



**Department of
Taxation and Finance**

OFFICE OF COUNSEL

October 8, 2019

To: Tax Collecting Officers

Subject: Good cause, interest and penalties

We have been asked whether interest or penalties must be imposed if a senior citizen does not pay their taxes by the last day of the interest-free period (typically September 30), and their Enhanced STAR exemption is subsequently reinstated by the Tax Department for "Good Cause" in accordance with Real Property Tax Law section 425(6)(a-2).

As we read the law, once the Tax Department restores a senior's Enhanced STAR exemption, he or she has an eight-day grace period in which the corrected tax may be paid **without** interest or penalty. If the application is approved and the corrected tax is paid within eight days of the mailing of the notice of approval, no interest or penalty should be charged. That is the rule that applies to traditional tax bill corrections under Real Property Tax Law section 554(7)(a). The special correction process that has been established for Enhanced STAR exemptions (aka good cause) is fully analogous to that process, except that it is the Tax Department, rather than the school district, that approves the application.

We fully understand that taxpayers normally must pay their taxes by the end of the interest-free period or interest must be charged. However, State law has long recognized an exception for taxpayers whose tax bills have been calculated incorrectly. The correction of school tax bills for Enhanced STAR good cause requests fits squarely into that exception.

Thank you again for your efforts to ensure that the deserving senior citizens of New York State receive the full property tax relief to which they are entitled.

Very truly yours,

AMANDA HILLER
Deputy Commissioner and Counsel

By:


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