Introduction

For newly constructed or reconstructed agricultural structures, New York’s Real Property Tax Law (RPTL) (Section 483) allows a 10-year property tax exemption. Application for the exemption must be made within one year after the completion of such construction. The agricultural structures and buildings will be exempt from any increase in the property’s assessed value resulting from the improvement.

Once granted, the exemption continues automatically for ten years. The exemption will terminate before the ten-year period if (1) the building or structure ceases to be used for farming operations, or (2) the building or structure or land is converted to a nonagricultural or nonhorticultural use.

For certain limited-use agricultural structures and temporary greenhouses, the Real Property Tax Law provides a permanent exemption. For Historic Barns, a sliding scale exemption is available. These provisions are discussed later in this pamphlet.

How is eligibility determined?

Eligibility is determined by the assessor or board of assessors with whom the application is filed. If denied, the applicant has the right to an administrative review by the assessors with whom the application is filed. If denied, the applicant can appeal the decision to the assessor or board of assessors.

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Who can apply?

The owner of the building or structure for which the exemption is sought must use application form BP-483 available from the assessor, the County Director of Real Property Tax Services, or the NYS Department of Taxation and Finance.

Where and when should the application be filed?

The application must be filed with the city, town, or county assessor on or before taxable status date. If the property is located in a village that assesses, a copy of the application must also be submitted to the appropriate village assessor.

When is a structure considered complete?

A building or structure should be considered “completed” when it can be used for its intended purpose.

What does agricultural or horticultural use mean?

The word "agricultural" means the art or science of cultivating the ground, the raising and harvesting of crops and the feeding, breeding and management of livestock, poultry, or horses.

May an indoor exercise arena for training or exercising horses qualify for exemption?

Yes, if the arena is used by a horse farm or a commercial horse boarding operation. No, if the arena is used by a riding academy or a dude ranch.

When would an agricultural structure or portion be disqualified for processing farm commodities?

A farm commodity is processed whenever something is done to the commodity to prepare it for market, as distinguished from raising or producing it. For example, a building on a dairy farm in which cows are fed and milked would qualify as used directly and exclusively in the raising and production for sale of milk. However, buildings used for processing milk – in which the milk is pasteurized or put into containers that are ultimately sold to the consumer – would not qualify. The slaughtering of cattle is processing, as is the cleaning, sorting and packaging of fruits and vegetables. When the processing carried on in a building is only incidental to the main use of the building or the building is used for processing only on a limited basis, the building may be eligible for the exemption.

When would a building, structure or portion be disqualified for exemption on the basis of being used for the retail merchandising of farm commodities?

Any agricultural structure or portion that is used for the retail sale of an agricultural or horticultural product cannot qualify. A roadside stand or any store or building in which agricultural products are sold to the public is not eligible for the exemption.

What happens if only a portion of a building can qualify?

If only a portion of a building meets the requirements of the statute, then only that portion is eligible for the exemption.

What is the amount of the exemption determined?

Eligible structures and buildings are exempt from taxation to the extent that the construction or reconstruction increases the assessed value of the parcel. The increase in assessed value because of the new construction or reconstruction is the amount of the exemption. This value is not determined by actual construction costs. The amount is set by the increase in value of the parcel because of the new construction.

What types of taxes are covered by the exemption?

The exemption applies only to county, city, town, village or school district property taxes. Special ad valorem levies and special assessments are not included. Examples of these are assessments for street, water or sewer improvements or levies on behalf of fire, water or sewer districts.

What happens if property upon which an exempt structure or building is located is sold during the ten-year exemption period?

The exemption will continue until the expiration of ten years from the year in which the exemption was originally granted, provided all of the statutory requirements continue to be met by the new owner.

Does the exemption terminate if a structure or building ceases to be used or is converted to a nonagricultural or nonhorticultural use during the ten-year exemption period?

Yes, the law provides that the exemption continues only while the structures and buildings are used and occupied for agricultural or horticultural uses. If a conversion occurs, the property becomes subject to roll-back taxes.
Historic Barns:

Submitted to the assessor by taxable status date.

Assessors must complete and file an application for roll-back taxes for certain limited use agricultural structures, including historic barns. A historic barn is defined as a structure at least partially constructed before 1936 that was originally used as a barn for the storage of farm feed grains and other feed components. Storage facilities for farm feed grain storage bins and commodity sheds, only if they are designed specifically for on-farm storage. With respect to farm feed grain storage bins and commodity sheds, the law specifically lists silos, bulk milk tanks, manure storage and handling facilities, farm feed grain storage bins and commodity sheds as qualifying for this exemption.

Farm feed grain storage bins and commodity sheds are defined as limited use structures specifically designed for the storage of farm feed grains and other feed components which may have a flat or conical bottom and are designed specifically for on-farm storage. With respect to farm feed grain storage bins and commodity sheds, and other feed components qualify. Storage facilities for other types of commodities do not qualify.

The exemption applies to a reconstruction or rehabilitation that was started after the effective date of the local law or resolution, unless the local law or resolution provides that the exemption applies to such work commenced prior to the effective date. The exemption authorized by the local law is for a ten year period. In the first year, the eligible barn is eligible for an exemption from taxes, special ad valorem levies, and special assessments for temporary greenhouses. Once an exemption is granted, no renewal is necessary. The law defines a temporary greenhouse as specialized agricultural equipment having a framework covered with demountable polyethylene or polypropylene nature which is specifically designed, constructed and used for agricultural production. A temporary greenhouse may include, but is not limited to, the use of heating devices, water and electrical utilities, and embedded supporting poles.

Temporary Greenhouses:

A temporary greenhouse must be able to annually prove that the camp or commissary continues to comply with all applicable agritourism districts program and the land classification system, contact:

- Administrator, Agricultural Districts Program
- Office of Real Property Tax Services
- 10B Airline Drive
- Albany, NY 12235