Memorandum

State of New York
Department of Taxation and Finance
Office of Real Property Tax Services

December 2013

TO: Users of New York State Assessor's Manual

FROM: James F. Dunne

SUBJECT: Revisions to *Assessor's Manual, Volume 4: Exemption Administration*, Year 2014 Updates

This file contains updates to Volume 4 of the Assessor's Manual for the 2014 assessment roll year. The revisions and additions incorporate legislation enacted in 2013 that pertains to real property tax exemptions (current through December 20). In addition to new and amended exemptions, material has been revised to correct errors, clarify certain provisions of exemption statutes, and to consolidate or reformat pages. Also provided is a set of instructions for updating your copies of Volume 4.

Please note that annual updates to Volume 4 are available in a printer-friendly format on the New York State Department of Taxation and Finance, Office of Real Property Tax Services (ORPTS) website at http://www.tax.ny.gov/research/property/assess/manuals/vol4/summarypg.htm. The entire contents of Volume 4 (including current updates) may also be found there. This on-line version contains the same material as the paper manual many of you have continued to use for several years, and switching to it will relieve you of the burden of removing many pages and inserting new or revised ones each and every year.

Since 2011, all three volumes of the Assessor's Manual (including Volumes 6 and 7, which pertain to Data Collection and Valuation respectively) have been available on the general web site of the Department of Taxation and Finance. For information on matters of assessment administration, including exemption administration, please go to and bookmark http://www.tax.ny.gov/research/property/default.htm.

This will be the last year you will be receiving annual updates by way of printable files. Revisions for 2015 and in future years will be made solely to the on-line version, with the changes denoted on a summary page of changes. Unlike the two other volumes of the Assessor's Manual (Data Collection and Valuation), the Exemption Administration Manual must be extensively revised each and every year, usually across all eight major sections. The high frequency of revisions throughout the manual, combined with scarce resources at ORPTS makes it no longer feasible to continue maintaining and supporting the physical manual. You do have the option of printing the web pages should you still choose to maintain the physical manual on your own. However, the most cost- and time-effective approach is to use the on-line version of the Manual without printing at all. Each of the profiles contains several hyperlinks for easy navigation throughout the on-line manual. Exemption application and instruction forms may still be downloaded and printed at http://www.tax.ny.gov/~~pdf/publications~~/orpts/exemption.htm.
forms

Two residential exemption profiles have been amended for 2014: the School Tax Relief (STAR) and the Alternative Veterans program. The income eligibility limit for the Enhanced STAR exemption (under Real Property Tax Law Section 425) increases to $81,900 for the 2014-15 school year, and the full value of the Enhanced STAR exemption increases to $64,200, subject to equalization and other adjustments. In addition, penalties have been increased for property owners who are adjudged to have made "material misstatements" on the STAR application form.

Changes to the Alternative Veterans exemption (RPTL §458-a) involve an expansion of benefits in this program (Ch. 518, L. 2013). The law now allows school districts, by resolution after a public hearing, to authorize this exemption for school district taxes. (Existing law already permits application of the exemption for county, city/town or village tax purposes). Also under this new legislation school districts which authorize the exemption in their respective jurisdictions have the further option of using the maximum exempt values authorized by state law for the three veterans categories ($12,000 wartime, $8,000 combat zone, $40,000 full disability), or passing a local resolution establishing one of the two lower sets of maximum exempt values or one of eight (or fourteen, in the case of a "high-appreciation municipality") higher sets. School districts allowing the exemption have another option, of adopting a local resolution which extends eligibility to residential property owned by Gold Star Parents, and used as their primary residence.

School districts allowing the exemption may also adopt a local resolution to allow that portion of a cooperative apartment corporation held by an otherwise eligible veteran/tenant stockholder to be eligible for this exemption. Finally, each school district may adopt a local resolution allowing a transferred prorated exemption to a veteran, the spouse or unremarried surviving spouse of the veteran who sells his or her property upon which he or she has been receiving the alternative veterans exemption, and who purchases a replacement property within the same school district.

Please note that these exemption benefits for school district purposes <u>do not extend</u> to property owned by veterans benefiting under either the Eligible Funds (RPTL §458 (1,2,5)) or Cold War Veterans exemption (RPTL §458-b).

Turning to other sections of the manual, in tax-free areas that have been approved under the provisions of Article 21 of the Economic Development Law, property owned by a private educational institution exempt under RPTL §420-a as of June 1, 2013 will remain exempt whenever a portion of the property is later leased to an organization using the property for tax purposes of the START-UP NY program. Rental income received by the private educational institution from such lessees may not exceed the carrying, maintenance and depreciation charges of the rented portion of the property.

New legislation reduces the limits on the amount of annual agricultural assessment value changes to two percent (the previous limit was set at ten percent). This change applies to agricultural land both within and outside of agricultural districts (Ag Mkts Law §304-a). Agricultural structures as part of a farm operation, and which are wholly exempt now include handling and treatment facilities which generate electricity from anaerobic digesters (RPTL §§483-a, 487).

Questions on the material contained in the manual should be directed to the offices listed at the end of the Introduction Section of Volume 4, or send email to Jerome McCall at Jerome_McCall@tax.ny.gov

INSTRUCTIONS FOR UPDATE

PART I: ASSESSOR'S MANUAL VOLUME 4 – SUMMARY OF REVISIONS AS OF 1/1/14

Section	Remove Pages/Forms	Add Pages	Statute	Description	Subject of Change Made
1.00	1.01 – 1.02 1.15 – 1.16	1.01 – 1.02 1.15 – 1.16	Various	Introduction	Notice of discontinuance of printed manual in 2015 and beyond. Updated ORPTS office telephone numbers.
2.01	1.05 – 1.06 1.13 – 1.16	1.05 – 1.06 1.13 – 1.16	Various	Subject Index	Various new entries.
2.02	1.01 – 1.10	1.01 – 1.10	Various	Exemption Code Index	Various new entries.
3.00	1.09 – 1.10 1.15 – 1.16	1.09 – 1.10 1.15 – 1.16	Various	Summary Chart of Exemptions	Various new entries (see subjects of changes below).
4.01	4.01 – 4.02	4.01 – 4.02	RPTL §421-f	Home Improvements	Clarified that residential improvements must pertain to the structures, not to the land on which they are respectively sited.
4.01	4A.01 – 4A.08	4A.01 – 4A.08	RPTL §§421-h, -i, -j, -k	Multiple Dwellings Converted to Owner-Occupied Residences in Certain Cities	City of Newburgh meets 2010 population criterion for offering 421-k exemption at local option.
4.01	5.01 – 5.18 5.33 – 5.50 5.51 – 5.62	5.01 – 5.18 5.33 – 5.50 5.51 – 5.62	RPTL §425	School Tax Relief (STAR)	Updated eligible income limit and exempt value for Enhanced STAR for 2014-15. Included penalties for "material misstatements". Updated STAR Assessor's Guide and appendices, including calculations in examples.
4.01	8.03 – 8.04	8.03 – 8.04	RPTL §458	Veterans (Eligible Funds)	Clarified "switchback" to Eligible Funds, under Change of Level option (§458(5)).
4.01	9.01 – 9.12 9.21 – 9.30	9.01 – 9.12 9.21 – 9.30	RPTL §458-a	Veterans (Alternative exemption for wartime veterans), plus Assessor's Veterans Guide	School districts may offer this exemption at local option; updated list of "periods of war"; includes new section pertaining to expeditionary medals and other alternatives to "period of war" service.
4.01	------------------------	----------------------	RPTL §458-b	Veterans (Cold War)	Revised instructions concerning newly available "Cold War Certificate" (See RP-458-b-Ins).
4.01	19D.01 – 19D.06	19D.01 – 19D.06	RPTL §485-m; RPTL §485-o	New Residential Property in Certain Cities	RPTL §485-m (City of Syracuse) repealed; re-established exemption, now codified as RPTL §485-o
4.01	20.01 – 20.02	20.01 – 20.02	RPTL §487	Solar, Wind or Farm Waste Energy Systems	Redefined "farm waste electric generating equipment".
4.02	43.05 – 43.06	43.05 – 43.06	RPTL §404(1)	State of New York (Generally)	Revised PILOT schedule for South Mall contract (City of Albany).
4.02	49.07 – 49.08 49.25 – 49.42	49.07 – 49.08 49.25 – 49.42	RPTL §412 & Pub Auth L	Public Authorities	Changed PILOT procedure for Long Island Power Authority; relabeled "Property Use" column in Table 2 as "Powers of Authority"

INSTRUCTIONS FOR UPDATE

PART I: ASSESSOR'S MANUAL VOLUME 4 – SUMMARY OF REVISIONS AS OF 1/1/14

When necessary, exemption application forms and instructions may be downloaded and printed at:
www.tax.ny.gov/forms/orpts/exemption.htm

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ASSESSOR'S MANUAL

Volume 4

Part I

Exemption Administration

2014 Assessment Roll Year

New York State Department of Taxation and Finance
Office of Real Property Tax Services
W.A. Harriman State Campus
Albany, New York 12227

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INTRODUCTION

This volume of the Assessor's Manual describes the legal and administrative requirements that must be considered in granting or denying each of the real property tax exemptions authorized by New York State law. It is designed to be a handbook that the assessor can use to determine:

1. whether a property owner claiming eligibility for an exemption is in fact entitled to that exemption, and

2. if so, how the exemption should be handled on the assessment roll.

The handbook is not intended to be a substitute for the law. If, after using the handbook and obtaining information from the applicant, the assessor is still unsure about the applicant's eligibility for exemption, the assessor should seek advice from the Director of Real Property Tax Services in his county or from the State Office of Real Property Tax Services. For the most part, however, the handbook should provide sufficient guidelines for establishing exemption eligibility.

The exemption handbook is made up of two loose-leaf binders. As existing material in the handbook rapidly becomes out of date due to multiple changes in legislation and administrative procedures, revised pages will be issued to all recipients annually.

Notice: **Effective January 1, 2015 revisions to this manual will be made only in the web version.** The scarcity of resources at the Office of Real Property Tax Services makes it no longer feasible to continue supporting and maintaining the physical version of this manual. Furthermore, unlike the other two volumes of Assessor's Manual (Data Collection and Valuation), the exemption administration manual must be extensively revised each and every year. Users will retain the option of printing the web pages of revised exemption profiles. However, the most cost- and time-effective approach for using this manual is to view the web version without printing at all. Each of the profiles contains several hyperlinks for easy navigation throughout the on-line manual. In addition, users of the on-line manual will no longer need to carefully remove and insert many pages scattered across many different exemption profiles. (At the same time users will still be able to download and print exemption application and instruction forms, at http://www.tax.ny.gov/forms/orpts/exemption.htm.)

There are three basic parts to the handbook: (1) a Subject Index and an Exemption Code Index, (2) a Summary Chart of Exemptions, and (3) a set of Exemption Profiles.

Subject Index (Section 2.01)

This is an alphabetical index of key words that describe the types of owners and property that may qualify for exemption. For each main entry, the applicable law sections are listed and the Exemption Profiles that should be referred to are identified by section and page number. In addition to the main entries, synonyms and cross references are given.

The Subject Index is probably the best place to start when the assessor is unsure of which exemption may apply to a property. Where appropriate, main entries include a list of exemptions that, at least on the surface, appear to be similar. For example, under the entry Business are listed over 20 types of exemptions available for commercial and industrial property. A quick scanning of the list should enable the assessor to narrow down the number of possible exemptions. From the Subject Index the assessor should proceed to the Exemption Profiles, where eligibility requirements are described in detail.

Exemption Code Index (Section 2.02)

This index lists in numerical order all current 5-digit exemption codes established by the State Office of Real Property Tax Services. For each code the applicable law section and Exemption Profile are given. Assessors may find this index useful in checking on whether a code assigned to a parcel is the one that accurately identifies the exemption granted to that parcel.

Summary Chart of Exemptions (Section 3.00)

The summary chart shows the extent to which each exemption applies to municipal taxes and special district charges, indicates whether the exemption is subject to local option on the part of taxing jurisdictions, shows whether the exemption statute contains specific property use requirements, and gives the section and page number of the Exemption Profile to be consulted for further information. Abbreviations used are explained in a legend at the top of the chart.

Exemptions are listed in law reference order, beginning with the Real Property Tax Law, continuing alphabetically with other consolidated laws, and ending with unconsolidated laws, federal statutes, and international agreements.

Exemption Profiles (Sections 4.01 - 4.08)

Most of this handbook is made up of Exemption Profiles, which are summaries of the provisions of exemption statutes. There are over 200 profiles organized into eight groups according to property type or owner, as follows:

- 4.01 Residential - Other Than Multiple Dwellings
- 4.02 New York State Government
- 4.03 Municipal Governments
- 4.04 U.S., Foreign Governments, and Interstate Agencies
- 4.05 Private Community Service and Social Organizations
- 4.06 Industrial, Commercial, and Public Service
- 4.07 Multiple Dwellings and Urban Renewal
- 4.08 Agricultural and Forest

Within each group the profiles are presented in law reference order, with the Real Property Tax Law exemptions given first. Where appropriate, such as in the case of the exemption for senior citizens, the profile is followed by application forms. Where they are available, instruction booklets are provided following the forms.

Questions on Material in Handbook

Questions about the information contained in this handbook on exemption administration should be addressed to the following offices of the New York State Department of Taxation and Finance - Office of Real Property Tax Services:

Questions on use of the handbook, eligibility requirements, and other matters not listed below

Research Office
Main Office (Albany) ....(518) 530-4525

Questions on interpretation of exemption statutes and other legal issues

Office of Counsel
Main Office (Albany) ....(518) 530-4535

Questions on exemption codes and their use on assessment rolls

Equalization Support Services
Main Office (Albany) ....(518) 530-4080

Questions on treatment of exempt property in the Real Property System (RPS)

Batavia Regional Office..(585) 343-4363
Long Island Satellite Office ....(631) 952-3650
Lower Hudson Valley Regional Office ....(845) 567-2648
Syracuse Regional Office...(315) 471-2347
Northern Regional Office ....(518) 486-4403
Ray Brook Satellite Office..(518) 891-1780
Main Office (Albany) ....(518) 473-2496

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EXEMPTION CODE INDEX

Code	Law Section	Exemption Profile Section	Page
10100	RPTL §410	4.03	117.01
1011_	RPTL §410-a	4.03	119.01
10200	Gen Muny L §120-u(10)	4.03	151.01
12100	RPTL §404(1)	4.02	43.01
12150	RPTL §404(2)	4.02	45.01
12200	RPTL §404(3)	4.02	47.01
12250	RSS L §313(h)	4.02	79.01
12350	RPTL §412 & Pub Auth L	4.02	49.01
12360	RPTL §412 & Pub Auth L	4.02	49.01
12370	RPTL §412 & Pub Auth L	4.02	49.01
12380	RPTL §412 & Pub Auth L	4.02	49.01
12400	Bnkg L §420-e	4.02	71.01
12430	Ed L §657	4.02	75.01
12440	Art-Cult L §20	4.02	65.01
12450	McK U Con L §7421	4.02	85.01
13100	RPTL §406(1)	4.03	101.01
13110	RPTL §446	4.03	127.01
13120	Gen Muny L §411	4.03	155.01
1323_	RPTL §406(2)	4.03	103.01
1324_	RPTL §406(3)	4.03	105.01
13250	RPTL §406(7)	4.03	113.01
1326_	RPTL§406(8)	4.03	114.01
13350	RPTL §406(1)	4.03	101.01
13360	RPTL §406(4)	4.03	107.01
13370	RPTL §446	4.03	127.01
13380	Gen Muny L §411	4.03	155.01
1343_	RPTL §406(2)	4.03	103.01
1344_	RPTL §406(3)	4.03	105.01
13450	RPTL §406(7)	4.03	113.01
1346_	RPTL §406(8)	4.03	114.01
13500	RPTL §406(1)	4.03	101.01
13510	RPTL §446	4.03	127.01

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33302	RPTL §406(6)	4.03	111.01
3340_	RPTL §406(5)	4.03	109.01
3355_	RPTL §406(5)	4.03	109.01
3370_	RPTL §406(5)	4.03	109.01
3402_	RPTL §412 & Pub Auth L	4.02	49.01
38260	Pub Hsng L §§52(4), 52(5)	4.07	523.01
3850_	Pub Hsng L §58(3)	4.07	525.01
3860_	PHFL §36-a(4)	4.07	465.01
38703	PHFL §1106-h	4.07	495.01
4100_	RPTL §458	4.01	8.01
4110_	RPTL §458	4.01	8.01
4111_	RPTL §458	4.01	8.01
4112_	RPTL §458-a	4.01	9.01
4113_	RPTL §458-a	4.01	9.01
4114_	RPTL §458-a	4.01	9.01
4115_	RPTL §458-b	4.01	10.01
4116_	RPTL §458-b	4.01	10.01
4117_	RPTL §485-b	4.01	10.01
41200	RPTL §458	4.01	7.01
41300	RPTL §458	4.01	7.01
41400	RPTL §460	4.01	14.01
4164_	RPTL §§466-c, d, f, j	4.01	16.01
41657	RPTL §466	4.01	15.01
4166_	RPTL §466-a	4.01	16.01
4167_	RPTL §466-b	4.01	16.01
4168_	RPTL §§466-c, d, e, g	4.01	16.01
4169_	RPTL §§466-c, d, e, f, g, h, i	4.01	16.01
41700	RPTL §483	4.08	619.01
41720	Ag-Mkts L §305	4.08	631.01
41730	Ag-Mkts L §306	4.08	633.01
41750	Ag-Mkts L §305(7)	4.08	632.01

