



Department of
Taxation and Finance

STAR Program Updates



May 2019

Agenda

- 2019 law changes
- New online STAR registration application
- \$250,000 STAR exemption income limit
- Voluntarily switching to the STAR credit
- Enhanced STAR Income Verification Program
- Timeline – what's next



2019 Law Changes



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\$250,000 Income Limit

- The income limit for the Basic STAR exemption is now \$250,000.
- The income limit continues to be \$500,000 for the STAR credit.
- To continue receiving a STAR benefit, those with incomes between \$250,000 and \$500,000 must switch to the STAR credit.

0% Cap on Increases in STAR Exemption Savings

- STAR exemption savings can no longer increase from one year to the next.
- The STAR credit, however, can increase up to 2% annually.
- Both benefits can also decrease or stay the same.
- The exemption can never be greater than the credit.



Good Cause

- The good cause option for those who missed the Enhanced STAR application deadline is now available to first-time Enhanced STAR applicants.
- Where the Tax Department grants an Enhanced STAR exemption under this provision, the law authorizes the assessor to make retroactive changes to assessment rolls for this purpose without action by the board of assessment review or correction of errors.
- The deadline to apply continues to be the due date for school taxes.

STAR Penalty

The 6-year ban on receiving a STAR benefit for providing material misstatements related to the program is extended to the STAR credit.



Tax Bill Language

The language on the school tax bill for STAR credit recipients is amended to read:

“An estimated STAR check has been or will be mailed to you by the NYS Tax Department. Any overpayment or under-payment can be reconciled on your next tax return or STAR credit check.”



Expanded Review of Enhanced STAR Eligibility

Beginning with 2020 assessment rolls, in addition to determining income eligibility, the Tax Department is empowered to annually review Enhanced STAR exemption eligibility based on age and residency.

\$500 Renunciation Fee Waiver

When renouncing a STAR exemption prior to the school tax levy, the \$500 processing fee is eliminated.



Direct Reporting from Mobile Home Park Owners

- Requires mobile home park owners to electronically report to the Tax Department information about the park, the owners and tenants.
- This information will assist with our ability to process property tax credits for mobile home owners.
- We'll make online reports available to you.



Reports of Seniors Potentially Eligible for 467

- We will make reports of the IVP participants with federal adjusted gross incomes below \$37,400 available to assessors and directors.
- You have the option to use this information to contact owners who might be eligible for the senior citizen exemption.

Note: The fact that a senior is on the list does not necessarily mean that they are income-eligible for the senior citizens exemption, since the exemption has a different definition of income; it merely means that it might be worthwhile to reach out to them and encourage them to apply.

Sharing Deceased Homeowner Information

- Beginning this fall, we'll make reports of deceased homeowners available to county directors, who are authorized to share them with assessors and tax collectors.
- Where there are delinquent taxes on a property, the county director can also share the deceased owners with the tax enforcing officers (typically county treasurers).



Updated Online STAR Registration Application



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New Registration Options

The updated online application prompts property owners to select why they're registering:

Option 1 - their income is between \$250,000 and \$500,000 and they received a letter from us.

Option 2 - they want to switch to the STAR credit from the STAR exemption.

Option 3 - other reasons:

- new homeowner
- received a letter from us
- updating their information



Option 1 - Income Between \$250k and \$500k

Homeowners who are no longer income-eligible for the STAR exemption due to recent law changes

Exemption recipients with income between \$250,000 and \$500,000 in 2017

We automatically registered you for the Basic STAR credit program based on your previous registration for the STAR exemption or a STAR-related benefit. If you received a letter from the Department seeking additional information to confirm your eligibility, you must update your registration below before we can issue you a check. (If your letter does not request additional information, you do not need to take further action.)

[Update Registration](#)



Option 2 – Voluntarily Switching to the Credit

Homeowners who want to switch from the STAR exemption to the STAR credit

If you currently receive your STAR benefit as a reduction on your school tax bill (the STAR exemption), you may receive a greater benefit if you choose to switch to the STAR credit.

If you register before the [deadline for your municipality](#) and are eligible, we will send you a check this year.

