



Department of
Taxation and Finance

2019 Mandatory Enhanced STAR Income Verification Program

June 2018

Agenda

- Three categories of Enhanced STAR applicants
- Impact on senior citizens exemption (RP-467) applicants
- Determining eligibility
- Notifications
- After school taxes are levied
- IVP online application
- What's next

Changes in NYS Budget

The 2019-2020 Enacted State Budget made the Enhanced STAR Income Verification Program (IVP) mandatory.

Enhanced STAR Applicants

Category 1: Property owners who were participating in the Income Verification Program (IVP) for the 2018-2019 school year.

- They won't need to take any action for the 2019 assessment roll.
- If we need additional information, we'll contact them directly.

Enhanced STAR Applicants

Category 2: Property owners who received Enhanced STAR in 2018, but are not in the IVP program.

Provide the assessor with:

- Form RP-425-Rnw, *Renewal Application for Enhanced STAR Exemption for the 2019-2020 School Year*,
- Form RP-425-IVP, *Application for the Enhanced STAR Income Verification Program*, and
- either a copy of their 2017 state or federal income tax return or Form RP-425-Wkst.

Enhanced STAR Applicants

Category 3: Property owners who received Basic STAR in 2018, and who are applying for the Enhanced STAR exemption beginning with the 2019-2020 school year.

Provide the assessor with:

- Form RP-425-E, *Application for the Enhanced STAR Exemption for the 2019-2020 School Year*,
- Form RP-425-IVP, and
- either a copy of their 2017 state or federal income tax return or Form RP-425-Wkst.

Impact on Senior Citizens Exemption Applicants

There is no longer a connection between applications for the senior citizens exemption (RP-467) and the Enhanced STAR exemption.

- Property owners who are applying for both the RP-467 senior citizens exemption **and** the Enhanced STAR exemption will be required to submit the appropriate RP-425 forms and the RP-467 forms.
- This is the case for new applicants and renewals.
- Property owners who participated in IVP in 2018 do not need to resubmit RP-425 forms for 2019-2020, but do need to submit RP-467 forms to receive the senior citizens exemption.

Determining Eligibility

Existing IVP participants (Category 1)

We will use income tax data to determine eligibility and notify assessors whether:

- Property owners are income eligible for Enhanced STAR (income is \$86,300 or less)
- Property owners are income eligible for Basic STAR (income is greater than \$86,300 but equal to or less than \$500,000)
- Property owners are not income eligible for STAR.

Determining Eligibility

New IVP participants (Categories 2 and 3)

The assessor will determine whether the property owner is eligible for the Enhanced STAR exemption on the 2019 assessment roll.

- Use the online IVP tool to provide us with the Social Security numbers for all owners and spouses who reside at the property.
- We'll use the Social Security numbers to confirm the eligibility of the property owners.
- If there is a change to the assessor's determination, the department will notify the assessor.

Determining Eligibility – Year Two and Beyond

In subsequent years, the Tax Department will determine income eligibility based on the Social Security numbers provided.

If additional information is needed, the department will contact the property owner directly.

Notifications

We will notify assessors as we make income-eligibility determinations. In addition:

- If we determine that a senior is not income qualified for the Enhanced STAR exemption, we'll notify the property owner and provide them with an opportunity to appeal.
- If we determine that an applicant is not income qualified for the Basic STAR exemption due to income exceeding \$500,000, we'll notify the property owner and provide them with an opportunity to appeal.

Appealing Our Determination

Property owners will appeal the Tax Department's income eligibility determinations to the department, not to the board of assessment review.

If we deny their appeal and they still disagree, they can appeal to the State Board of Real Property Tax Services.

After School Taxes are Levied

If, after school taxes have been levied, the Tax Department determines that there should have been an income eligibility change for a property owner, the department will:

- send the property owner either a check or a bill for the amount owed, and
- notify the assessor and county director of the determination. **However, the assessor will not change the assessment roll for that year.**

Online IVP Tool for Assessors

- The tool will remain the same for year one.
- We will update the schedule, and keep you up-to-date on date changes.
- We're enhancing the instructions to make them more user-friendly.

What's Next – Forms

Updated Enhanced STAR and senior citizens exemption forms:

- RP-425-E
- RP-425-Rnw
- RP-425-IVP
- RP-467-DNL
- RP-467
- RP-467-I
- RP-467-Rnw
- RP-467-aff/ctv
- RP-467-aff/s

What's Next – Forms

- We're creating new drafts
- We'll review the drafts with RPTAC and the RPTAC Forms Team
- In the first week of June, we'll take down the existing forms and put up a *Coming soon* message

What's Next – Website

- Easy access to STAR content for seniors and new homeowners
- New Enhanced STAR IVP webpage
- Updates to various STAR and senior citizens webpages
- Assessor Manual
- IVP FAQs for assessors and property owners

What's Next – Help Us Help Seniors

We'll provide you with:

- palm cards
- posters
- updated language for renewal letters
 - RPSV4
 - text
- language for local newsletters and websites

What's Next – Additional Outreach

We'll communicate with:

- School officials
- Office for the Aging
- Legislators' offices
- December press release



Department of Taxation and Finance

Efficiency • Integrity • Fairness