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4180_	RPTL §467	4.01	17.01
41813	RPTL §467-d	4.01	18.01
4182_	RPTL §469	4.01	19.01
41834	RPTL §425	4.01	5.01
41836	RPTL §425	4.01	5.01
41844	RPTL §425	4.01	5.01
41846	RPTL §425	4.01	5.01
41854	RPTL §425	4.01	5.01
41856	RPTL §425	4.01	5.01
41864	RPTL §425	4.01	5.01
41866	RPTL §425	4.01	5.01
4190_	RPTL §459	4.01	11.01
41910	RPTL §459-b	4.01	12.01
4193_	RPTL §459-c	4.01	13.01
41950	RPTL §421-b	4.01	1.01
4196_	RPTL §444-a	4.01	7.01
4197_	RPTL §421-d	4.07	419.01
4198_	RPTL §421-e	4.07	421.01
41993	RPTL §421-ff	4.01	4M.01
42003	RPTL §421-ff	4.01	4M.01
42013	RPTL §421-ff	4.01	4M.01
42023	RPTL §421-ff	4.01	4M.01
42100	RPTL §483-a	4.08	620.01
4211_	RPTL §483-b	4.08	621.01
42120	RPTL §483-c	4.08	622.01
42130	RPTL §483-d	4.08	623.01
4411_	RPTL §457	4.01	7A.01
4421_	RPTL §421-f	4.01	4.01
44233	RPTL §§421-h, i, j, k	4.01	4A.01
44243	RPTL §421-j	4.07	422A.01
4425_	RPTL §421-l	4.01	4B.01

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44313	RPTL §485-h	4.01	19A.01
44314	RPTL §485-i	4.01	19A.01
4431_	RPTL §485-j	4.01	19A.01
44323	RPTL §§485-i, j	4.01	19A.01
44324	RPTL §§485-l, m	4.01	19A.01
44336	RPTL §485-j	4.01	19B.01
44343	RPTL §485-j	4.01	19A.01
44344	RPTL §485-k	4.01	19A.01
44443	RPTL §485-l	4.01	19C.01
44456	RPTL §485-o	4.01	19D.01
44466	RPTL §485-o	4.01	19D.01
44476	RPTL §485-o	4.01	19D.01
44486	RPTL §485-o	4.01	19D.01
4449_	RPTL §485-n	4.06	361A.01
4450_	RPTL §485-p	4.06	361B.01
4600_	RPTL §474	4.05	289.01
46407	RPTL §466	4.01	15.01
46450	RPTL §464(1)	4.05	279.01
47200	RPTL §§489-d, 489-dd	4.06	362.01
47450	RPTL §480	4.08	613.01
47460	RPTL §480-a	4.08	615.01
4747_	RPTL §491	4.08	625.01
4748_	RPTL §491	4.08	625.01
4749_	RPTL §491	4.08	625.01
4750_	RPTL §491	4.08	625.01
4759_	RPTL §485-a	4.06	352.01
4760_	RPTL §485-b	4.06	353.01
4761_	RPTL §485-b	4.06	353.01
47660	RPTL §489-bbbb	4.06	365.01
4767_	RPTL §485-e	4.06	359.01
47680	RPTL §489-bbbbb	4.06	367.01

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4769_	RPTL §485-f	4.06	360.01
47700	RPTL §479	4.06	347.01
4771_	RPTL §485-g	4.06	361.01
4780_	RPTL §459-a	4.06	335.01
4784_	RPTL §470	4.06	337.01
4785_	RPTL §470	4.06	337.01
4786_	RPTL §470	4.06	337.01
47900	RPTL §477-a	4.06	343.01
4800_	PHFL §211	4.07	581.01
4806_	RPTL §488-a	4.07	431.01
4807_	RPTL §489	4.07	433.01
4810_	Gen Muny L §696	4.07	565.01
4840_	Pub Hsng L §58(3)	4.07	525.01
48460	PHFL §33(2)	4.07	457.01
	PHFL §33(3)	4.07	459.01
4851_	PHFL §33(1)(a)	4.07	451.01
48540	PHFL §93(6)	4.07	477.01
4854_	PHFL §93(3), 93(5)	4.07	473.01
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48640	Pub Hel L §2864	4.07	511.01
48650	PHFL §33(1)(c)	4.07	453.01
	PHFL §33(1)(d)	4.07	455.01
4865_	PHFL §33(1)(a)	4.07	451.01
	PHFL §33(4)	4.07	461.01
	PHFL §556	4.07	485.01
	PHFL §§654-a, 654-b, 654-c	4.07	491.01
48660	PHFL §577(3)	4.07	489.01
4866_	PHFL §577(1)	4.07	487.01
	PHFL §§654-a, 654-b, 654-c	4.07	491.01
4867_	PHFL §§125, 127	4.07	481.01
4869_	RPTL §423	4.07	425.01
4870_	Pub Hsng L §214-a(2)	4.07	527.01

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4871_	PHFL §405	4.07	483.01
48743	PHFL §1106-h	4.07	495.01
48800	RPTL §421-a	4.07	415.01
4881_	RPTL §421-c	4.07	417.01
48820	RPTL §421-g	4.07	422.01
4883_	RPTL §421-m	4.07	422B.01
49000	RPTL §429	4.06	331.01
49200	RPTL §432	4.05	257.01
4940_	RPTL §482	4.08	617.01
4950_	RPTL §487	4.01	20.01
49510	RPTL §487-a	4.01	21.01
4952_	RPTL §478	4.06	345.01
49530	RPTL §477	4.06	341.01

Section 444 and Not-For-Profit Corporation Law Section 1408 Historical Societies	Ex ALS	Ex ALS	Tax	Tax	Tax	Tax	Yes	4.05	267.01
Section 444-a Historic Property	Ex O-1 ALS LID	Ex O-1 ALS LID	Ex	Ex	Tax	Tax	Yes	4.01	7.01
Section 446 Cemeteries (Public or private)	Ex	Ex	Ex	Ex	Ex	Ex	Yes	4.03	127.01
Section 450 Agricultural Societies	Ex	Ex	L	Ex	L CV	Ex CV	Yes	4.05	273.01
Section 452 Veterans Organizations * (See exemption profile)	Ex*	Ex*	L	Ex*	L CV	Ex* CV	Yes	4.05	275.01
Section 454 Indian Reservations	Ex	Ex	L	Ex	L CV	Ex CV	Yes	4.04	191.01
Section 456 Municipal Railroads (All capital stock owned by a municipal corporation)	Ex	Ex	L	Ex	L CV	Ex CV	Yes	4.06	333.01
Section 457 First-time Homebuyers of Newly Constructed Homes	Ex O-1 ALS LID	Ex O-1 ALS LID	Ex	Ex	Tax	Tax	Yes	4.01	7A.01
Section 458(1) Veterans (Exemption based on eligible funds)	Ex ALS	Tax	Tax	Tax	Tax	Tax	No	4.01	8.01
Section 458(2) Veterans (Disabled -- property purchased through donations)	Ex ALS	Ex ALS	Tax	Tax	Tax	Tax	No	4.01	8.01
Section 458(3) Veterans (Seriously disabled)	Ex	Ex	Ex	Ex	Ex	Ex	Yes	4.01	8.01
Section 458(5) (former) Veterans (Exemption increased or decreased following full-value reassessment -- pro rata)	Ex O-1 ALS	Tax	Tax	Tax	Tax	Tax	No	4.01	8.01
Section 458(5) (current) Veterans (Exemption increased or decreased following revaluation or update -- change in level)	Ex O-1 ALS	Tax	Tax	Tax	Tax	Tax	No	4.01	8.01

Legend

- Tax -- Taxable
- Ex -- Exempt
- O-1 -- Local option to exempt
- O-2 -- Local option to tax
- O-3 -- Agreement to exempt
- ALS -- Amount limited by statute
- LID -- Limited in duration
- PILOT -- Payments in lieu of taxes required
- L -- Liable only for county and town charges for capital costs of (1) sewer systems, (2) water supply systems, (3) waterways and drainage, and (4) streets and assessments for indebtedness contracted before 7/1/53
- CV -- Liable for city and village special assessments
- NA -- Not applicable

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies		Special Assessments		Specified Use Requirements	Exemption Profile	
			Capital Costs of Construction	Operation and Maintenance Costs	Capital Costs of Construction	Operation and Maintenance Costs		Section	Page
REAL PROPERTY TAX LAW									
Section 458-a Veterans (Alternative exemption for wartime veterans)	Ex O-2 ALS	Ex O-1 ALS	Tax	Tax	Tax	Tax	Yes	4.01	9.01
Section 458-b Veterans (Cold War)	Ex O-1 ALS LID	Tax	Tax	Tax	Tax	Tax	Yes	4.01	10.01
Section 459 Physically Disabled	Ex O-1 ALS	Ex O-1 ALS	Tax	Tax	Tax	Tax	Yes	4.01	11.01
Section 459-a Improvements to Property Pursuant to the Americans with Disabilities Act of 1990	Ex O-1 ALS LID	Ex O-1 ALS LID	Ex O-1 ALS LID	Ex O-1 ALS LID	Tax	Tax	Yes	4.06	355.01
Section 459-b Disabled Crime Victims	Ex ALS	Ex ALS	Tax	Tax	Tax	Tax	Yes	4.01	12.01
Section 459-c Persons with Disabilities and Limited Incomes	Ex O-1 ALS	Ex O-1 ALS	Tax	Tax	Tax	Tax	Yes	4.01	13.01
Section 460 Clergy	Ex ALS	Ex ALS	Tax	Tax	Tax	Tax	No	4.01	14.01
Section 462 Clergy Residence (Owned by Religious Corporation)	Ex	Ex	Tax	Tax	Tax	Tax	Yes	4.05	277.01
Section 464(1) Incorporated Associations of Volunteer Firemen	Ex ALS	Ex ALS	Tax	Tax	Tax	Tax	Yes	4.05	279.01

Section 485-f Branch Banks in Banking Development Districts	Ex O-1 ALS LID	Ex O-1 ALS LID	Ex ALS LID	Ex ALS LID	Tax	Tax	Yes	4.06	360.01
Section 485-g Residential Subdivision Infrastructure	Ex O-1 ALS LID	Ex O-1 ALS LID	Tax	Tax	Tax	Tax	Yes	4.06	361.01
Section 485-h Residential Investment in Certain Municipalities *Taxable for county purposes	Ex* O-1 ALS LID	Tax	NA	NA	Tax	Tax	Yes	4.01	19A.01
Section 485-i Residential Investment in Certain Municipalities	See Exemption Profile		NA	NA	Tax	Tax	Yes	4.01	19A.01
Section 485-j Residential Investment in Certain Municipalities	Ex O-1 ALS LID	See Exemp-tion Profile	NA	NA	Tax	Tax	Yes	4.01	19A.01
Section 485-j Residential Property Improvements in Certain Cities * Exempt from city taxes only	Ex* O-1 ALS LID	Ex O-1 ALS LID	NA	NA	Tax	Tax	Yes	4.01	19B.01
Section 485-k Residential Investment in Certain Municipalities	Tax	Ex O-1 ALS LID	NA	NA	Tax	Tax	Yes	4.01	19A.01
Section 485-l Residential Investment in Certain Municipalities	Tax	Ex O-1 ALS LID	NA	NA	Tax	Tax	Yes	4.01	19A.01
Section 485-l Residential Investment in Certain Towns * Exempt from town taxes only	Ex* O-1 ALS LID	Tax	Ex*	Ex*	Tax	Tax	Yes	4.01	19C.01
Section 485-m Residential Investment in Certain Municipalities	Tax	Ex O-1 ALS LID	NA	NA	Tax	Tax	Yes	4.01	19A.01
Section 485-n Residential-commercial Property in Certain Counties *(see exemption Profile)	Ex* O-1 ALS LID	Ex* O-1 ALS LID	Ex* ALS LID	Ex* ALS LID	Tax	Tax	Yes	4.06	361A.01

Legend

Tax -- Taxable
Ex -- Exempt
O-1 -- Local option to exempt
O-2 -- Local option to tax
O-3 -- Agreement to exempt
ALS -- Amount limited by statute
LID -- Limited in duration
PILOT -- Payments in lieu of taxes required
L -- Liable only for county and town charges for capital costs of (1) sewer systems, (2) water supply systems, (3) waterways and drainage, and (4) streets and assessments for indebtedness contracted before 7/1/53
CV -- Liable for city and village special assessments
NA -- Not applicable

			Special Ad Valorem Levies		Special Assessments			Exemption Profile	
	General Municipal Taxes	School District Taxes	Capital Costs of Construction	Operation and Maintenance Costs	Capital Costs of Construction	Operation and Maintenance Costs	Specified Use Requirements	Section	Page
REAL PROPERTY TAX LAW									
Section 485-o New Residential Property in Certain Cities *Exempt from city and fiscally dependent school taxes only	Ex* O-1 ALS LID	Ex O-1 ALS LID	NA	NA	Tax	Tax	Yes	4.01	19D.01
Section 485-p Economic Transformation Areas	Ex O-1 ALS LID	Ex O-1 ALS LID	Ex ALS LID	Ex ALS LID	Tax	Tax	Yes	4.06	361B.01
Section 486 and Insurance Law Section 4310(j) Nonprofit Medical and Dental Indemnity Corporations and Health and Hospital Service Corporations	Ex	Ex	Tax	Tax	Tax	Tax	No	4.05	291.01
Section 486-a Nonprofit Health Maintenance Organizations	Ex	Ex	Tax	Tax	Tax	Tax	Yes	4.05	293.01
Section 487 Solar, Wind, or Farm Waste Energy Systems *In certain instances	Ex O-2 ALS LID PILOT*	Ex O-2 ALS LID PILOT*	Tax	Tax	Tax	Tax	Yes	4.01	20.01
Section 487-a Energy Conservation Improvements to Certain Residential Premises	Ex ALS	Ex ALS	Ex ALS	Ex ALS	Tax	Tax	Yes	4.01	21.01
Section 488 and Insurance Law Section 4607 Retirement Systems (Private nonprofit)	Ex	Ex	Tax	Tax	Tax	Tax	No	4.05	295.01

Home Improvements RPTL Section 421-f

Exemption Code(s): 4421_

Year Originally Enacted: 1993

Related Statutes: None

SUMMARY: Outside New York City, to the degree allowed by local option, one- and two-family residential buildings that are reconstructed, altered, or improved under certain conditions (see below) are exempt from taxation and special ad valorem levies to the extent of an annually declining percentage of at least some of the increase in the property's assessed value attributable to the reconstruction, alteration, or improvement. No exemption is allowed for special assessments. Local taxing jurisdictions may limit the types of construction projects eligible for exemption and the percentages of exemption.

A. ELIGIBILITY REQUIREMENTS

1. Ownership Requirements: Property must be owned by a private individual or individuals. If title to the property is transferred to someone other than the heirs or distributees of the owner, the exemption must cease.

2. Property Location Requirements: Property must be located outside New York City.

3. Property Use Requirements: Property must be used as a residential building for not more than two families. The value of the building construction project must exceed $3,000 and must be of the type allowed exemption by the taxing jurisdiction (see Local Option below); the project may not be one of ordinary maintenance or repairs. The greater portion, as measured by the square footage of the building reconstructed, altered or improved, must be at least five years old.

4. Certification by State or Local Government: None required.

5. Required Construction Start Date or Other Time Requirement: Reconstruction, alteration, or improvement of the building must be begun after the effective date of the local law or resolution allowing the exemption.

B. LOCAL OPTION: Yes, local taxing jurisdictions are allowed several choices:

1. Exemption -- To allow the exemption, a county, city, town, or village, through its governing board, must enact a local law. A school district, other than one subject to Article 52 of the Education Law, is authorized to allow the exemption, through adoption of a resolution by its governing board. In all cases, the taxing jurisdiction must hold a public hearing before acting to allow the exemption.

2. Percentage of Exemption -- Any taxing jurisdiction allowing the exemption may reduce the percentage of exemption allowed in each year by state law (see Calculation of Exemption below).

3. Maximum Value of Improvement -- State law limits the exemption to a maximum of $80,000 in increased market value. Local taxing jurisdictions may reduce this maximum to any amount less than $80,000, but not less than $5,000.

4. Type of Improvement -- In its local law or resolution allowing the home improvement exemption, a taxing jurisdiction may limit the forms of reconstruction, alteration, or improvement eligible. It may further limit exemption to improvements that would otherwise result in an increase in the assessed value of the property but that consist of addition to or remodeling or modernization of an existing residence to prevent physical deterioration or to comply with applicable building, sanitary, health, or fire codes.