Make the Switch



Option 3 – All Other Homeowners

All other homeowners

All other homeowners, including:

- new homeowners (see [Register for the STAR credit](#))
- homeowners who received a letter requesting additional information to update a STAR registration
- homeowners who received a letter requesting additional information for the property tax relief credit
- homeowners who wish to update a STAR registration for another reason

Register for STAR



\$250,000 STAR Exemption Income Limit



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Basic STAR Ineligible Reports

- Historically, this report listed properties where the combined income exceeded the Basic STAR income limit of \$500,000.
- We initially provided the 2019 report on March 21.
- Following the passage of the budget, we removed the reports on April 1 and updated them to reflect the new \$250,000 income limit.
- On April 15, we provided the updated reports based on the \$250,000 income limit.



Assessor Roles

- Access the reports in the *Online Assessment Community*.
- Use the report to update your tentative assessment roll.



Assessor Roles (cont.)

The law authorizes the assessor to make retroactive changes to assessment rolls for this purpose without action by the board of assessment review or correction of errors.

If you haven't applied these changes:

- and you've published your tentative roll, update the impacted properties before publishing your final assessment roll.
- and you've published your final roll, update the impacted properties on the final assessment roll before processing school tax bills.



Assessor Roles (cont.)

Assessors **are not** required to mail exemption removal notices to property owners where the Tax Department determines that they're not eligible for the STAR exemption.

For Assistance

- For detailed instructions, see *Basic STAR Reports User Guide*.
- If you have questions, contact your *Regional Customer Service Liaison*.



Tax Department Roles

We will mail letters to the following impacted Basic STAR applicants:

- Incomes > \$500,000
- Incomes between \$250,000 and \$500,000
 - We registered this population for the STAR credit based on a prior registration for the STAR exemption or a STAR-related benefit.
 - In most cases, no action is necessary.
 - Where we need additional information, the letter provides registration update instructions.

Voluntarily Switching to the STAR Credit



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How Homeowners Switch to the Credit

- Homeowners who are switching to the STAR credit from the exemption no longer need to contact the assessor.
- The homeowner selects *Make the Switch* in the online application.
- In mid-June, we'll provide you with a report of who registered in order to switch to the credit from the exemption.
- You'll remove their STAR exemption from the final roll.
- We'll send them a check for the STAR credit prior to their school tax bill due date.



New Deadline to Switch Webpage

- We've published a new webpage with the deadline to switch to the STAR credit for this year.
- For most localities, the deadline is two weeks prior to the filing of your final roll.
- For localities where the school district levies taxes on the prior year roll, the deadline is four weeks prior to the mailing of school tax bills.
- If they register after the deadline, the switch to the credit is effective for the 2020 roll.

Enhanced STAR Income Verification Program (IVP)



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First Year of Mandatory IVP

- Significant effort for all involved.
- ORPTS updated the STAR forms, developed new reports, published a new user guide and several webpages, and provided you with the option for data entry.
- You fielded IVP forms and questions from hundreds of thousands of seniors, and provided the data or forms to us.



New Reports

The reports vary depend on whether your tentative roll date is:

- before February 1
- after February 1 but before May 1
- May 1 or thereafter



Five Reports for Standard Calendar Localities

- *Enhanced STAR Income Verification Program (IVP) reports:*
 - overview
 - timeline
- The reports will indicate whether the property is:
 - income eligible for the Enhanced STAR exemption (E),
 - income eligible for the Basic STAR exemption (B), or
 - not eligible for the Basic or Enhanced STAR exemption (N).



First Report

- For standard calendar localities, the first report was the *Preliminary Eligibility Report*
- Issued February 22
- The *Preliminary Eligibility Report* provides a status update. It is not intended for updates to your roll.



Second Report

- For standard calendar localities, the second report was the *Final Eligibility Report*
- Issued April 17
- Included all properties enrolled in the IVP that we had processed as of that date.



Second Report – Assessor's Role

Update the tentative roll, unless you're aware that the property owner isn't eligible due to:

- residency,
- age, or
- ownership.



Second Report – Assessor’s Role

If a first-time IVP enrollee doesn’t appear on the report, did they submit the required forms by the deadline?

- Yes – Place Enhanced STAR on the roll.
- No – Place Basic STAR on the roll. If they applied after the deadline but before the school tax due date, they can request that the deadline be extended for “good cause.”

Second Report – Assessor's Role

If a property that participated in the IVP in prior years doesn't appear on the report, place Basic STAR on the roll as long you're not aware that the property is ineligible for age, residency, or ownership reasons.



IVP Report Q and A's

Q. If we find that there's an error in the IVP database, should we correct it in the IVP Tool?

A. No. Do not make any further edits to the records in the IVP Tool. Once we begin processing the data, any edits made in the tool may result in processing delays.

