



# Instructions for Form RP-485-p

## Application for Real Property Tax Exemption on Commercial, Business or Industrial Property in an Economic Transformation Area

(Real Property Tax Law, Section 485-p)

### 1. Authorization for exemption

Section 485-p of the Real Property Tax Law allows a county, city, town, village, or school district to adopt a local law, ordinance or resolution providing a partial exemption from taxation and special ad valorem levies (but not special assessments) for the construction, alteration, installation or improvement of real property located within an economic transformation area (as designated by Empire State Development (ESD)). The taxing jurisdiction must exercise this local option within three years of the closure of a closed state-owned facility. (Closed state-owned facilities eligible for this exemption include correctional facilities slated for closure by the governor between April 1, 2011, and March 31, 2012, and certain facilities operated by the Office of Children and Family Services but subsequently closed by that office, and also as reported to ESD). The project owner must meet the following eligibility requirements:

- The property must be used for business, commercial or industrial purposes, and owned by a business entity that has received a certificate of eligibility from ESD.
- Construction of the project must begin within one year of the issuance of a certificate of eligibility.
- Costs attributable to ordinary maintenance and repairs are not eligible for the exemption.
- Completion of the project must be demonstrated by a certificate of occupancy.

### 2. Duration and computation of exemption

If the exemption is locally authorized, the exemption benefit depends on the property's location. For projects located on or at the site of a closed facility, the exemption starts at 50% of the increase in assessed value (the *base amount*) attributable to the construction, alteration, installation or improvement in the first year of a five-year benefit, and declining by 10 percentage points in each succeeding year. If the project is located outside a closed facility but within an economic transformation area, the exemption benefit instead starts at 25% of the base amount in the first year of a five-year term, declining by five percentage points in each succeeding year. The base amount of the exemption remains constant throughout the authorized term unless there is: 1) subsequent construction, alteration or improvement during the exemption term (where the assessor will revise the base amount to include the increase in assessed value attributable to these subsequent projects); or 2) a change in the level of assessment for an assessment roll of 15% or more, as certified by the Office of Real Property Tax Services (where the assessor will adjust the base amount by such change in the level of assessment).

This exemption may not be granted concurrently with or subsequent to any other property tax exemption with respect to the same project, except that a subsequent exemption may be granted where, during the period of a previous exemption, payments in lieu of taxes or other payments were made to a local government in an amount equal to or greater than the amount of taxes that would have been paid on the improvements had the property been granted an exemption pursuant to RPTL §485-p. In that case, the property may be eligible for a §485-p exemption for a period of five

years less the number of years such payments to the local government were made. (Note that, as is the case with other §485-p exemption applications, application for this type of subsequent exemption must be filed within one year of the date of completion of the eligible project.)

### **3. Application of exemption**

The exemption may apply to county, city, town, village, and school district taxes, as well as to special ad valorem levies. It does not apply to special assessments. Each taxing jurisdiction must adopt a local law, ordinance or resolution providing for the exemption.

### **4. Place of filing of exemption application**

Application for this exemption must be filed with the city or town assessor. If the property is located in a village which is an assessing unit and which offers the exemption, a separate application for exemption from village taxes must be filed with the village assessor. Do **not** file this form with either the New York State Department of Taxation and Finance or the Office of Real Property Tax Services.

### **5. Time of filing application**

The application must be filed in the assessor's office on or before the appropriate taxable status date **and** within one year from the completion of the eligible project. In towns preparing their assessment rolls in accordance with the schedule provided in the Real Property Tax Law, the taxable status date is March 1. In villages and cities, the taxable status dates vary, and the appropriate assessor should be consulted for the correct date. Once the exemption has been granted, the exemption may continue for the authorized period provided that the eligibility requirements continue to be satisfied. It is not necessary to reapply for the exemption after the initial year in order for the exemption to continue.