Multiple Dwellings Converted to Owner-Occupied Residences in Certain Cities **RPTL Sections 421-h, 421-i, 421-j, 421-k**

Exemption Code(s): 44233

Year Originally Enacted:

§421-h (Lockport (Niagara County) and Peekskill (Westchester County))	2003
§421-i (Albany (Albany County))	2005
§421-i (Buffalo (Erie County))	2006
§421-j (Cohoes (Albany County))	2006
§421-k (Auburn (Cayuga County)) and City of Newburgh (Orange County)	2007

Related Statutes: None

SUMMARY: To the extent allowed by local option, multiple dwellings that are located in certain cities and improved under certain conditions (see below) are partially exempt from city taxes, but are liable for county and school district taxes, county special ad valorem levies, and special assessments. The amount of the exemption is limited to a percentage of the increase in assessed value attributable to the reconstruction, alteration, or improvement. The duration of the exemption is limited to 8 years. Qualified cities may limit the types of construction projects eligible for exemption and the percentages of exemption. (This exemption is currently applicable only upon adoption by the following cities: Lockport (Niagara County) and Peekskill (Westchester County) (§421-h), Albany (Albany County) (§421-i), Buffalo (Erie County) (§421-i), Cohoes (Albany County) (§421-j), and cities of Auburn (Cayuga County) and Newburgh (Orange County (§421-k).)

A. ELIGIBILITY REQUIREMENTS:

1. <u>Ownership Requirements</u>: Property must be owned by a private individual or organization. If title to the property is transferred to someone other than the heirs or distributees of the owner, the exemption must cease.

2. <u>Property Location Requirements</u>: The property must be located in a city that meets the following population requirements:

   §421-h Property must be located in cities having a population of more than 22,000, but less than 23,000, as determined by the latest federal census. Based on the latest census, i.e. 2000, only Lockport (Niagara County) and Peekskill (Westchester County) currently satisfy this criterion.

   §421-i Property must be located in cities having a population of more than 90,000, but less than 100,000, as determined by the latest federal census. Based on the latest census, i.e. 2000, only Albany (Albany County) currently satisfies this criterion

A. **ELIGIBILITY REQUIREMENTS (continued):**

2. **Property Location Requirements (continued):**

§421-i Property must be located in cities having a population of more than 290,000, but less than 295,000, as determined by the latest federal census. Based on the latest census, i.e., 2000, only Buffalo (Erie County) currently satisfies this criterion.

§421-j Property must be located in cities having a population of more than 15,500, but less than 16,000, as determined by the latest federal census. Based on the latest census, i.e., 2000, only Cohoes (Albany County) currently satisfies this criterion.

§421-k Property must be located in cities having a population of more than 28,500 inhabitants but less than 29,000 inhabitants, as determined by the latest federal census. Based on the latest federal census, i.e., 2010, only the cities of Auburn (Cayuga County) and Newburgh (Orange County) currently satisfy this criterion.

3. **Property Use Requirements:** Property that was not previously owner-occupied must be used as an owner-occupied single-family residence. However, property that was previously owner-occupied must be used as an owner-occupied residence for not more than two families. The value of the construction project must exceed $5,000 and must be of the type allowed exemption by the taxing jurisdiction (see Local Option below); the project may not be one of ordinary maintenance or repairs. The greater portion of the property, as measured by the square footage of both the original property and the improvement, must be at least five years old.

4. **Certification by State or Local Government:** None required.

5. **Required Construction Start Date or Other Time Requirement:** Reconstruction, alteration, or improvement of the property must have commenced after the effective date of the local law allowing the exemption.

B. **LOCAL OPTION:** Yes, local taxing jurisdictions are allowed several choices:

1. Exemption -- A city meeting the population requirements may choose whether or not to allow the exemption. The option to exempt must be exercised by the city through the adoption of a local law after a public hearing has been held.

2. Percentage of Exemption -- A qualified city allowing the exemption may reduce the percentage of exemption allowed in each year by state law (see Calculation of Exemption below).

LOCAL OPTION (continued):

3. Maximum Value of Improvement -- State law limits the exemption to a maximum of $100,000 in increased market value. Qualified cities may reduce this maximum to any amount less than $100,000, but not less than $10,000.

4. Type of Improvement -- In its local law allowing the exemption, a qualified city may limit the forms of eligible reconstruction, alteration, or improvement eligible. It may further limit exemption to improvements that would otherwise result in an increase in the assessed value of the property, but that consist of addition to or remodeling or modernization of an existing residence to prevent physical deterioration or to comply with applicable building, sanitary, health, or fire codes.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	No exemption allowed	No exemption allowed	No exemption allowed
2. Duration	8 years*	No exemption allowed	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Tax	NA	Tax	Tax
b. City	Ex**	NA	NA	Tax
c. Town or Town Special District	Tax	NA	Tax	Tax
d. Village	Tax	NA	NA	Tax
e. School District	NA	Tax	NA	NA

Ex - Exempt **Tax - Taxable** **NA - Not Applicable**

* See Calculation of Exemption below.

** If allowed by local option.

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. General Municipal and School District Taxes: This exemption is for city taxes only. The extent of the exemption is determined by the "exemption base" and the percentage of that base allowed as exempt each year. The exemption base is defined as the increase in assessed value as determined in the initial year of the term of exemption, except as follows.

   In any year in which a change in level of assessment of 15% or more is certified for a final assessment roll pursuant to the rules of the State Office of Real Property Tax Services, the exemption base must be multiplied by the following fraction:

$$\frac{\text{Total assessed value of parcel on final assessment roll*}}{\text{Total assessed value of parcel On immediately preceding final assessment roll}}$$

   * After accounting for physical or quantity changes to parcel since immediately preceding assessment roll.

   Unless limited by local law, the exemption equals the base exemption, or the base exemption adjusted as described above, multiplied by one of the following percentages:

Year of Exemption	Percentage of Exemption Base
1	100.0
2	87.5
3	75.0
4	62.5
5	50.0
6	37.5
7	25.0
8	12.5

   Qualified cities may reduce the percentage of exemption for any year.

The maximum exemption allowed by state law is $100,000 in increased market value due to the improvement. The market value of the new construction is calculated by dividing the increase in assessed value attributable to the construction by the latest state equalization rate or special equalization rate, unless such rate is 95% or more, in which case the increased assessed value is to be considered equal to the market value. Qualified cities may reduce the maximum exemption allowed to any amount less than $100,000, but that amount may not be less than $10,000.

E. CALCULATION OF EXEMPTION (continued):

2. Special Ad Valorem Levies and Special Assessments: No exemption allowed.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

Code	Description of Alternative Codes Possible	
44233	§421-h	(Lockport (Niagara County) and Peekskill (Westchester County))
	§421-i	(Albany (Albany County))
	§421-i	(Buffalo (Erie County))
	§421-j	(Cohoes (Albany County))
	§421-k	(Auburn (Cayuga County) and City of Newburgh (Orange County))

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

G. FILING REQUIREMENTS (Owner or Occupant of Property):

§421-h Lockport (Niagara County) and Peekskill (Westchester County)

Form RP-421-h [Lockport/ Peekskill] — Application for Real Property Tax Exemption for Capital Improvements to Multiple Dwelling Buildings within Certain Cities

§421-i Albany (Albany County)

Form RP-421-i [Albany] — Application for Real Property Tax Exemption for Capital Improvements to Multiple Dwelling Buildings within Certain Cities

G. FILING REQUIREMENTS (Owner or Occupant of Property) (continued):

§421-i Buffalo (Erie County)

Form RP-421-i [Buffalo] — Application for Real Property Tax Exemption for Capital Improvements to Multiple Dwelling Buildings within Certain Cities

§421-j Cohoes (Albany County)

Form RP-421-j [Cohoes] — Application for Real Property Tax Exemption for Capital Improvements to Multiple Dwelling Buildings within Certain Cities

§421-k Auburn (Cayuga County) and City of Newburgh (Orange County)

Form RP-421-k [Auburn, City of Newburgh]

Application for Real Property Tax Exemption for Capital Improvements to Multiple Dwelling Buildings within Certain Cities

These forms and separate instructions may be downloaded and printed from: www.tax.gov/forms/orpts/exemption.htm

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS:

Subject	Statute
Capital investment in multiple dwellings in certain cities	RPTL §421-j
Certain living quarters constructed to be occupied by a senior citizen or disabled individual	RPTL §467-d
First-time homebuyers of newly constructed homes	RPTL §457
Home improvements	RPTL §421-f
New residential property in certain cities	RPTL §485-m

I. SIMILAR EXEMPTIONS (continued):

Private one- and two-family dwellings and certain multiple dwellings in New York City	RPTL §421-b
Residential investment in certain municipalities	RPTL §§485-h, 485-i, 485-j, 485-k, 485-l, 485-m
Residential property improvements in certain cities	RPTL §485-j
Residential property improvements in certain towns	RPTL §485-l

School Tax Relief (STAR) **RPTL Section 425**

Exemption Code(s):

§425 (3)	--	Basic STAR	41854
§425(2j)	--	Basic STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers)	41856
§425 (2l)	--	Basic STAR (Manufactured home on land belonging to others)	41864
§425 (2j,l)	--	Basic STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers) (Manufactured home on land belonging to others)	41866
§425(4)	--	Enhanced STAR	41834
§425(2j)	--	Enhanced STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers)	41836
§425 (2l)	--	Enhanced STAR (Manufactured home on land belonging to others)	41844
§425 (2j,l)	--	Enhanced STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers) (Manufactured home on land belonging to others)	41846

Year Originally Enacted: 1997

Related Statutes: RPTL §§102(12)(g), 467, 496, 520(5); Tax L §§171-u, 171-y

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SUMMARY: Owner-occupied property that is a one, two, or three-family residence, a mobile home or trailer, a farm home, or a residential condominium or cooperative apartment, and which serves as the primary residence of the owner or that portion of any other type of property which is partially used by the owner as a primary residence, is partially exempt from school district taxes, but liable for general municipal and county taxes, as well as for special ad valorem levies and special assessments. (An exception to this involves the cities of New York, SUMMARY (continued):

Buffalo, Rochester, Syracuse, and Yonkers, where a reduced exemption is applied against BOTH school and general city taxes.) All primary-residence homeowners are eligible for the "Basic" STAR exemption, regardless of age; however, incomes of such homeowners may not exceed $500,000 a year. The amount of the basic exemption is $30,000, subject to equalization and other adjustments.

Primary-residence owners that meet additional requirements are eligible to receive the "Enhanced" STAR exemption. To be eligible, all property owners must be 65 years of age or older, with incomes that do not exceed $60,000 a year as amended annually according to a cost-of-living adjustment (COLA) used by the Social Security Administration. The Office of Real Property Services has revised and promulgated the eligible income limit for each roll year. (Certain exceptions to the age requirement exist, see 1. Eligibility Requirements, A. Ownership Requirements.) The amount of the enhanced exemption is $56,800 as amended annually according to an increase in the consumer price index for urban wage earners and clerical workers (CPI-W) published by the U.S. Department of Labor (Bureau of Labor Statistics), measured in the third quarter of the calendar year preceding the applicable school year, subject to equalization and other adjustments. For purposes of the Enhanced STAR exemption, "income" means the "adjusted gross income" (AGI) for federal income tax purposes as reported on the applicant's federal or state income tax return for the applicable income tax year, minus any taxable distributions from an Individual Retirement Account (IRA). Low-income seniors who will be receiving the senior citizen exemption will automatically qualify for the STAR exemption, without filing a separate STAR application. Although senior citizens whose annual incomes exceed the eligible income limit for a given year will not be eligible for the Enhanced STAR exemption, they may be eligible for the Basic STAR exemption.

The STAR exemption amounts will be adjusted by a "sales price differential factor" in counties where the median residential value exceeds the statewide median residential value and by the applicable State equalization rate for each assessing unit. The adjusted exempt amounts are limited by a "floor," which provides that the exemption may not be less than 89 percent of the exempt amount determined in the prior year, unless the level of assessment has changed by five percent or more. The Office of Real Property Tax Services (ORPTS) calculates the applicable STAR exemption amounts and certifies them to assessing units at least 20 days before their tentative assessment rolls must be filed.

The STAR exemption must be applied after all other applicable exemptions have been applied to the property's assessed value. However, the exemption may not reduce the property's taxable assessed value below zero, nor may any owner receive both the basic and enhanced STAR exemptions in the same year.

NOTE: Effective March 30, 2012 the Department of Taxation and Finance has the authority to establish a program to aid in the collection of past-due state tax liabilities by suspending eligibility for the STAR exemption.

A. ELIGIBILITY REQUIREMENTS:

1. Ownership Requirements:

Basic STAR Exemption: The property must be owned by a private individual or individuals. If legal title to the property is held by one or more trustees, the beneficial owner or owners are considered to own the property for purposes of this exemption. A farm dwelling that is held in the name of a business corporation or a partnership is eligible, provided such dwelling serves as the primary residence of a shareholder or one of the partners. A dwelling owned by a limited partnership is eligible for the exemption if the property serves as the primary residence of one or more of the partners, provided that the limited partnership does not engage in any commercial activity, and that the partnership was lawfully created to hold title solely for estate planning and protection purposes. Furthermore, the partner or partners residing on the property must personally pay all real property taxes and other costs associated with the property's ownership. A married couple may receive this exemption on no more than one residence, unless they are legally separated.

The STAR exemption is not available to parcels having an affiliated income of greater than $500,000, as determined by the Department of Taxation and Finance. For purposes of this exemption affiliated income means the combined income of all the owners and their spouses who resided on the parcel as of the applicable taxable status date. Income has the same meaning as it does concerning the Enhanced STAR exemption (i.e., federal AGI less taxable IRA distributions -- see Summary). For the 2014-15 school year, the income determinations will be based upon returns for the 2012 income tax year; for the 2015-16 school year, returns from the 2013 income tax year will be so used; and so on.

Note: where a person is the owner of a parcel under a life estate, or is a vendee in possession of a contract of sale, or is a beneficial owner under a trust, or resides primarily in a farm dwelling owned by a corporation or in a dwelling owned by a limited partnership as described above, and has applied for and received the exemption, that person is considered the owner of the parcel for purposes of this exemption.

Enhanced STAR Exemption: In addition to the requirements listed above for the Basic STAR exemption, all owners of the property must be 65 years of age or older as of December 31 of the applicable assessment roll year. However, certain exceptions have been legislated as follows: (1) for property owned by a married couple, one of the owners must be 65 years of age or older as of December 31 of the assessment roll year, (2) for property owned by siblings, one of the siblings must be 65 years of age or older as of December 31 of the assessment roll year, and (3) for property owned by a surviving spouse where a

A. ELIGIBILITY REQUIREMENTS (continued):

1. Ownership Requirements (continued):

STAR exemption was previously granted, the spouse must be 62 years of age or older as of December 31 of the assessment roll year. Furthermore, for the 2014 roll year the combined income of all the owners and of any owners' spouses residing on the premises will be based on the 2012 income tax year (January-December unless a different 12-month period is used for income tax filing purposes), and may not exceed $81,900. (This figure includes annual cost-of-living adjustments (COLAs) that have been applied to the $60,000 income ceiling originally instituted in 1998). On subsequent assessment rolls, i.e., 2015 and thereafter, the applicable income tax year, COLA, and applicable increase percentage is advanced by one year, with the income standard being the previously applicable income standard increased by the new COLA. Therefore applications for this exemption on the 2015 assessment rolls must be based on the applicants' 2013 income; application on the 2016 roll must be based on their 2014 income, and so on. The enhanced exemption may be granted when the owner is absent from the residence due to long-term confinement in a nursing home or other health care facility, as long as the property is not occupied by anyone other than the co-owner or spouse. A similar provision applies to the senior citizens exemption, except that no income adjustment is applicable for STAR purposes.

For the purpose of this exemption, income means the "adjusted gross income" for federal income tax purposes as reported on the applicant's latest available federal or state income tax return for the applicable income tax year, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity; provided that if no such return was filed for the applicable income tax year, income means the adjusted gross income that would have been so reported if such a return had been filed. Any exclusion or deduction from income allowed at local option for purposes of the RPTL §467 senior citizen exemption, e.g., medical and prescription expenses which are not reimbursed or paid by insurance from the computation of an applicant's income, is not allowed for purposes of the STAR exemption.

Note: In cases where the combined income exceeds the eligible income limit for a given year the property in question is nevertheless eligible for the Basic STAR exemption provided all other eligibility requirements are met.

Owners who qualify for the exemption under RPTL §467 automatically qualify for the Enhanced STAR exemption.

2. Property Location Requirements: None.

A. ELIGIBILITY REQUIREMENTS (continued):

3. <u>Property Use Requirements</u>: Property must be a one-, two-, or three-family residence, a farm home or a residential condominium or cooperative apartment. The property must serve as the primary residence of one or more of the owners thereof. The exemption may be granted to a portion of any other type of property that is partially used by the owner as a primary residence.

4. <u>Certification by State or Local Government</u>: ORPTS must compute the exempt amount for each assessing unit (see Calculation of Exemption), and must certify the same to the assessor in each assessing unit and to the county director of real property tax services in each county. Such certification must be made at least 20 days before the last date prescribed by law for the filing of the tentative assessment roll.

   Recertification is required in certain cases. If ORPTS determines that an exempt amount calculated under this exemption differs from the exempt amount that should have been so calculated by five percent or more, due to a change in level of assessment, inaccurate or incomplete data, or other causes, it must recompute the amount for that assessing unit and must certify the recomputed amount to the assessor and county director of real property tax services.

5. <u>Required Construction Start Date or Other Time Requirement</u>: None. However, in signing the application for exemption, owner agrees to notify the assessor if his or her primary residence changes while such property is receiving this exemption (see Application form RP-425).

