274	4,694,759	1,843,646	850,194	2,693,840
Essex	92,618	234,673	95,023	242,389	2,405	7,716	10,121
Franklin	54,856	91,672	57,099	96,517	2,243	4,845	7,088
Fulton	483,638	262,858	551,212	297,176	67,574	34,318	101,892
Genesee	31,691	10,964	183,214	65,535	151,523	54,571	206,094
Greene	84,032	101,322	100,977	121,738	16,945	20,416	37,361
Hamilton	16,734	44,209	18,512	49,016	1,778	4,807	6,585
Herkimer	331,014	190,470	334,101	187,679	3,087	(2,791)	296
Jefferson	83,656	127,778	132,665	152,845	49,009	25,067	74,076
Lewis	32,861	32,523	34,009	34,473	1,148	1,950	3,098
Livingston	102,940	82,550	216,734	154,657	113,794	72,107	185,901
Madison	48,669	23,920	48,319	25,840	(350)	1,920	1,570
Monroe	2,424,520	1,887,653	3,445,300	2,448,687	1,020,780	561,034	1,581,814
Montgomery	199,186	149,129	227,782	154,478	28,596	5,349	33,945
Nassau	5,127,794	5,366,896	6,208,445	6,484,637	1,080,651	1,117,741	2,198,392
Niagara	698,051	693,683	1,036,262	718,315	338,211	24,632	362,843
Oneida	1,032,769	844,445	1,167,154	992,996	134,385	148,551	282,936

Table 6. Tax Shift Changes: 1984 and 1985 Total Veterans' Exemptions by County, 1986 Tax Rates (continued).

County	1984 Tax Shift (1986 Tax Rates)		1985 Tax Shift (1986 Tax Rates)		1984-1985 Change (1986 Tax Rates)		Total
	County	City/Town	County	City/Town	County	City/Town	
Onondaga	2,667,958	687,415	3,416,138	940,077	748,180	252,662	1,000,842
Ontario	72,677	101,910	111,240	128,863	38,563	26,953	65,516
Orange	138,933	178,665	592,727	708,778	453,794	530,113	983,907
Orleans	52,729	24,564	104,999	46,249	52,270	21,685	73,955
Oswego	564,491	380,600	665,782	439,849	101,291	59,249	160,540
Otsego	103,394	126,648	107,615	130,760	4,221	4,112	8,333
Putnam	234,088	298,892	295,411	378,743	61,323	79,851	141,174
Rensselaer	298,719	289,333	504,490	585,987	205,771	296,654	502,425
Rockland	408,150	605,115	803,356	1,446,336	395,206	841,221	1,236,427
St. Lawrence	154,275	230,329	165,086	295,741	10,811	65,412	76,223
Saratoga	135,631	101,710	178,559	144,672	42,928	42,962	85,890
Schenectady	826,689	551,029	730,839	615,415	(95,850)	64,386	(31,464)
Schoharie	186,403	102,525	201,244	108,654	14,841	6,129	20,970
Schuyler	30,718	13,315	38,846	17,021	8,128	3,706	11,834
Seneca	21,290	18,305	21,424	18,541	134	236	370
Steuben	177,827	108,740	148,796	111,607	(29,031)	2,867	(26,164)
Suffolk	5,177,232	10,327,564	5,919,091	11,827,523	741,859	1,499,959	2,241,818
Sullivan	301,298	425,785	328,243	463,307	26,945	37,522	64,467
Tioga	79,716	56,597	120,533	84,011	40,817	27,414	68,231
Tompkins	5,859	22,339	6,968	26,799	1,109	4,460	5,569
Ulster	271,503	721,326	348,710	924,188	77,207	202,862	280,069
Warren	22,756	75,062	49,729	124,555	26,973	49,493	76,466
Washington	140,435	145,893	180,039	188,575	39,604	42,682	82,286
Wayne	30,854	21,953	150,834	106,941	119,980	84,988	204,968
Westchester	1,985,409	2,362,273	2,102,478	2,653,320	117,069	291,047	408,116
Wyoming	51,278	55,099	72,836	71,441	21,558	16,342	37,900
Yates	9,807	8,296	10,062	8,475	255	179	434
New York City	---	6,935,668	---	8,420,726	---	1,485,058	1,485,058
TOTAL	\$34,522,104	\$41,649,530	\$43,158,974	\$51,324,698	\$8,636,870	\$9,675,168	\$18,312,038

Conclusion

In the initial year of its application, the alternative exemption for wartime veterans (RPTL §458-a) added 196,673 new exemptions and \$1.6 billion of equalized exempt value to the assessment rolls. Statewide, this added exempt value resulted in \$8.5 million of county tax shifts and \$9.8 million of city/town tax shifts.

At least in part, this local option exemption was enacted to alleviate some of the concerns surrounding the eligible funds veterans' exemption (RPTL §458). Specifically, the local determination of eligibility problems prevalent in the eligible funds exemption have, in large measure, been solved with the standardized documentation requirements of the new exemption. Additionally, the alternative veterans' exemption is applied against the equalized value of a veteran's property, rather than the assessed value, thus removing the local assessment level from the exemption determination. Considering the rising value of exempt property in New York State, the participation of more than two-thirds of the state's counties and nearly two-thirds of the state's cities and counties demonstrates an awareness of this exemption's increased equity, vis-a-vis the eligible funds veteran's exemption.