If you have critical updates to the data at this time, notify your ORPTS Liaison or call the Assessor/Director Hotline (518-457-9053).

IVP Report Q and A's

Q. What happens if the Final Eligibility Report indicated a property should receive Basic STAR and I put them on the roll as Enhanced STAR on the assessment?

A. Do not grant the Enhanced exemption to a property we identified as eligible for Basic. We would send the senior a bill for the difference between the Basic and Enhanced savings amounts. If the senior is eligible for Enhanced, they should respond to our denial letter. We'll either:

- include the property on a subsequent report, or
- if school tax bills have been issued, send the senior a check for any amount that may be due.

IVP Report Q and A's

Q. I have a senior who wouldn't be eligible for the Enhanced STAR exemption in 2019 based on 2017 income, but as a result of the death of her spouse, she would be eligible based on 2018 income. Is there something the assessor can do to notify ORPTS?

A. Not currently. For now, the surviving spouse should respond to our denial letter and include a death certificate.

However, beginning this fall, the new IVP tool will give you the ability to update the income for cases such as this.

What's Next?

- Tentative Roll Corrections Report
- Final Roll Corrections Report

The law authorizes assessors to make retroactive changes to assessment rolls for IVP without action by the board of assessment review or correction of errors.



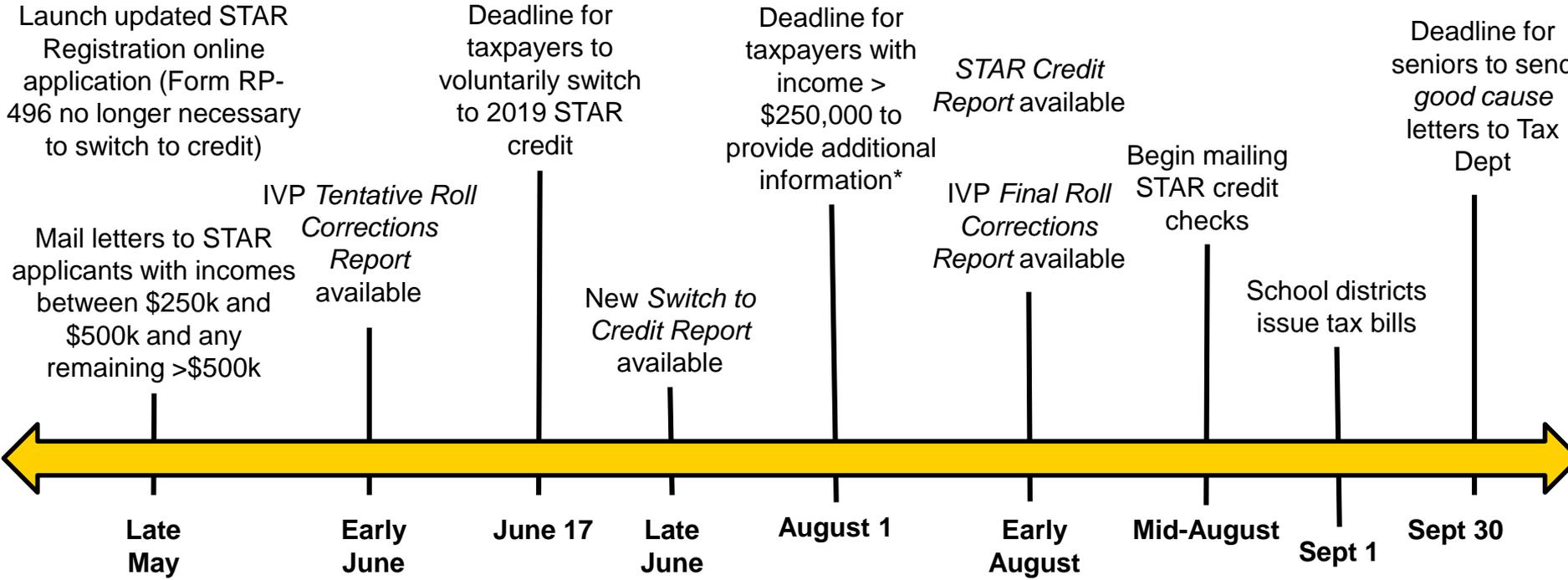
Timeline – What's Next?



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STAR Timeline – Late May through September 2019

For standard calendar localities



*In order to be issued a check before the school tax due date



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