B. LOCAL OPTION: None.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	No exemption allowed*	Yes**	No exemption allowed*	No exemption allowed*
2. Duration	No exemption allowed*	No limit	No exemption allowed*	No exemption allowed*
3. Taxing Jurisdiction				
a. County or County Special Districts	Tax	NA	Tax	Tax
b. City	Tax*	NA	NA	Tax
c. Town or Town Special District	Tax	NA	Tax	Tax
d. Village	Tax***	NA	NA	Tax
e. School District	NA	Ex*	NA	Tax

Ex - Exempt **Tax – Taxable** **NA - Not Applicable**

* In cities of 125,000 inhabitants or more (New York City, Buffalo, Rochester, Syracuse, Yonkers) the STAR exemption is reduced in amount but applied to both general city portion of levy and portion of levy designated for school purposes (see Calculation of Exemption).

** No exemption allowed for library purposes in consolidated school districts.

*** Unless boundaries of the village are coterminous with those of a union free school district.

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. **General Municipal and School District Taxes**: This exemption is allowed for school district taxes only, except in the cities of New York, Buffalo, Rochester, Syracuse, and Yonkers. It is the responsibility of ORPTS to compute the exemption and provide the exempt amount to the assessor. The exemption amount is calculated for each assessing unit annually by ORPTS according the provisions of RPTL §425(2).

   The "base figure" used by the ORPTS to calculate the exemption is $30,000 for the Basic STAR exemption and $64,200 for the Enhanced STAR exemption (2014-2015 school year).

   Required Adjustments to the Base Figure:

   a. In counties where the median sales price of residential property exceeds the state median, this "base figure" is further adjusted by a "sales price differential factor." Sales reported pursuant to Section 333 of the Real Property Law (or in the case of New York City, a special local law) are used to determine this factor. Sales of property held in condominium or cooperative form of ownership are excluded.

   b. ORPTS then multiples the result of the above calculation by the "equalization factor," which is the appropriate State equalization rate, or special equalization rate. In the case of New York City and Nassau County, the equalization factor for Class 1 in each school district portion is the class equalization rate for Class 1 in the portion, and the equalization factor for Class 2 in each school district portion is the equalization factor for Class 1 in the portion, multiplied by the latest tax rate for Class 1 in the portion and then divided by the latest tax rate for Class 2 in the portion. (In any instance when school district taxes are levied upon an assessment roll which predates the latest final assessment roll, the equalization factor used will be the State equalization rate for the assessment roll upon which school district taxes are to be levied).

      Note: the equalization factor is not capped at 1.00.

   c. The result of the adjustment in (b) is limited by a "floor," which may not be less than 89 percent of the exempt amount determined for the prior roll, unless the level of assessment in the assessing unit (or in Class 1 for New York City or Nassau County) has changed by five percent or more, in which case the STAR exempt amount may not be less than 89 percent

E. CALCULATION OF EXEMPTION (continued):

1. <u>General Municipal and School District Taxes (continued)</u>:

of the product of the previous year's exempt amount multiplied by the applicable change in level of assessment factor.

The result ORPTS obtains in this series of calculations is rounded to the nearest ten dollars, and becomes the exempt amount for the assessing unit for the levy of school taxes on the corresponding assessment roll.

No exemption is determined by ORPTS for a village, unless the boundaries of the village are coterminous with a union free school district.

<u>Note</u>: The STAR exemption should be applied to the final assessment roll for the year prior to the year of the school district levy in an assessing unit in which school district taxes are levied on the prior year's assessment roll <u>if</u> the assessing unit has adopted a local law permitting applications for this exemption to be submitted on or before taxable status date of the current year's assessment roll. When such a local law is in effect the eligibility of the property for STAR purposes is based upon the condition of the property as of the taxable status date of the prior year's assessment roll, and the ownership of the property as of the taxable status date of the current year's assessment roll. Such a local law applies to assessment rolls based upon taxable status dates occurring on or after the effective date of such local law, and remains applicable thereafter unless and until it is repealed or rescinded (see Filing Requirements).

<u>Special Calculation for Certain Cities</u>: ORPTS must adjust the exempt amount for the cities of Buffalo, New York, Rochester, Syracuse, and Yonkers to account for the fact that the school district is fiscally dependent on the city. This adjustment is made by multiplying the exempt amount that would otherwise be determined by 50 percent for New York City, or, in the case of the other four cities, by 67 percent. The exempt amount resulting from this calculation is applied both to the assessed value for city school district purposes and to the assessed value for general city purposes.

The adjusted exemption amounts for each assessing unit is certified and transmitted by ORPTS to each assessing unit (see Certification by State and Local Government above). If ORPTS recertifies the exempt amount for the assessing unit, the assessor must correct the assessment roll accordingly, or, if another person has custody or control of the assessment roll, that person must make the appropriate corrections. If the corrections are not made before the school taxes are levied, the difference between the original exempt amount and the recertified amount for each affected parcel must be deemed a “clerical error,” as defined in RPTL §520(2), and must be corrected accordingly.

E. CALCULATION OF EXEMPTION (continued):

1. General Municipal and School District Taxes (continued):

If the exemption is to be applied to a mobile home or trailer in which the owner of such mobile home or trailer does not own the land, the total amount of STAR exemptions on such mobile homes or trailers should be entered as exemptions on the parcel comprising these residences. If it has not been done previously, assessor will need to apportion the value of the parcel among all the mobile homes and trailers on the parcel for purposes of this exemption only, without creating separate assessments in the names of the eligible mobile home or trailer owners. In the case of mobile home parks, the assessor must also provide a breakdown of exemptions to the park owner so that proper amounts may be credited to the appropriate parties. In no event may the exempt amount exceed the total assessed value attributable to the individual trailer or mobile home.

If the exemption is to be applied to a dwelling unit within a cooperative apartment corporation, the assessor will need to apportion value of all the units based on shares owned relative to the total number of shares issued by the corporation. The assessor must also provide a breakdown of exemptions to the manager of the cooperative apartment corporation so that proper amounts may be credited to the appropriate parties. Should the cooperative project include more than one parcel, the apportioned value should be based on the total value of all parcels comprising the project, regardless of whether all the parcels have dwelling units on them or not. In no event may the exempt amount exceed the total assessed value attributable to the individual dwelling unit.

Resident owners of dwelling units within cooperative apartments organized as limited-profit (Mitchell-Lama) housing companies who satisfy the STAR eligibility requirements are entitled to receive STAR-related credits ("STAR Savings") as an alternative to reductions in assessed value. The assessor will need to calculate such savings, equal to one-third of the "base figure" used to calculate both the basic and enhanced exemption with required adjustments (see Required Adjustments to the Base Figure above), multiplied by the applicable school tax rate, or in the cities of New York, Buffalo, Rochester, Syracuse and Yonkers, multiplied by the applicable city tax rate. The STAR savings for any individual unit may not exceed the amount payable or chargeable to the unit as real property taxes or payments in lieu of taxes. The assessor should provide a breakdown of such credits by unit to the manager of the corporation so that credits are properly allocated (see Reporting Requirements below).

If an individual mobile home, trailer, or cooperative unit is already separated for purposes of granting the veteran exemption (RPTL §§458, 458-a, 458-b) or senior citizen exemption (RPTL §467), the STAR exempt amount should be placed on the assessment roll entry for that owner.

E. CALCULATION OF EXEMPTION (continued):

1. General Municipal and School District Taxes (continued):

If the STAR exemption is to be applied to a non-residential type of parcel, a portion of which is used by the owner as a primary residence, it must be applied solely to that portion of the property used for residential purposes. Under no circumstances may the exempt value exceed the assessed value attributable to that portion.

Only one STAR exemption (basic or enhanced) may be granted on a parcel eligible for this exemption, except for parcels containing more than one eligible mobile home, trailer, cooperative apartment unit, or physically separate residence. In instances where a parcel includes more than one physically separate residence, the exemption may be granted to each residence which: (1) serves as the primary residence of at least one of the owners of the parcels, and (2) would be eligible for this exemption if it were separately assessed and owned exclusively by the owner or owners who reside on the parcel. However, only one exemption may be applied to the land included with the parcel.

If an owner or owners' primary residence is located within two or more municipalities, each portion of the residence will be eligible for the STAR exemption, if the eligibility requirements are otherwise satisfied. The respective assessors should allocate the exemption in the same manner as the apportionment of full value of the property to each municipality, so long as the tax savings resulting from the exemption does not exceed the tax savings if the residence was located entirely within one municipality. This allocation procedure does not apply in cases where the land associated with the residential structure is located in more than one municipality, but where the residential structure itself is located entirely within one of these municipalities.

This exemption must be applied by the assessor <u>after</u> all other exemptions for which the parcel is eligible have been subtracted from the total assessed value of the parcel. In no event may the exemption exceed the total assessed value of the parcel less all other exemptions allowed by law.

The assessor must discontinue granting this exemption on the next ensuing tentative assessment roll if it appears that: (1) the property may not be the primary residence of the owner or owners who applied for the exemption; (2) title to the property has been transferred to a new owner or owners; or (3) the property otherwise may no longer be eligible for the exemption.

<u>Note</u>: Unlike other exemptions, the STAR exemption does not transfer with the owner when the owner moves his or her residence. The provisions for removal of exempt status upon transfer of title under RPTL §520(5) applies if the transferred property has been receiving only the STAR exemption, and no other exemption. If the property has been receiving the STAR exemption along

E. CALCULATION OF EXEMPTION (continued):

1. General Municipal and School District Taxes (continued):

with one or more other exemptions, removal of the other exemptions applies only to the extent that the property is receiving such other exemption or exemptions. Should the new owner of the property fail to reapply for the exemption by the next ensuing taxable status date, this exemption must be discontinued. (See Reporting Requirements of the Assessor.) If a property was sold a few days before taxable status date and the new owner did not apply for this exemption, the assessor may correct the final roll by removing the existing STAR exemption pursuant to RPTL §552, since the new owner, under these specific circumstances, is not entitled to it.

In addition to discontinuing the exemption on the next tentative assessment roll, if the assessor determines that the property improperly received this exemption on one or more of the six preceding assessment rolls, he or she must proceed to revoke the improperly granted prior exemption or exemptions. Such revocation does not apply to final assessment rolls that were filed prior to April 1, 2010. The assessed value attributable to each such improperly granted exemption must be entered separately on the next ensuing tentative or final assessment roll, in accordance with the provisions of RPTL §§551 or 553 (relating to the entry by the assessor of omitted real property on a tentative or final assessment roll). Recipients of the improperly granted exemption(s) are liable for the amount of taxes saved in the six prior years. For an improperly granted STAR exemption occurring on assessment rolls filed on or after April 1, 2013 a processing fee of $500 will be added (to be retained by the assessing unit).

If the assessor further determines that there was a "material misstatement" on the application that was filed on or after October 1, 2010 but before October 1, 2013, he or she must proceed to impose a penalty tax against the property of $100, provided that the assessor makes a determination within three years of filing the application. If the application was filed on or after October 1, 2013, the penalty tax is the greater of $100 dollars or 20 percent of the improperly received tax savings, but not to exceed $2,500, and provided further that the assessor makes a determination within six years of filing the application. An application is considered to contain a material misstatement for purposes of this exemption when: (1) the applicant or applicants claimed that the property was their primary residence, when it was not; (2) the applicant or applicants claimed that they had relinquished the STAR exemption on their former primary residence, when they knew they had not; or (3) in the case of an application for the Enhanced STAR exemption, the applicant or applicants misrepresented their age or income so as to appear eligible for such exemption, when they were not (see Form RP–425). The penalty tax is entered on the next ensuing tentative or final assessment roll. The provisions of RPTL §§551 or 553 (relating to the entry by the assessor of omitted property on a tentative or final assessment roll) applies insofar as practicable when imposing the penalty tax (see Reporting Requirements of the Assessor). Any person or persons found to have made a material misstatement must be disqualified from eligibility for this exemption for a period of five years if such misstatement appears on an application filed prior to October 1, 2013 and six years if such misstatement appears on an application filed thereafter. In addition, such person or persons may be subject to prosecution under the penal law.

NOTE: The provisions in this paragraph do not apply if this exemption has been renounced by the property owner, under the terms of RPTL §496.

2. **Special Ad Valorem Levies and Special Assessments**: No exemption allowed.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

Code	Description of Alternative Codes Possible	
41854	§425 (3) --	Basic STAR
41856	§425(2(j)) --	Basic STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers)
41864	§425 (2l) --	Basic STAR (Manufactured home on land belonging to others)
41866	§425 (2j,l) --	Basic STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers) (Manufactured home on land belonging to others)
41834	§425(4) --	Enhanced STAR
41836	§425(2(j)) --	Enhanced STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers)
41844	§425 (2l) --	Enhanced STAR (Manufactured home on land belonging to others)
41846	§425 (2j,l) --	Enhanced STAR in certain school districts (New York City, Buffalo, Rochester, Syracuse, Yonkers) (Manufactured home on land belonging to others)

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: Codes 41834, 41836, 41844, and 41846 (Enhanced STAR) should not be used to identify property that is exempt under RPTL §467 (Senior Citizens). For coding of such property, see the Exemption Profile for that statute.

G. FILING REQUIREMENTS (Owner or Occupant of Property):

1. Form RP-425 Application for School Tax Relief (STAR) Exemption

   Basic STAR: To receive this exemption, all owners of the property must jointly apply on or before the local taxable status date. If the exemption is granted, the owner need not reapply in subsequent years to keep this exemption, unless the exemption is discontinued or revoked by the assessor. Recipient of exemption must notify the assessor if his or her primary residence changes.

   Enhanced STAR: If the owner is currently receiving the senior citizen exemption (RPTL §467), he or she automatically qualifies for the Enhanced STAR exemption, and need not apply for such as long as he or she is receiving the senior citizens exemption (which requires annual renewal). Owners who are 65 years of age or older and who do not qualify for the senior citizen exemption may nevertheless apply for the Enhanced STAR exemption on or before the local taxable status date. However, if this exemption is granted, such owners must reapply each year thereafter in order to keep the exemption in effect, and such owners must notify the assessor if their primary residences change.

2. Form RP-425-IVP School Tax Relief (STAR) Exemption; Optional Income Verification Program

   Eligible owners applying for the Enhanced STAR exemption may authorize the assessor to have their incomes verified in subsequent years by the State Department of Taxation and Finance, through the STAR income verification program. If the owners participate in the program, they must furnish their taxpayer identification number to the assessor at that time (see Form RP-425- below). If such owners have their income eligibility verified and meet all other eligibility requirements, they will not be required to submit annual renewals and income tax records to the assessor in subsequent years. However, if the owner or owners stop participating in the income verification program, the owners must resume submitting applications and tax returns to the assessor's office on or before taxable status date to remain eligible for this exemption. Such owners have the option to re-enter that program in a later year. Owners who are 65 years of age or older and who are ineligible for the Enhanced STAR exemption may file for the Basic STAR exemption.

   The STAR income verification program pertains only to renewal applications. Furthermore, it does not affect owners who automatically receive the Enhanced STAR exemption by their receiving the Senior Citizens exemption (RPTL §467).

   All other applicants for the Enhanced STAR exemption must submit application forms to the local assessor's office on or before taxable status date. Applicants who also choose to participate in the STAR income verification program will not need to reapply or submit tax returns to the assessor's office for the next succeeding year and thereafter.

G. **FILING REQUIREMENTS (Owner or Occupant of Property) (continued):**

Any information or documentation submitted by an applicant in connection with applications for or renewal of the Enhanced STAR exemption to verify income is considered confidential, and the assessor, any municipal officer, or municipal employees are prohibited from disclosing any such information, except for any disclosure necessary in the performance of their official duties (including information pertinent to the STAR income verification program). Any unauthorized disclosure of such information will be deemed a violation of Section 805-a of the General Municipal Law.):

Note: In those assessing units in which school district taxes are levied on the assessment roll in the year prior to the levy, the eligible taxpayer may submit an application for the exemption against his or her school taxes on or before the taxable status date of the current year's assessment roll, subject to adoption of a local law permitting such applications (see Calculation of Exemption). Otherwise, the application must be submitted on or before the taxable status date of the prior year's assessment roll.

3. Form RP-425-Rnw Renewal Application for School Tax Relief (STAR) Exemption

Basic STAR: If the exemption is granted, the owner need not reapply in subsequent years to keep this exemption, unless the exemption is discontinued or revoked by the assessor.

Enhanced STAR: Owners receiving this exemption who do not qualify for the senior citizens exemption must reapply each year in order to keep the exemption in effect, except for those who elect to participate in the STAR income verification program. Such owners need reapply only in the year in which they commence participation in the program. Failure to submit the renewal application will result in a default to the Basic STAR exemption for the current year. For reinstatement of the enhanced exemption, a renewal application must be filed for the subsequent year. Owners currently receiving this exemption may designate an adult third party to receive an annual notice from the assessor stating that it is time for the owner to reapply for this exemption.

4. Form RP-425-BV Social Security Number Required to Determine Eligibility for Basic STAR

This form must be submitted if 1) owner is notified by assessor that his or her income exceeds $500,000 and the owner wishes to challenges that determination, or 2) the assessor requests more information from the owner to verify income eligibility.