With the addition of the alternative veterans' exemption, the total number of veterans' exemptions (654,550) represented 56% of all partial exemptions on the 1985 rolls, but the total equalized exempt value associated with these exemptions (\$8.0 billion) amounted to less than one-third (30.7%) of the exempt value of all partial exemptions.

It is difficult to predict the popularity and magnitude of this exemption for future years from these first year results, but, at least over the short term, individual participation in a program such as this can be expected to rise simply

because of the public's increased awareness of the program. Another variable hindering any forecasts of future exemption levels is the status of municipal involvement. Nonparticipating taxing jurisdictions can opt back into this exemption by rescinding the local legislation that removed them from the exemption in the first instance.

Appendix: Estimated 1985 New York State Total Population versus Veteran Population by County.

County	Total Population	Total Wartime Veterans	Total Vietnam & Korean Conflict Veterans	Percent Wartime ¹	Percent Vietnam & Korean Conflicts ²
Albany	283,900	29,690	13,380	10.5	45.1
Allegany	50,900	3,970	2,280	7.8	57.4
Broome	212,400	22,120	10,590	10.4	47.9
Cattaraugus	85,300	7,990	4,100	9.4	51.3
Cayuga	79,900	7,080	3,620	8.9	51.1
Chautauqua	144,200	14,170	6,980	9.8	49.3
Chemung	92,000	8,930	4,470	9.7	50.1
Chenango	50,000	4,720	2,310	9.4	48.9
Clinton	81,600	6,050	3,600	7.4	59.5
Columbia	60,600	6,390	3,010	10.5	47.1
Cortland	47,400	3,810	2,150	8.0	56.4
Delaware	46,900	4,060	1,970	8.7	48.5
Dutchess	255,100	25,440	13,430	10.0	52.8
Erie	971,400	93,960	46,670	9.7	49.7
Essex	36,400	3,710	1,780	10.2	48.0
Franklin	43,800	3,620	1,700	8.3	47.0
Fulton	55,400	5,410	2,510	9.8	46.4
Genesee	59,100	5,550	2,910	9.4	52.4
Greene	41,500	4,140	2,020	10.0	48.8
Hamilton	5,000	610	250	12.2	41.0
Herkimer	66,900	6,510	2,860	9.7	43.9
Jefferson	88,660	8,010	4,010	9.0	50.1
Lewis	25,200	1,860	930	7.4	50.0
Livingston	58,300	4,580	2,740	7.9	59.8
Madison	66,700	5,220	2,960	7.8	56.7
Monroe	704,900	62,800	33,390	8.9	53.2
Montgomery	52,500	5,460	2,210	10.4	40.5
Nassau	1,331,300	155,390	64,930	11.7	41.8
Niagara	216,500	21,100	10,830	9.7	51.3
Oneida	250,700	24,040	11,330	9.6	47.1
Onondaga	465,300	43,550	22,000	9.4	50.5
Ontario	92,400	9,360	4,820	10.1	51.5
Orange	277,500	26,000	13,730	9.4	52.8
Orleans	39,100	3,400	1,750	8.7	51.5
Oswego	119,100	10,450	5,720	8.8	54.7

Appendix: Estimated 1985 New York State Total Population versus Veteran Population by County (continued).

County	Total Population	Total		Total Vietnam & Korean Conflict Veterans	Percent Wartime ¹	Percent Vietnam & Korean Conflicts ²
		Wartime Veterans	Vietnam & Korean Conflict Veterans			
Otsego	59,400	4,980	2,390	8.4	48.0	
Putnam	80,900	8,360	4,890	10.3	58.5	
Rensselaer	151,400	14,830	7,260	9.8	49.0	
Rockland	265,200	24,580	12,780	9.3	52.0	
St Lawrence	113,400	8,280	4,440	7.3	53.6	
Saratoga	161,600	15,530	8,550	9.6	55.1	
Schenectady	150,600	15,720	7,150	10.4	45.5	
Schoharie	29,800	2,650	1,360	8.9	51.3	
Schuyler	17,500	1,580	840	9.0	53.2	
Seneca	32,800	2,960	1,540	9.0	52.0	
Steuben	97,300	9,910	4,650	10.2	46.9	
Suffolk	1,313,300	128,600	70,410	9.8	54.8	
Sullivan	67,600	6,860	3,090	10.1	45.0	
Tioga	50,400	4,680	2,730	9.3	58.3	
Tompkins	88,100	6,170	3,340	7.0	54.1	
Ulster	163,800	16,070	7,920	9.8	49.3	
Warren	55,600	5,480	2,760	9.8	50.4	
Washington	56,800	4,950	2,480	8.7	50.1	
Wayne	87,600	7,380	4,310	8.4	58.4	
Westchester	865,500	90,510	38,490	10.5	42.5	
Wyoming	40,700	3,360	1,990	8.3	59.2	
Yates	21,500	1,910	970	8.9	50.8	
New York City	7,255,100	524,220	227,800	7.2	43.5	
STATEWIDE	17,783,000	1,558,700	736,100	8.8	47.2	

Sources: "Provisional Estimate of the Population of Counties: July 1, 1985", U.S. Department of Commerce, Bureau of the Census, Washington, D.C.

"New York Veteran Population by Sex, County and Period of Service as of March 31, 1985", Veterans Administration, Office of Information Management and Statistics, Washington, D.C.

Notes: 1 Percent Wartime = Total Wartime Veterans/Total Population

2 Percent Vietnam & Korean Conflicts = Total Vietnam & Korean Conflict Veterans/Total Wartime Veterans