NOTE: If owner does not contest assessor's determination of income ineligibility for that year, but whose income falls below $500,000 in a future year, such owner must then submit this form, along with Form RP-425-rev, to receive this exemption.

G. FILING REQUIREMENTS (Owner or Occupant of Property) (continued):

5. Form RP-425-TPN Request for Mailing of Notice to a Third Party Regarding Enhanced STAR Exemption

An owner currently receiving the Enhanced STAR exemption may designate an adult third party to receive a notice from the assessor to assist the senior citizen in fulfilling the eligibility requirements regarding this exemption. This form must be submitted to the assessor of the assessing unit in which the senior citizen resides no later than 60 days prior to the assessing unit's taxable status date.

Note: An application for the STAR exemption may be filed with the assessor after the appropriate taxable status date but not later than the last date on which a petition with respect to complaints of assessment may be filed, where failure to file a timely application resulted from: 1) a death of the applicant's spouse, child, parent, brother or sister; or 2) an illness of the applicant or of the applicant's spouse, child, parent, brother or sister, which actually prevents the applicant from filing on a timely basis, as certified by a licensed physician. The assessor should approve or deny such an application as if it had been filed on or before taxable status date.

The above forms may be downloaded and printed from this web address:
www.tax.ny.gov/forms/orpts/exemption.htm

H. REPORTING REQUIREMENTS (Assessor):

1. The assessor must annually forward to the ORPTS information identifying recipients of the Enhanced STAR exemption who have elected to participate in the STAR income verification program.

2. The assessor must provide a receipt as proof of submission of an application (RP-425 or RP-425-Rnw) to an applicant who requests such a receipt. If the request is not made in person, the applicant must provide the assessor with a self-addressed postpaid envelope in which to mail the receipt.

3. The assessor must mail a notice (preferably a postcard) to those owners participating in the STAR income program annually, after being notified of their income eligibility by the State Department of Taxation and Finance. The notice must include one of the following statements:

   (a) To participants found to have satisfied income eligibility requirements: The notice should so state that requirement being satisfied. The notice must further state that if the property remains their primary residence and that there has been no change in its ownership, they remain eligible for the Enhanced STAR exemption and need not contact the assessor at this time. The notice must also remind them that they are expected to contact the assessor if there has been any residency or ownership change.

H. REPORTING REQUIREMENTS (Assessor) (continued):

(b) To participants whose income eligibility cannot be verified: The notice should so state this fact. The notice must also state that they must furnish documentation of their income eligibility to the assessor on or before the applicable taxable status date, or the Enhanced STAR exemption will be discontinued (though the Basic STAR exemption may be granted in its place if the property remains their primary residence and there has been no change in its ownership). The notice must also state that they are expected to contact the assessor if there has been any residency or ownership changes.

(c) To participants who have been found not to meet income eligibility requirements: The assessor must mail a notice of denial (Form RP-425-Dnl-Enhanced), giving the findings of the State Department of Taxation and Finance as a reason for the denial of the Enhanced STAR exemption.

4. Assessors must mail a renewal form (RP-425-Rnw), at least 60 days before taxable status date, to owners of property receiving the Enhanced STAR exemption on the preceding assessment roll and who have elected not to participate in the STAR income verification program.

5. A notice is to be sent to the designated third party of an owner or owners who have elected not to participate in the STAR income verification at least 30 days prior to each ensuing taxable status date. No such notice need be sent in the first year if the assessor did not receive the request for designation of a third party at least 60 days before the applicable taxable status date. The notice should read substantially as follows:

> "On behalf of (identify the eligible owner or owners), you are advised that his, her, or their renewal application for the Enhanced STAR exemption must be filed with the assessor no later than (enter date). You are encouraged to remind him, her, or them of that fact, and to offer assistance if needed, although you are under no legal obligation to do so. Your cooperation and assistance are greatly appreciated."

6. A notice is to be sent to the designated third party of an owner or owners who have elected to participate in the STAR income verification program whenever the assessor sends a notice to the owner regarding the possible removal of the Enhanced STAR exemption. This notice should read substantially as follows:

> "On behalf of (identify the owner or owners), you are advised that his, her, or their Enhanced STAR exemption is at risk of being removed. You are encouraged to make sure that he, she or they are aware of that fact, and to offer assistance if needed, although you are under no legal obligation to do so. Your cooperation and assistance are greatly appreciated."

H. REPORTING REQUIREMENTS (Assessor) (continued):

7. In the case of a cooperative apartment cooperative organized as a limited-profit (Mitchell-Lama) corporation, the assessor must provide a breakdown of "STAR savings" by unit to the manager of the corporation so that such savings are properly credited and allocated to eligible recipients.

8. Form RP-425-Dnl-Basic — Notice of Denial of Application for Basic STAR Exemption

9. Form RP-425-Dnl-Enhanced — Notice of Denial of Application for Enhanced STAR Exemption

Denial forms must set forth the basis for the denial and must be sent not later than ten days prior to Grievance Day (except in New York City, where it must be mailed not later than thirty days prior to the final date for filing an assessment appeal).

If the assessor determines that this exemption should be discontinued, he or she must mail a notice so stating to the owner or owners of the property, in accordance with the provisions for notifying owners of increased assessments under RPTL §510. The owner or owners may seek administrative and judicial review of such an assessment increase; however, the burden is on the owner or owners to establish eligibility for this exemption.

When the assessor has received a report of a transfer of title to real property (under RPTL §574), which is exempt under this section, the assessor must send the new owner or owners as shown thereon an application for the exemption (Form RP-425). It is the responsibility of the new property owner(s) to apply for the exemption. Failure of the owner(s) to submit the completed application form by taxable status date will result in ineligibility for the exemption, even if the assessor has failed to send the new owner the application form.

Whenever the assessor: (1) revokes an exemption, (2) determines that a penalty tax should be imposed on the property, or (3) takes both actions, the assessor must so notify the owner not later than ten days prior to the date for hearing complaints in relation to assessments, as specified under RPTL §§510 and 553. The owner has the right of administrative and judicial review of such action or actions taken.

The above forms may be downloaded and printed from this web address:
www.tax.ny.gov/forms/orpts/exemption.htm

I. SIMILAR EXEMPTIONS: None.

The next page is intentionally left blank. The next document in this profile is the *School Tax Relief [STAR] Exemption Assessor's Guide*.

A pamphlet for the general public that explains the STAR exemption is available at:
www.tax.ny.gov/pdf/publications/orpts/star.pdf

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SCHOOL TAX RELIEF [STAR] EXEMPTION
ASSESSOR'S GUIDE

New York State Department of Taxation and Finance
Office of Real Property Tax Services

W.A. Harriman State Campus
Albany, NY 12227

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THE STAR EXEMPTION

INTRODUCTION

The School Tax Relief (STAR) exemption (Real Property Tax Law, §425) provides a partial exemption from school taxes for most owner-occupied, primary residences. It was signed it into law on August 7, 1997.

There are two types of STAR exemptions. A taxpayer may have either a Basic or Enhanced STAR exemption, NOT both: (1) a "Basic" exemption is available to virtually all New Yorkers who own their own one-, two-, or three-family home, condominium, cooperative apartment or mobile home; and (2) an "Enhanced" exemption available to senior citizens (age 65 and older) with a limited income, increased annually according to a cost-of-living adjustment (COLA).

To receive the STAR exemption, taxpayers must file an application with their local assessor. Property owners who are granted the Basic exemption generally do not need to reapply in subsequent years. However, property owners will need to notify their assessor if their primary residence changes. Property owners who receive the Enhanced STAR exemption have the option of participating in a new income verification program. Seniors who are applying for Enhanced STAR may authorize the assessor to have their incomes verified in subsequent years by the New York State Department of Taxation and Finance (DTF). Seniors who choose this option must furnish their taxpayer identification numbers at that time. The assessor will submit the list of numbers to the Office of Real Property Tax Services (ORPTS), along with other identifying information as well to facilitate matching and reporting back (e.g., names of owners and owner's spouses who reside on the premises, parcel ID numbers). ORPTS will then pass this information along to DTF. After checking its records, DTF will notify ORPTS which applicants satisfy the income requirements and which do not (it will not disclose their actual incomes), and ORPTS will forward that information to the appropriate assessors. Most seniors who choose this option will no longer need to re-apply thereafter or furnish tax returns to their local assessors (unless DTF should be unable to verify their returns).

The STAR income verification option does not directly affect seniors who are receiving the Senior Citizens Exemption (RPTL §467). Such persons will still have to reapply for the RPTL §467 exemption annually, and provide income documentation therewith, if they wish to continue receiving that exemption. Of course, as long as they qualify for the RPTL §467 exemption, they will automatically qualify for the Enhanced STAR exemption, so they will not need to submit separate STAR applications in those cases.

Seniors who do not wish to participate in the income verification program for any reason will not be obliged to do so. But if they wish to continue receiving the Enhanced STAR exemption, they will have to keep reapplying, with copies of their tax returns, year after year, just as they have been doing. The main difference, as far as they are concerned, is that the assessor will be obliged to send them an application form every year, with a reminder that they must reapply by taxable status date. If a senior who initially decided to opt-out of the income verification program later decides he or she would like to opt in, he or she will be permitted to do so.

Senior citizens eligible for the Enhanced STAR exemption may request that the assessor send a notice to an adult third party to assist the senior citizen in fulfilling the eligibility requirements regarding that exemption.

Although New York State law includes over 200 real property tax exemptions, STAR is unique in two ways. First, it is the only exemption that is funded by the State. All other exemptions erode the local tax base and shift the incidence of the tax burden (by increasing the tax rate) to those not enjoying that exemption. Second, STAR is unique in its scope. Whereas other exemption programs have targeted significant numbers of owners (e.g., nearly 563,000 veterans exemptions (RPTL, §§458, 458-a, 458-b) and over 217,000 senior citizens exemptions (RPTL §467) were granted on 2012 assessment rolls statewide), none has come close to the overwhelming breadth of the STAR program (nearly 3.3 million exemptions statewide).

Not surprisingly, a program of this magnitude has generated numerous questions to which ORPTS has responded in Question and Answer (Q&A) memoranda, more extensive memos on certain subjects (e.g., program administration in manufactured housing communities, correction of error procedures), and formal Opinions of Counsel. The purpose of this Assessor's Guide is to capture that material in a single document that will respond to the most frequently asked questions concerning STAR. Further questions may be directed to the local ORPTS Regional Office, or to the STAR Unit at (518) 474-2819.

PROPERTY USE

1. **Question:** What type of property may receive a STAR exemption?

   Answer: A one, two or three family residence, a farm dwelling, residential property held in condominium or cooperative form of ownership, or a mobile home. Of course, the eligibility requirements (i.e., ownership and primary residency, and in the case of the Enhanced exemption, age and income) must also be satisfied.

2. **Question:** May a commercial property that contains a residence (e.g., a ground level store with the owner's living quarters upstairs) receive a STAR exemption?

   Answer: Yes. As a result of an amendment enacted in 2000, the STAR exemption can be granted to the portion of a "mixed-use" property that serves as the primary residence of the owner, although the property is not primarily residential in character. For example, STAR may be granted to a two-story commercially-zoned building consisting of a store at ground level and the owner's living quarters upstairs. The exemption in these cases may not exceed the assessed value attributable to the owner's residence, so if the residential portion is worth less than the applicable STAR exemption, the excess exemption may not be applied to the remainder. (Note that where the property is of the type that has always been eligible for STAR, -- i.e., a one, two or three family residence, a residential cooperative or condominium or a farm dwelling, or a mobile home – the full exemption should be applied, without proration.)

3. **Question:** A mobile home, located in a mobile home park, is owned by someone who is eligible for a STAR exemption. However, the taxable value of the mobile home is less than the maximum STAR exemption. Is the full exemption granted?

   Answer: No. STAR exemption may not exceed the value of the mobile home.

4. **Question:** May a mobile home located on land owned by another (such as a mobile home park) receive a STAR exemption, and, if so, how is the exemption administered?

   Answer: Yes, residential mobile homes qualify whether or not their owners also own the land on which they are located. If the mobile home is only entitled to a STAR exemption, its value will continue to be included in the assessment of the land. The assessor must provide the land owner with a statement showing which mobile homes have received the exemption and the amount of each such exemption, and the land owner must pass along the tax savings to those mobile home owners through a rent rebate. For a detailed discussion of the administration of the STAR exemption in mobile home parks (also known as manufactured housing communities), see Appendix A.

5. **Question:** If a tenant in a mobile home park is entitled to a rent rebate, by what date must the landlord refund the STAR savings?

   Answer: The park owner may (1) credit the tax savings against the monthly rent in 12 installments beginning with the first monthly rental payment due 60 days after the penalty-free period for the payment of taxes and continuing for 11 months, OR (2) credit the total reduction against the first month's rent, with any balance credited against the following month(s)' rent(s) until exhausted, OR (3) pay the total reduction to the tenant within 60 days of the interest-free collection period. For a more detailed treatment regarding STAR and mobile homes, please refer to "Appendix A: Administering

STAR in Manufactured Housing Communities." The New York State Division of Housing and Community Renewal [telephone number: (800) 432-4210] is responsible for enforcing the laws concerning the right of tenants of manufactured housing communities.

6. **Question:** The owner of a mobile home park lives in a mobile home that is located in the park. The park is classified as a commercial property. Is the park owner eligible for a STAR exemption on his/her own mobile home?

Answer: Yes. STAR provides that mobile homes are eligible for STAR exemptions. No ownership exceptions are mentioned. Thus, trailers and mobile homes are eligible for STAR even though they may be part of a commercial parcel. This, of course, assumes that the owners meet all other eligibility requirements.

7. **Question:** Is a mobile home located on the land of its owner treated any differently than a parcel containing a conventional home?

Answer: No.

OWNERSHIP

1. **Question:** Must a copy of the deed be submitted with the STAR application?

Answer: No, a copy of the deed is not generally required. The assessor must be satisfied, however, that the applicant is the owner. In most cases, it should be sufficient to check the tax records.

2. **Question:** If property is owned by a corporation or partnership and the principals of the corporation or partnership meet the eligibility requirements for STAR, may it be granted?

Answer: If the property is not a farm dwelling, the answer is no. The central requirement for the STAR exemption is that the property is “a one, two, or three family residence” or certain other property, and that it is the “primary residence of the owner.” The term “residence” in this context contemplates that the owner is an individual. Where title to property is in the name of a corporation, the exemption may not be granted (see 3 Op. Counsel SBEA No. 54).

However, if the property is a farm dwelling, a law enacted in 2003 provides an exception to this rule. The new law allows a farm dwelling, which is held in the name of a business corporation or partnership, to be eligible for the STAR exemption, provided such dwelling serves as the primary residence of a shareholder or one of the partners.

Also, a law enacted in 2008 provides that a dwelling owned by a limited partnership is eligible for this exemption if the property serves as the primary residence of one or more of the partners, provided that the limited partnership does not engage in any commercial activity, and that the partnership was lawfully created to hold title solely for estate planning and protection purposes. Furthermore, the partner or partners residing on the property must personally pay all real property taxes and other costs associated with the property’s ownership. However, property owned by a limited liability company is not eligible for the STAR exemption.

3. **Question:** A resident of a cooperative apartment owns shares of stock in the corporation which owns the building in which the apartment is located. May the resident of the cooperative apartment receive a STAR exemption?

Answer: Though cooperative apartments are not separately assessed, STAR specifically makes them eligible for the exemption. If granted, the exemption will be granted to the cooperative apartment building, in an amount determined in accordance with the statutory formula. The assessor must provide the building manager with a statement showing which apartments have received the exemption and the amount of each such exemption, and the manager must pass along the tax savings to the residents of those apartments. See Appendix B for a more detailed discussion of these procedures.

4. **Question:** Do owners of cooperative apartments have to provide a stock certificate to the assessor when applying for STAR?

Answer: Yes, if requested by the assessor.

5. **Question:** Are co-op shareholders in Mitchell-Lama Housing eligible under the STAR Program?

Answer: Yes, such shareholders are eligible to receive benefits, but as Mitchell-Lama Housing is generally exempt from real property taxation, the benefits to the shareholders do not appear in the form of reduced assessments (and thus reduced property taxes). Instead, the benefits are STAR-related credits, to be applied against residents' monthly charges. Mitchell-Lama Housing management is responsible for the proper distribution of these credits (see Appendix B -- Administering STAR in Cooperative Apartments).

6. **Question:** How long does someone have to own property to receive the STAR exemption?

Answer: For STAR, the applicant must own the home and apply by taxable status date. STAR has no length of ownership requirement, unlike the senior citizens exemption, which generally requires ownership for 12 consecutive months prior to application.

7. **Question:** If there are three siblings who own a parcel and each of them has a house on the property, are they entitled to three exemptions?

Answer: Yes. If a parcel contains two or more physically separate residences, a STAR exemption may be granted to each residence where each residence is (1) the primary residence of at least one of the owners AND (2) the residence would be eligible for the exemption if it were separately assessed and owned solely by the owners residing therein. However, only one of the STAR exemptions may be applied to the land in such cases.

8. **Question:** Two siblings who are both eligible for the Enhanced STAR exemption own and live in a duplex. May they both get an exemption?

Answer: No. While they must both apply and be eligible, the duplex is a single property and, therefore, only a single exemption may be granted.

9. **Question:** One spouse owns property in Town X while the other owns property in Town Y. One spouse claims residency in Town X and files an application for the property in Town X, while the other spouse claims residency in Town Y and files an application for the property in Town Y. May both properties qualify for the Enhanced STAR exemption?

Answer: No. A married couple is entitled to a STAR exemption on **no more than one residence**, unless they are living apart due to legal separation. In other words, if they have two homes, they can receive STAR on only one of them, unless they are legally separated.

10. **Question:** May a person who has less than fee ownership of property receive STAR?

Answer: Yes, under certain circumstances. For example, a life tenant, a trust beneficiary or a purchaser in possession under an executory contract of sale are all considered to be owners for STAR purposes and may qualify.

11. **Question:** For purposes of the STAR exemption, how are trusts dealt with?

Answer: The ownership of property is split when it is placed in trust: the trustee is the legal owner, the beneficiary is the beneficial owner. However, for STAR purposes, the trust beneficiary is treated as the owner. Thus, if a senior citizen creates a trust and conveys her home to her children as trustees, and the senior remains in the home as the beneficiary of the trust, then for STAR purposes the owner of the home is the senior, not her children.

12. **Question:** Does it matter if the trust is revocable or irrevocable?

Answer: No, it doesn't; both are the same for exemption purposes.

13. **Question:** How is STAR to be administered where property is in a life estate?

Answer: The life tenant is deemed to own the property so STAR eligibility is based on the life tenant's qualifications. A life estate generally is created by a deed. Often ownership is transferred to another party with life use reserved for the prior owner(s) or another party. In other cases, a life estate is expressly granted by one party to another. In either case, in the eyes of law, as long as the holder of the life estate is alive, the property is "owned" by him or her.

14. **Question:** Who may apply for STAR when ownership of a property has been transferred to a child with life use reserved for the parents?

Answer: Until the death of the life tenant, the property is still considered "owned" by that life tenant and he or she would be eligible for the Basic or Enhanced STAR exemption if otherwise eligible.

15. **Question:** A married couple executes a deed transferring their property to their adult daughter. Thereafter, the parents and the daughter execute a separate side agreement or contract which states that the parents shall have the right to occupy the property until their deaths. Are the parents considered "life tenants" eligible for the STAR exemption?

Answer: No. A "life estate," which is an interest in real property, can be conveyed only by means of a document that fulfills all of the requirements and formalities of a deed (see, 10 Op.Counsel SBRPS No. 55) .

16. **Question:** Is a life lease the same as a life estate?

Answer: No. A life lease is not equivalent to a life estate, and does not transfer ownership to the lessee. The lessor (the person who owned the property at the time the lease was executed) remains the legal owner of the property, just as a landlord remains the owner of an apartment that is rented to a tenant.

17. **Question:** A person lives in a house under a land contract, but the land contract has never been filed with the county. Is this person eligible for a STAR exemption?

Answer: Yes. A vendee in possession under an executory contract of sale (a/k/a land contract) has been determined to be the owner for purposes of other exemptions (see 1 Op.Counsel SBEA No. 52 and 3 id. No. 52). Recording is not necessary, although it is recommended (see 7 Op.Counsel SBEA No. 24).

<u>RESIDENCY</u>

1. **Question:** What is the statutory residency requirement?

Answer: STAR requires that the property be the "primary residence" of one or more of its owners. We equate this with "domicile" or "legal residence." A person may have one or more residences, but can have only one "primary residence."

2. **Question:** What is the definition of primary residence?

Answer: There is no single factor or definition that determines primary residence. However, the most important factor is the length of time the person resides on the property. Generally, it can be expected that the person would reside on the property more than six months of the year. Other factors include a person's voting residence, driver's license, filing status for purposes of state income taxes, and other conduct and behavior that provides evidence as to which property the applicant considers to be his or her primary residence.

3. **Question:** Is the assessor required to obtain proof of residency?

Answer: The applicants must certify that the property is their primary residence. The law says that "the assessor <u>may</u> request that proof of residency be submitted with the application." The assessor has a choice between requiring proof of residency to be submitted with all first-time applications or to require proof of residency only in those cases where there is reason to suspect that the property may not be the primary residence. For example, if the mailing address of the owner is different from the property address or the property is a seasonal property, it is reasonable to question whether this is the primary residence.

4. **Question:** What are acceptable forms of proof of residency?

Answer: There is no single document that absolutely establishes primary residency, but the following types of documentation may be considered:

- mailing address and property address match
- driver's license
- NYS Income Tax return
- utility bills or 911 service listing
- voter registration card
- social security statement
- automobile registration
- deed or recent tax bill

5. **Question:** What if the owner is in a nursing home?

Answer: The exemption my be granted despite the fact that the owner lives in a nursing home rather than his or her own home, as long as no one other than a co-owner or a spouse of the owner resides on the premises. The income of the owner in the nursing home must be considered in determining whether the income eligibility requirement is satisfied.

According to Public Health Law, §2801, a "Nursing home" means a facility providing therein nursing care to sick, invalid, infirm, disables or convalescent persons in addition to lodging and board or health-related service, or any combination of the foregoing, and in addition thereto, providing nursing care and health-related service, or either of them, to persons who are not occupants of the facility.

"Residential health care facility" means a nursing home or a facility providing health-related services. "Health-related service" means service in a facility or facilities which provide or offer lodging, board and physical care including, but not limited to, the recording of health information, dietary supervision and supervised hygienic services incident to such service.

6. **Question:** A retired person applies for a STAR exemption but also has a homestead exemption in the State of Florida. May this person also be eligible for STAR?

   Answer: No. Not as long as he or she is receiving the Florida exemption. To be eligible for STAR, either Basic or Enhanced, the property must be the primary residence of the applicant. We have been advised that the same requirement also applies to the Florida Homestead exemption. Since a person can only have one primary residence, a Florida resident receiving a homestead exemption in that state cannot have the STAR exemption. However, if the person gives up the homestead exemption in Florida, he or she may then become eligible for STAR in New York, assuming the requirements are met. However, in 11 Op. of Counsel SBRPS No.18, which pertained to a married couple, it was concluded that New York law does not preclude a married person from qualifying for an alternative veterans exemption and STAR exemption merely because their spouse receives a Florida Homestead tax benefit on the spouse's Florida domicile.

7. **Question:** A married couple purchased a home jointly, but has since divorced. One ex-spouse still lives in the home. The other ex-spouse no longer lives there, but that ex-spouse’s his name is still on the deed. Is the resident ex-spouse eligible for Basic STAR?

   Answer: Yes, if it is the ex-spouse’s primary residence. The law says that the property must serve as the primary residence of one or more of the owners. If there are owners who do not live on the property, that does not affect the eligibility of the owners who do live on the property. In this case, the person who lives on the property is eligible for Basic STAR on his or her own. It is not necessary to have the application signed by the owner who does not live on the property.

8. **Question:** Two people, Sara and Jane, are each 50 percent owners of a parcel. Sara is also the full owner of another property and has been granted an Enhanced STAR exemption on that property. Jane lives in the jointly owned property. May she receive the STAR exemption on the jointly owned property?

   Answer: Yes, the residency requirement for STAR is that the property must be the primary residence of at least one of the owners. In other words, if the property is the primary residence of Jane, the fact that Sara has a primary residence elsewhere is beside the point. Therefore, the jointly owned property can receive the Enhanced STAR exemption if it is the primary residence of Jane and all other requirements are met. Note that the combined income of Sara and Jane must be taken into account in determining Enhanced STAR eligibility for the jointly owned property.

ENHANCED EXEMPTION: AGE

1. **Question:** What is the age requirement for the Enhanced STAR exemption?

   Answer: For purposes of exemptions for the 2014-15 school year, all of the owners must be at least 65 years of age as of December 31, 2014, except, where property is owned by a married couple or by siblings, in which case only one need be age 65 by that date. For each subsequent school year, the applicable date is advanced by one year (e.g., for the 2015-16 school year, age is determined as of December 31, 2015; for the 2016-17 school year, age is determined as of December 31, 2016, and so on).

2. **Question:** Is the assessor required to collect proof of age from applicants for the Enhanced STAR exemption?

   Answer: No. The application form requires the applicant to answer a question on the age criterion and to certify that this information is correct. The law is silent on the collection of proof of age, but it is the applicant’s burden to demonstrate eligibility for the exemption, so the assessor may request proof of age where he or she finds it necessary.

3. **Question:** A home is owned by parents who are over 65 and a child who is under 65. Are they eligible for the Enhanced STAR exemption?

   Answer: No. All owners must be at least 65 (except for the spouse or sibling of an owner who is 65 or older). However, if the child conveys his or her interest to the parents, the parents would then satisfy the age requirement for the Enhanced STAR exemption. Due to the various implications of such a conveyance, applicants who are considering this course of action should be advised to consult with their private attorney. If no change is made, the property may still qualify for the Basic exemption.

4. **Question:** Is the age requirement for Enhanced STAR the same as it is for the senior citizens exemption (RPTL, §467)?

   Answer: Not quite. For purposes of the senior citizens exemption, age is determined as of taxable status date, unless a locality has exercised the option to provide the exemption to those who become "65 years of age after the appropriate taxable status date and on or before December 31 of the same year." As noted, for STAR purposes, age is determined as of December 31 of the applicable year; there is no local option to change that date.

5. **Question:** A child who attends public school lives in the home of an applicant for the Enhanced STAR exemption. May the parcel receive the STAR exemption?

   Answer: Yes, if the requirements are otherwise satisfied. Although the senior citizens exemption cannot be granted for school tax purposes to property in which a public school-aged child resides (RPTL, §467(2)), this does not apply to the Enhanced or Basic STAR exemption.

<u>ENHANCED EXEMPTION: INCOME</u>

1. **Question:** What is the income requirement for the Enhanced STAR exemption?

   Answer: The combined income of all of the owners and of any owner's spouse who resides on the premises may not exceed the prescribed limits for the income tax year ending two years prior to the roll year for which application is made, as amended annually according to a cost-of-living adjustment (COLA) determined by the Social Security Administration for the respective income tax year. The Office of Real Property Tax Services is responsible for annually revising and promulgating the eligible income tax limits. **(For applications on the 2014 assessment rolls, the eligible income limit for the 2012 income tax year is $81,900.)** Income is defined as "adjusted gross income" (AGI) <u>for federal income tax purposes</u> as reported on the applicants' federal or State income tax return for the applicable income tax year, less the "taxable amount" of total distributions from individual retirement accounts or individual retirement annuities, both of which are commonly known as "IRAs." For taxable status dates related to assessment rolls to be completed in 2014, the applicable income tax year is 2012. For subsequent assessment rolls, i.e., 2015 and thereafter, the applicable income tax year, COLA, and applicable increase percentage will be advanced by one year, with the income standard being the previous applicable income standard increased by the new COLA. Therefore applications for this exemption on a 2015 assessment roll must be based on the applicants' 2013 income; application on a 2016 roll must be based on their 2014 income, and so on.

2. **Question:** Is the income of a spouse included for STAR purposes if he or she does not live on the property?

   Answer: It depends on whether or not the spouse is also an owner. If he or she is an owner, the income is included. Indeed, if the spouse lives on the property, his or her income is included even if he or she is not a co-owner. The income of a non-resident, non-owner spouse, however, is not included.

3. **Question:** Is income eligibility for the Enhanced STAR exemption based on household income?

Answer: No. Income eligibility for STAR is based on the combined income of the owners, and of any owner's spouses who reside on the premises. If anyone is living on the property who is not an owner, or is not the spouse of an owner, his or her income is not to be considered.

4. **Question:** A couple was divorced twenty years ago. One ex-spouse lives alone in the house, but the other ex-spouse is still an owner. Must the nonresident ex-spouse's income be taken into account?

Answer: Yes. STAR requires that the combined income of all owners, as well as the income of an owner's spouse residing on the property, be considered. It does not matter what the relationship is among the owners. (Note that the senior citizens exemption is different in that it allows the exclusion of the income of a spouse or ex-spouse where the spouse or ex-spouse is absent due to divorce, legal separation or abandonment.)

5. **Question:** How does an assessor who is processing Enhanced STAR applications determine if an applicant meets the income standard?

Answer: The following table may be used for identifying line references on **2012** federal and state income tax returns when determining the income for STAR purposes. New York AGI is not the same as federal AGI. If a state return is submitted, be sure to use federal AGI, not state AGI. Note also that line number references are subject to change on future income tax forms.

Form #	**Name of Income Tax Form**	**Income for STAR Purposes**
IRS Form 1040	"U.S. Individual Income Tax Return"	Line 37 minus line 15b *"adjusted gross income" minus "taxable amount" (of total IRA distributions)*
IRS Form 1040A	"U.S. Individual Income Tax Return"	Line 21 minus line 11b *"adjusted gross income" minus "taxable amount" (of total IRA distributions)*
IRS Form 1040EZ	"Income Tax Return for Single and Joint Filers With No Dependents"	Line 4 only "adjusted gross income" (No adjustment needed for IRA's.)
NYS Form IT-201	"Resident Income Tax Return"	Line 19 minus line 9 *"federal adjusted gross income" minus "taxable amount of IRA distributions"*

The assessor will need to verify income eligibility for the Enhanced STAR:

(1) in the initial year of a resident owner or owners' application,

(2) if the owner or owners choose not to participate in the newly enacted STAR Income Verification program, or

(3) if the owner or owners lose eligibility or fail to reapply after the initial year of Enhanced STAR eligibility, and later wish to reapply. If the owner or owners participate in the STAR Income Verification Program, such owners need to apply with the assessor only in the initial year. Assuming that such participants would otherwise maintain eligibility, their incomes will be verified by the Department of Taxation and Finance in subsequent years, and they will not need to reapply.

6. Question: Distributions from individual retirement annuities as well as individual retirement accounts are to be excluded from adjusted gross income. Where do distributions from individual retirement annuities appear on the tax forms?

Answer: An individual retirement annuity is another name for an individual retirement account (refer to the chart in Question 5 for the specific line to use). Any amount shown as "taxable amount" of "total pensions and annuities" should not be deducted from the adjusted gross income.

7. Question: Which year's tax return is to be submitted with the application for the Enhanced STAR exemption?

Answer: In providing proof of income for purposes of the Enhanced STAR exemption, the applicant must provide a copy of his or her income tax return completed two years preceding the roll year for which application is made. For the 2014 roll year, the applicant must submit copies of his or her income tax return for 2012. However, if the applicant is applying for the Senior Citizens exemption (and if eligible becomes automatically eligible to receive the Enhanced STAR exemption), then the applicant must provide a copy of his or her income tax return for the year immediately preceding the date of application, or, if that form has not yet been filed, the form for the year before such year (see 10 Op. Counsel SBRPS No. 47).

8. Question: An applicant for the Enhanced STAR exemption refuses to provide a copy of an income tax return but is willing to offer an affidavit that his or her income is under the income eligibility standard for that particular year of application (as annually determined and promulgated by ORPTS). Is the person eligible?

Answer: No. The application must be accompanied by a copy of the latest available federal or state income tax return for the applicable income tax year. The assessor needs to review tax returns since they provide a uniform basis on which to make a determination to ensure the STAR program is administered equitably. Without the return, the application would be incomplete and, therefore, the applicant would be ineligible for the Enhanced STAR exemption. However, the application could be used to grant a Basic STAR exemption if the ownership and residency requirements are met. Taxpayers who are reluctant to disclose income information should be informed that such information is confidential under the law (RPTL, §425(4)(b)(iii)).

9. Question: What if there is reason to believe that the applicant has falsified the copy of the tax form? What can the assessor do to obtain more reliable proof?

Answer: It is true that a photocopy of a tax form does not mean that it is the same as the original form filed with the IRS or the Department of Taxation and Finance. If the assessor has reason to believe that something other than a true copy of the tax form has been provided, there are other means of obtaining more reliable information. One such way would be to obtain the necessary information from the IRS or the Department of Taxation and Finance. This can be done by requiring the applicant to complete and file one of the following forms:

IRS Form 4506 "Request for Copy or Transcript of Tax Form" The applicant should be instructed to show the assessor's name and address in item 5 so that the information will be sent directly. Box 8a "Tax return transcript" should be checked to avoid the $23 fee for photocopies.

NYS Department of Taxation and Finance Form PR-152 "Request for Copy of Filed Tax Return" See the instructions on the back of the form for requesting copies on a taxpayer's behalf. The State form requires an additional notarized statement if the information is requested on behalf of a taxpayer and a 25 cents per page fee.

10. **Question:** An applicant for the Enhanced STAR exemption has not filed either a state or federal tax return. What must the assessor do to document that the filing of a tax return is not required?

    Answer: The application form requires that the applicant submit a copy of the tax return for the tax year ending two years prior to the roll year for which the exemption is being sought (if filed). If the applicant is not required to file a tax return, the applicant must establish, to the assessor's satisfaction, through means other than a tax return, that the applicant's income is equal to or less than the eligible income standard annually determined by ORPTS. ORPTS has developed a separate form (RP-425-WKST) that may be used by non-filers. However, use of this form by the assessor is optional if another means is used to determine that the applicants are eligible non-filers.

11. **Question:** What if the applicant refuses to comply with a request for additional income documentation and argues that all of the information which the application requires has already been submitted?

    Answer: The certification on the STAR application form includes a statement that reads "I understand that it is my (our) obligation to… to provide any documentation of eligibility that is requested." This authorizes the assessor to request information and to withhold the approval of an exemption until the requested documentation has been received and that documentation supports the eligibility of the applicant. If documentation has not been provided by tentative roll preparation time, the assessor should deny the Enhanced STAR exemption (and grant the Basic if warranted); the taxpayer may grieve the denial to the board of assessment review.

BASIC EXEMPTION: INCOME

1. **Question:** Is there an income limit for the Basic STAR exemption?

    Answer: Yes. The Basic STAR exemption is not available on parcels having an annual "affiliated income" of greater than $500,000 (as determined by the Department of Taxation and Finance). Affiliated income means the combined income of all the owners and their spouses who resided on the parcel as of the applicable taxable status date. Income has the same meaning as it does concerning the Enhanced STAR exemption (i.e., federal AGI less taxable IRA distributions -- see Q. #5 under Enhanced Exemption: Income). For the 2014-15 school year, the income determinations will be based upon returns for the 2012 income tax year; for the 2015-16 school year, returns from the 2013 income tax year will be so used; and so on.

ADMINISTRATION

1. **Question:** The applicant is not a citizen of the United States. May the exemption be granted?

    Answer: Yes, if the eligibility requirements are otherwise satisfied. There is no citizenship requirement in the STAR exemption.

2. **Question:** An applicant was unable to file the STAR application on time because of a documented medical emergency. May an exception be made in the same way as for the senior citizens exemption?

    Answer: An application for the STAR exemption may be filed with the assessor after the appropriate taxable status date, but not later than the local Grievance day, if the failure to file a timely application resulted from: (1) a death of the applicant's spouse, child, parent, brother or sister; or (2) an illness of the applicant or of the applicant's spouse, child, parent, brother or sister, which actually prevented the applicant from filing on a timely basis, as certified by a licensed physician. The assessor should approve or deny such an application as if it had been filed on or before taxable status date. If the municipality has exercised the local option to grant extensions for the RPTL §467 exemption and the applicant qualifies for and receives that exemption, the person will also get the Enhanced STAR exemption.

3. **Question:** A person had an Enhanced STAR exemption in the past year, but fails to reapply in the following year. May he or she still be given the Basic STAR exemption?

   Answer: Yes; in fact, the Basic exemption should be automatically granted under these circumstances, unless the person's primary residence has changed.

4. **Question:** The STAR application requires people to attach a copy of an income tax return and proof of age. Does the assessor have to keep the tax returns and proof of age or can they be returned to the applicant?

   Answer: The tax returns are a required part of the application and must be retained. Similarly, if the assessor requires the applicant to submit additional documentation of income, age, or residency, that must also be retained.

5. **Question:** How long must the STAR application and other required documentation be kept?

   Answer: Government records may be discarded only as authorized by State Archives and Records Administration. Its retention schedule for municipal records (MU-1: No. 589) indicates that original tax exemption applications and supporting documents are to be retained for six years after final renewal or denial of the exemption. Renewal applications are to be kept for six years as well.

6. **Question:** The STAR application form (RP-425) states that the owners must supply copies of their income tax forms along with an application for an Enhanced STAR exemption. Just what does this mean? For example, must an applicant supply both sides of a federal 1040 form since the income information is on one side of the form and the signatures are on the other?

   Answer: In the case of the forms where the income information and the signatures are not on the same side of the form, copies of both sides of the form must be provided. However, there is no reason to routinely require applicants to provide copies of supporting schedules and documents.

7. **Question:** If someone asks the assessor to see the copy of the tax return for a person who has applied for an Enhanced STAR exemption, must it be provided under the Freedom of Information Law (FOIL)?

   Answer: No. In fact, the STAR law specifically requires that any income information submitted with STAR applications shall be kept confidential. The pertinent provision (RPTL, §425(4)(b)(iii)) states:

   > Any information or documentation submitted by the applicant in connection with applications for or renewal of the exemption authorized under this section to verify income, shall be deemed confidential, and the assessor, any municipal officer or municipal employees are prohibited from disclosing any such information, except for disclosure necessary in the performance of their official duties. Any unauthorized disclosure of such information shall be deemed a violation of section 805-a of the general municipal law.

8. **Question:** If the information on tax forms that are part of a STAR application is confidential, how can an assessor show the tax forms to an auditor from the State Comptroller's Office?

   Answer: The STAR program is established in New York law and is fully funded by the State of New York. Thus, the Office of the State Comptroller is responsible for auditing the program and such audits are a component part of STAR administration. Please note that the "confidentiality" section of the STAR legislation referred to in the preceding question provides that "unauthorized" disclosure is a violation of the general municipal law. Release of income information to a State auditor clearly would be an authorized disclosure.

9. **Question:** If a person who has a Basic STAR exemption moves and does not tell the assessor, is there any liability on the part of the assessor?

Answer: The certification on the application includes a statement that it is the applicant's obligation to notify the assessor of a change in primary residence. Clearly, the applicant, and not the assessor, is responsible in this case.

10. **Question:** An individual owns a mobile home located in a mobile home park. The individual, who applies for and is eligible for the STAR Exemption, moves the mobile home out of the mobile home park shortly after the taxable status day. What is the obligation of the mobile home park owner in this situation regarding the STAR Exemption payment?

Answer: Since the value of the mobile home was assessed with the land, the park owner will be liable for the full school tax bill even though the mobile home is no longer there. The park owner is not obliged to forward the STAR tax savings to the mobile home owner under these circumstances.

11. **Question:** If an approved STAR applicant dies <u>after</u> the taxable status date, does the exemption remain on the property?

Answer: Yes, but only for the assessment roll based on that taxable status date. While other exemptions are subject to removal when property is transferred to a non-exempt owner after taxable status date (see, RPTL, §520), this does not apply to STAR (see RPTL §520(5)). Any new owner of that property during the year would receive the benefit of such exemption whether it was for the Basic or the Enhanced STAR exemption.

12. **Question:** A couple currently receives the Enhanced STAR exemption. If one spouse dies and the surviving spouse is 63 years of age, does the exemption remain on the property?

Answer: Yes. A surviving spouse may retain the STAR exemption provided he/she is at lease 62 years of age as of December 31st of the applicable calendar year.

13. **Question:** A taxpayer submits an application for the STAR exemption and it is approved by the assessor. However, <u>prior</u> to taxable status date, the applicant dies. Does the property receive the exemption?

Answer: No. The condition <u>and ownership</u> of property is determined as of taxable status date.

14. **Question:** An eligible senior citizen purchases a home after taxable status date. May he or she receive a prorated STAR exemption on the home?

Answer: No. There is no provision in the RPTL for prorated STAR exemptions. However, the taxpayer could receive a prorated section 467 exemption. People who receive a section 467 exemption are automatically eligible for an Enhanced STAR exemption, but the STAR exemption would begin on the school tax roll based on the next taxable status date.

15. **Question:** A person who has been granted an Enhanced STAR exemption sells his or her house, cooperative apartment or mobile home after taxable status date. What happens to the exemption? Also, what happens with regard to a newly-purchased house, cooperative apartment or mobile home that is bought by this person who still meets the eligibility requirements for the Enhanced STAR exemption?

Answer: In the case of the house that has been sold, the exemption remains with the parcel until the next taxable status date. This would occur even if the new owner does not meet the Enhanced STAR eligibility requirements. On the other hand, the person who meets the STAR eligibility requirements and buys a house, etc. after taxable status date must wait until the following year to have the exemption applied to the new property (unless the exemption has been granted to the prior owner).

16. **Question:** A person who has applied for and qualifies for the section 467 senior citizens exemption automatically qualifies for the Enhanced STAR exemption. What if someone has filled out the STAR application form (RP-425) but meets the income requirement for the section 467 exemption? May the section 467 exemption be awarded?

Answer: Perhaps, but to receive the section 467 exemption, the applicant must complete the RP-467 application form. Section 467 includes additional requirements not applicable to STAR (e.g., the income requirements of the two statutes now differ), so the additional questions on the RP-467 must be answered.

17. **Question:** If a property is sold, must the assessor mail a STAR application to the new owner?

Answer: Yes. When the assessor receives a real property transfer report (RP-5217), he or she must mail a STAR application to the new owners as shown thereon (see §425(11)(c)).

18. **Question:** May the assessor make any adjustments to the certified STAR exempt amount?

Answer: No. The certified STAR exempt amount is the base STAR amount multiplied by the equalization rate and multiplied by the county sales price differential. All of the necessary adjustments have been made in the certified amount and it should be used as provided by ORPTS.

19. **Question:** May the certified STAR exempt amount be greater than $30,000 (Basic) or $64,200 (Enhanced, 2014-15 school year)?

Answer: Yes, in certain cases. In counties where the sales price differential factor is greater than one, the exemption amounts will be adjusted upward. However, an adjustment must also be made for the equalization rate which, very often, will more than offset the sales-based increase. Thus, many certified STAR exempt amounts are well below the maximum basic and enhanced STAR exempt amounts.

20. **Question:** Must an assessor give the applicant notice when a STAR exemption is denied?

Answer: Yes. Whenever a STAR exemption is denied, the assessor must mail a notice to the applicant at least 10 days before Grievance Day, or in New York City, at least 30 days before the final date for filing an assessment appeal. The notice must be on a form prescribed by the State Board and must specify the reason for the denial. Note that while in the case of the senior citizens exemption, a notice of denial need be sent only if the applicant has supplied the assessor with a "self-addressed, pre-paid envelope" (RPTL, §467(6)(a)), under STAR, a notice of denial <u>must</u> be mailed whether or not such an envelope has been provided.

21. **Question:** What is the procedure for appealing the denial of a STAR exemption?

Answer: For assessment review purposes, STAR is handled in the same manner as any other partial exemption. The person complaining should use the RP-524 Form, Part Three, Section B, Subsection b. "The taxable assessed value is excessive because of the denial of all or a portion of a partial exemption."

22. **Question:** What are some of the types of STAR issues that can be argued before the board of assessment review? For example:

1. May a board of assessment review accept STAR applications that were filed with the assessor <u>after</u> the deadline (taxable status date)?

2. May a board of assessment review reconsider the assessor's determination of income based on tax information filed with the application?

Answer: Initially, it should be noted that it is not a question of "which STAR issues can be argued" before the board of assessment review. Every taxpayer is entitled to his or her "day in court." It is a question of whether the board of assessment review has jurisdiction or authority to determine certain issues. With regard to the above examples:

1. The board of assessment review does not have the authority to waive the law regarding filing. This presents a question of law and not a question of fact. The board of assessment review has neither jurisdiction nor discretion regarding such issue.

2. The board of assessment review has the authority to decide issues of fact, and the question of income may be one of fact.

23. **Question:** May the assessor correct the assessment roll or tax roll if a STAR exemption was approved but was inadvertently left off the roll, or if the exemption was granted to the wrong parcel?

Answer: Yes. The correction of errors provisions of title 3 of Article 5 of the RPTL may be used to correct certain errors on assessment and tax rolls. For the answer to these specific questions and others concerning the correction of errors procedures, see Appendix D.

24. **Question:** What are the penalties for making a "material misstatement" on a STAR application?

Answer: A penalty tax of $100 is imposed against the property in such cases. In addition, such applicant "shall be disqualified from further exemption pursuant to this section [RPTL, §425] for a period of five years, and may be subject to prosecution pursuant to the penal law."

25. **Question:** An individual claims primary residency in two properties. Should the STAR penalties be imposed on both properties even if one of the properties does, in fact, serve as the applicant's primary residence?

Answer: There is no material misstatement on the application for the individual's primary residence, so the $100 penalty tax doesn't apply thereto. However, assuming that there was a material misstatement on the other application, the applicant would be "disqualified from further exemption pursuant to this section [RPTL, §425] for a period of five years," so the property would not be eligible for STAR on <u>either</u> residence for a period of five years. This penalty does not apply if the exemption has been renounced by the individual on one of the two properties (RPTL §496).

26. **Question:** An applicant for Enhanced STAR misrepresents his or her age or income. Can this applicant still receive Basic STAR?

Answer: No. The phrase "disqualified from further exemption pursuant to this section" means neither Enhanced <u>nor</u> Basic STAR may be granted for a five-year period.

27. **Question:** What is the logic used by the NYS Department of Taxation and Finance to determine income eligibility for the Enhanced STAR exemption?

Answer: This is the logic used in the program to verify income for the enhanced STAR exemption with the Department of Taxation and Finance (DTF):

1. DTF checks to see if the taxpayer filed an amended return. If yes, this record automatically receives a "U" since amended tax info is not in a database at DTF.

2. DTF looks for a match between the two files, by SSN and first three letters of the last name. If there is no match, record receives a "U".

3. If a match is found, DTF then checks the tax return which was filed.

4. If the taxpayer filed form IT-201 or IT-203, Federal Adjusted Gross Income less IRA distributions is used to determine eligibility.

5. A temporary table is built to accumulate information for multiple owners; once a match is found, income is added to the table.

6. DTF then checks to see if the next parcel ID number is the same. If yes, income is combined to determine eligibility:

   e.g. if there are 5 owners, and 2 are "U" but other 3 exceed the income limit, all will receive an "N"

   e.g. if there are 5 owners, and 4 incomes combined are under the limit and the 5th is a "U" then all receive a "U".

7. If a unit number is entered for the record, DTF will <u>not</u> combine incomes for owners with the same parcel ID number because it indicates a mobile home park or a co-op building.

8. DTF also checks to see if a joint return was filed. If so, DTF will <u>not</u> combine the household income twice even though there are two records on the ORPTS file with the same parcel ID number.

Administering STAR in Manufactured Housing Communities

What is STAR?

The School Tax Relief (STAR) Program, which became law in 1997, provides a partial exemption from school property taxes for owner occupied, primary residences such as one, two and three family houses, condominiums, cooperative apartments, and *manufactured homes* (also known as mobile homes in Real Property Tax Law).

There are two types of STAR exemptions. Owners who are aged 65 or older, with a combined income of $81,900 or less (increased annually for cost-of-living adjustments) are eligible for the Enhanced STAR exemption. The Enhanced STAR exemption is worth $64,200 in full value assessment (2014-2015 school year).

Secondly, owners who occupy their primary residences and whose total income is less than $500,000 are eligible for the Basic STAR exemption. The Basic STAR exemption is $30,000 in full value.

In counties where the median home value is higher than the statewide median home value, the Basic and Enhanced STAR exemptions are prorated up so that homeowners in these areas will realize equivalent tax relief.

New York State Division of Housing and Community Renewal is responsible for enforcing the laws concerning the rights of tenants of manufactured housing communities. If you have any questions or complaints regarding rent reductions in manufactured home parks as a result of STAR Program exemptions, the toll free number to contact is (800) 432-4210.

How to Apply

The individual homeowner must apply to the local assessor by taxable status date in order to receive the STAR exemption. For the Basic STAR exemption, the homeowner must provide proof of ownership and proof of primary residency as requested by the assessor. For the Enhanced STAR exemption, the homeowner must also provide proof of age and proof of income (copies of federal or state income tax forms). Enhanced STAR applicants must reapply each year to prove income eligibility, except for those who elect to participate in the STAR income verification program. Basic STAR applicants apply once but must notify the assessor of changes in eligibility.

Responsibilities of Owners of Manufactured Housing Communities

Most people who receive the STAR exemption will see the tax savings directly on their school tax bills. However, for most people who own manufactured homes that are located in communities (also known as mobile home parks), the tax savings will appear on the school tax bill for the manufactured housing community. The owner of the manufactured housing community is responsible for crediting the tax savings against the rent payable on the home that has received the exemption.

The owner or operator of a manufactured housing community may credit the tax savings against the monthly rent in 12 installments, beginning with the first monthly rental payment due 60 days after the penalty-free period for the payment of taxes and continuing for 11 months.

Alternatively, the community owner (or operator or agent) may either: (1) credit the total reduction against the first month's rent, with any balance credited against the following month(s)' rent(s) until exhausted, or (2) pay the total reduction to the manufactured home owner within 60 days of the interest-free collection period.

Failure of an owner or operator of a manufactured housing community to comply shall be a violation punishable by a fine not to exceed $500 per violation.

How STAR Exemption is Calculated

The assessor is responsible for calculating the STAR exemption. Let's take the case of the Stardust Manufactured Housing Community located in Anytown, NY that **assesses at 10 percent of market value.** Stardust Manufactured Housing Community has 7 pads and 7 manufactured homes. The assessor should provide the manufactured home park owner with the STAR exempt amount of each manufactured home and the total exempt amount. The total assessed value of the manufactured home park is given on the school tax bill. For example, the Assessor of Anytown has assessed Stardust Manufactured Housing Community as follows:

7 pads values @ $4,000/pad =	$ 28,000
7 manufactured homes =	$ 49,000
Total assessed value =	$77,000

Stardust Manufactured Housing Community STAR Basic Exemption = $3,000 STAR Enhanced Exemption = $6,420				
Pad	Manufactured Home Owner	Value	STAR Type	Home Exempt Amount
1	Adams	$7,000	none	
2	Bettinger	$6,000	Enhanced	$6,000
3	Carlson	$8,000	none	
4	Daniels	$12,000	Basic	$3,000
5	Evans	$7,000	Enhanced	$6,420
6	Fitzgerald	$5,000	Basic	$3,000
7	Green	$4,000	none	
STAR EXEMPTION TOTAL				**$18,420**

Two homeowners, Bettinger and Evans, applied and were approved for the Enhanced STAR exemption. Two additional owners, Daniels and Fitzgerald applied for and received the Basic Exemption. Because Anytown assesses at 10% of market value, the Enhanced STAR works by exempting up to the first $6,420 of assessed value for each home. The Basic STAR exempts up to the first $3,000 of assessed value.

The home values of Bettinger and Evans are $6,000 and $7,000 respectively. The Enhanced STAR exempt amounts are $6,000 and $6,420. The Basic exempt amounts for Daniels and Fitzgerald are each $3,000. The total exempt amount is $18,420. The STAR law states that the exemption cannot exceed the total assessed value attributable to the manufactured home.

The Assessor of Anytown subtracts the STAR exemption total of $18,420 from the total assessed value of $77,000 to arrive at the taxable assessed value of $58,580.

Total Assessed value	=	$ 77,000
STAR Exemption Total	=	$ 18,420
Taxable Assessed Value	=	$ 58,580

How Owners Distribute the Benefits to Tenants

The tenant in a manufactured housing community that receives the STAR exemption is entitled to a rent reduction equal to the amount by which taxes on the home were reduced after allowing for a 2% reduction. The owner of the manufactured housing community is allowed to retain 2% of the STAR savings for record-keeping expenses. In the example, the STAR tax reduction is to be distributed to Bettinger and Evans of Stardust Manufactured Housing Community.

1. **OBTAIN INFORMATION FROM YOUR ASSESSOR**

   The assessor can give the owner of the manufactured housing community (or the owner obtains from the assessor) the following information:

   Exempt amount of each manufactured home that receives a STAR exemption

2. **OBTAIN INFORMATION FROM TAX BILL**

   The following information is listed on the tax bill or can be obtained from the assessor

   STAR Savings
   STAR Exemption Total

   If the School Tax Rate is $160 per thousand dollars of assessed value, the owner of the Stardust Manufactured Housing Community will see the following on the school property tax bill: "Your tax savings resulting from the New York state school tax relief (STAR) program is $2947.20."

$$\text{Tax rate} \times \frac{\text{STAR Exemption Total}}{1{,}000} = \text{STAR Savings}$$

$$\$160 \times \frac{\$18{,}420}{1{,}000} = \$2947.20$$

3. DETERMINE AMOUNT OF SAVINGS TO BE DISTRIBUTED

The owner of Stardust deducts 2% of the STAR savings for record keeping purposes and the rest of the STAR savings are to be distributed to the eligible owners.

STAR Savings =	$2947.20
2% retained by owner =	58.95
Savings to distribute =	$2888.25

4. CALCULATE INDIVIDUAL HOMEOWNER'S SAVINGS IN RENT REDUCTION

Once the individual savings have been calculated, the owner of the manufactured housing community may (1) credit the tax savings against the monthly rent in 12 installments beginning with the first monthly rental payment due 60 days after the penalty-free period for the payment of taxes and continuing for 11 months, OR (2) credit the total reduction against the first month's rent, with any balance credited against the following month(s)' rent(s) until exhausted, OR (3) pay the total reduction to the tenant within 60 days of the interest-free collection period.

Individual homeowner's savings are determined by the following equation.

$$\frac{\text{Home Exempt Amount}}{\text{STAR Exemption Total}} \times \text{STAR Savings to Distribute}$$

STAR Exemption Total =	$18,420
STAR Savings to Distribute =	$2888.25

For Example:

Bettinger's home exempt amount is $6,000.

$$\frac{\$\ 6{,}000}{\$18{,}420} \times \$2888.25 = \$940.80$$

The STAR savings for Bettinger would be $940.80 or $78.40 per month.

Evan's home exempt amount is $6,420.

$$\frac{\$6{,}420}{\$18{,}420} \text{ X } \$2888.25 = \$1006.65$$

The STAR savings for Evans would be $1006.65 or $83.89 per month.

Exemptions for Manufactured Home Owners Who Are Separately Assessed

What if the Stardust Manufactured Housing Community also includes an eighth home which is owned by Hanks, a veteran who is entitled to an alternative veterans' exemption? Since he is entitled to an exemption other than STAR, his home must be separately assessed. If Hanks is also eligible for a STAR exemption, his home would not be included in the assessor's STAR computations of the Stardust Manufactured Housing Community, because those computations apply only to manufactured homes which have been assessed to Stardust's owner.

Since his manufactured home will be separately assessed, Hanks will get a separate tax bill and will be responsible for paying taxes on his home directly, rather than through Stardust's owner. **The rent he pays to Stardust's owner must be reduced to reflect the fact that the taxes attributable to this unit are to be paid directly by Hanks, rather than by Stardust's owner.** Again, Stardust's owner is entitled to retain a 2% administrative expense for the amount of the rent reduction.

If you have any questions or need additional information regarding applying for the STAR program or the calculations of the STAR program exemptions, please contact:

New York State
Department of Taxation and Finance

Office of Real Property Tax Services
(518) 474-2819

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Administering STAR for Cooperative Apartments

What is STAR?

The School Tax Relief (STAR) Program, which became law in 1997, provides a partial exemption from school property taxes for owner occupied, primary residences such as one, two and three family houses, condominiums, *cooperative apartments*, and manufactured homes (also known as mobile homes in Real Property Tax Law).

There are two types of STAR exemptions. Owners who are aged 65 or older, with a combined income of $81,900 or less (increased annually for cost-of-living adjustments) are eligible for the Enhanced STAR exemption. The Enhanced STAR exemption is worth $64,200 in full value assessment (2014-2015 school year).

Secondly, owners who occupy their primary residences and whose total income is less than $500,000 are eligible for the Basic STAR exemption. The Basic STAR exemption is $30,000 in full value

In counties where the median home value is higher than the statewide median home value, the Basic and Enhanced STAR exemptions are prorated up so that homeowners in these areas will realize equivalent tax relief.

Responsibilities of Owners of Cooperative Apartment Corporations

STAR Legislation specifically requires cooperative apartment corporations and their managing agents to be responsible for the administration of the tax reduction received by the cooperative apartment owner. Most people who receive the STAR exemption will see the tax savings directly on their school tax bills. However, for cooperative apartment share-holders, the tax savings will appear on the school tax bill for the cooperative cooperation.

The corporation, through its managing agent, **must credit** the tax savings against the fees of the cooperative apartment shareholder who has received the exemption.

How STAR Exemption is Calculated

The assessor is responsible for calculating the STAR exemption. Let's take the case of the Riverview Cooperative Corporation located in Anytown, NY that assesses at 10% of market value. Riverview's building has 8 units and an assessed value of $50,000. Each unit is occupied by a tenant-shareholder.

In order to calculate the STAR exemption, the assessor first must know the number of shares attributable to each unit and the total number of shares of the corporation. When the assessor has obtained this information from the managing agent, the assessor calculates an estimate of an "assessed value" for each unit that has an exemption.

How to Apply

The cooperative apartment shareholder must apply to the local assessor in order to receive the STAR exemption. The assessor is responsible for reviewing the applications and the required documentation. For the Basic STAR exemption, the homeowner must provide proof of ownership and proof of primary residency as requested by the assessor. For the Enhanced STAR exemption, the home-owner must also provide proof of age and proof of income (copy of either federal or state income tax forms). Enhanced STAR applicant must reapply each year to prove income eligibility except for those who elect to participate in the STAR income verification program. Basic STAR applicants apply once but must notify the assessor of changes in eligibility.

If Anytown assessed at 100% of market value, the Enhanced STAR exemption would exempt up to the first $63,300 of assessed value for each cooperative apartment unit and the Basic exemption would exempt up to the first $30,000. Because Anytown assesses at 10% of market value, the STAR exemption is adjusted so that Enhanced STAR exempts up to the first $6,330 and the Basic up to the first $3,000 of assessed value for each exempt cooperative apartment unit. When the assessor calculates the STAR exemption, the assessor should provide the managing agent with the **STAR exempt amount attributable to each unit that receives the STAR exemption.**

Table 1. Riverview Cooperative Corporation Certified STAR Enhanced Exemption = $6,420 Certified STAR Basic Exemption = $3,000				
Unit #	**Share-holder**	**Assessed Value Attributable To Exempt Unit**	**Star Exemption Type**	**Exempt Amount Attributable to Unit**
1	Adams	$8,000	Basic	$3,000
2	Best	$4,000	Sr. Citizen ($1,600)* Enhanced ($2,400)	$4,000
3	Carlson	n/a	none	n/a
4	Daniels	n/a	None	n/a
5	Evans	$7,000	Enhanced	$6,420
6	Fine	$5,000	Basic	$3,000
7	Green	n/a	None	n/a
8	Hanks	$6,000	Enhanced	$6,000
Exemption Total				**$22,420**

In the example of Riverview Cooperative Corporation, three shareholders, Best, Evans and Hanks, applied and were approved for the Enhanced STAR exemption. The assessed value for the units of Best, Evans and Hanks are $4,000, $7,000 and $6,000 respectively. The Enhanced STAR exempt amounts attributable to these units are $2,400 (in addition to $1,600 senior citizen), $6,420 and $6,000 respectively. Adams and Fine were approved for the Basic exemption of $3,000 each. The total of all STAR exemptions is $22,420. The STAR law states that the exemption cannot exceed the total assessed value attributable to the cooperative apartment.

How to Distribute the Benefits to Shareholders

1. OBTAIN INFORMATION FROM YOUR ASSESSOR

The managing agent needs to obtain from the assessor the following:

Exempt amount attributable to each exempt cooperative unit.

The assessor calculated the amount of the exemption to each of the three applicants.

2. OBTAIN INFORMATION FROM TAX BILL

School Tax Rate
STAR Savings

The school tax rate is an amount that is usually shown in dollars per thousand of valuation. The savings for STAR and other exemptions are shown on the school tax bill. The bill also indicates that the total exemption for the Corporation itself is $22,420.

3. CALCULATE SHAREHOLDER'S SAVINGS

Shareholder savings can be determined by multiplying the school tax rate by the exempt amount attributable to each unit. Individual unit or shareholder's savings are determined by the following formula.

$$\frac{\text{Tax rate** x exempt amount of unit}}{1{,}000} = \text{Shareholder Savings}$$

In the example of Riverview Cooperative Corporation, the school tax rate is $200/$1,000 of assessed value. Three of the shareholders, Best, Evans, and Hanks received the Enhanced STAR exemption. The exempt amounts attributable to units occupied by Best, Evans and Hanks are $4,000, $6,420, and $6,000, respectively. For Adams and Fine, the exempt amounts are $3,000 each.

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*Best, in Table 1, qualifies for a 40 percent senior citizen exemption of $1,600 which must be applied first. The remaining assessed value is $2,400. The STAR exemption in this example cannot exceed $6,420 or 100% of the remaining total, which is $2,400. Best receives a $2,400 exemption for STAR. Managing agents must also account for other exemptions which may apply in addition to STAR. While STAR applies to all qualified cooperative apartments, municipalities may, **at local option**, choose to grant certain other exemptions (i.e., senior citizen exemptions and/or veterans exemptions) to tenant shareholders of cooperative apartments.

** The actual school tax rate should be used in the calculation. The tax rate should not be rounded to the nearest dollar. In municipalities where the tax rate is expressed in dollars per $100 of assessed value, the product should be divided by 100.

Table 2. Riverview Cooperative Corporation			
Unit #	Shareholder	Exempt Amount Attributable to Unit	Shareholder Savings
1	Adams	$3,000	$600
2	Best	$4,000	$800
3	Carlson	n/a	n/a
4	Daniels	n/a	n/a
5	Evans	$6,420	$1,284
6	Fine	$3,000	$600
7	Green	n/a	n/a
8	Hanks	$6,000	$1,200
TOTAL		**$22,420**	**$4,484**

For Example:

The exempt amount attributable to Best is $4,000. The savings for Best is $800, i.e.,

$$\frac{\$200 \times \$4{,}000}{1{,}000} = \$800$$

The STAR exempt amount attributable to Adams and Fine is $3,000. The STAR savings for each is $600.

$$\frac{\$200 \times \$3{,}000}{1{,}000} = \$600$$

The sum of each shareholder's savings should equal the STAR Savings shown on the school tax bill ($4,484).

Shareholder's savings are calculated differently for shareholders residing in cooperative apartments organized as a limited-profit (Mitchell-Lama) company. As these facilities are generally exempt from real property taxation, the benefits are instead "STAR savings," equal to one third of the "base figure" normally used to calculate both the Basic and Enhanced STAR exemptions (with adjustments for location and equalization), multiplied by the applicable school tax rate (or by the city tax rate, in the cities of New York, Buffalo, Rochester, Syracuse and Yonkers). The "STAR savings" for any individual unit may not exceed the amount payable or chargeable to the unit for real property taxes or payments in lieu of taxes. The assessor should provide a breakdown of such credits by unit so that they are properly credited and allocated to eligible recipients.

Cooperative apartment corporations must provide to each eligible tenant-shareholder a written statement detailing the full amount of the STAR exemption (or STAR-related savings, in the case of cooperatives organized as a Mitchell-Lama project) to be credited to such tenant-stockholder, including information regarding how the amount was calculated, and how the exemption or saving is being credited to the tenant-shareholder. Such a written statement must be mailed to each eligible tenant-stockholder within 60 days of the corporation's receiving the exemption or savings.

Once the individual savings have been calculated, the cooperative apartment corporation is required to credit those savings against the taxes otherwise payable by the tenant-shareholder. This may be accomplished by:

(1) dividing the total savings by twelve and crediting the result against the monthly fees and charges payable each month for the next year;

(2) dividing the total savings by six and crediting the result against monthly fees and charges over six months in the next year;

(3) crediting the total savings against fees and charges of any single month of the next year, with any balance to be credited in full against fees and charges for the following month(s) of that year until exhausted; or

(4) paying the total savings to the tenant-shareholder as an up-front, lump sum payment.

In any case, such payment(s) must be made during the current assessment cycle.

If you have any questions or need additional information regarding applying for the STAR program or the calculations of the STAR program exemptions, please contact:

NYS Department of Taxation and Finance
Office of Real Property Tax Services
(518) 474-2819

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Appendix C

CORRECTION OF ERRORS AND STAR

As with any exemption, errors may be discovered in the local administration of the school tax relief (STAR) exemption (Real Property Tax Law, §425). This appendix addresses the procedure for correcting those errors.

Q.1. The assessor intended to grant an Enhanced STAR exemption to Jane Doe's property but it was not entered on the school roll. Ms. Doe has now received her 2014-2015 school tax bill and wants her exemption. Can this be corrected?

A.1. Yes. Where an assessor fails to act on a partial exemption and the property is entitled to such partial exemption, this is a defined "clerical error" (RPTL, §550(2)(c)). Prior to the expiration of the school tax warrant, Ms. Doe should file form RP-554 with the county director of real property tax services seeking a corrected tax bill. The county director then investigates and recommends to the tax levying body if the tax roll and tax bill should be corrected. If the director concludes that Ms. Doe should have received the exemption and the tax levying body concurs, the tax roll will be corrected and the tax collector will be authorized to collect a lesser amount of tax from Ms. Doe. Ms. Doe will be sent notice of the correction, and, assuming she filed the RP-554 with the director during the interest-free period, she will have eight days from the mailing of her notice to pay the corrected tax without interest.

In the alternative, Ms. Doe may file form RP-556 with the county director seeking a refund or credit. Note that an application for a refund or credit based upon a clerical error may be filed up to three years following the annexation of the warrant to collect the taxes containing the error.

The school district will be entitled to State reimbursement for the reduction in Ms. Doe's school tax bill or for any refund paid to her (see Question 5).

Q.2. While the assessor intended to grant the Enhanced exemption to Ms. Doe in Question 1, the exemption was erroneously given to Robert White whose property was ineligible for an Enhanced STAR exemption. Can Mr. White's erroneously granted exemption be corrected, and, if so, when?

A.2. Yes. If the erroneous grant of the exemption is discovered in sufficient time before the levy of the school tax, this would be an "error in essential fact" (RPTL, §550(3)(e)): the incorrect entry of a partial exemption on an assessment roll for a parcel not eligible for that exemption. The assessor may petition the board of assessment review to correct the final assessment roll at that board's "second meeting" conducted for school tax purposes (RPTL, §553).

If the error is discovered after the school levy, a different procedure is followed. STAR specifically authorizes the revocation of erroneously granted exemptions, even after the school levy has occurred (RPTL, §425(12)). To do so, the assessed value attributable to each improperly granted STAR exemption shall be entered separately on the next tentative or final assessment roll (RPTL §425(12)(b)). The procedures for the entry of "omitted" property on that next tentative roll (RPTL, §551) or final roll (RPTL, §553) are to be followed when making this correction.

In this case, along with his 2015-2016 school taxes, Mr. White should be billed for the school tax savings he mistakenly received when he was wrongly credited with Ms. Doe's 2014-2015 Enhanced STAR exemption. His additional liability will be the amount of the 2014 assessment to which STAR was applied, multiplied by the 2014-2015 school tax rate.*

That amount will be added to (or billed additionally) with Mr. White's own 2015-2016 school taxes. Note, however, that if Mr. White himself qualifies for the Basic (or Enhanced) STAR for his 2015-2016 school taxes, he should receive that exemption.

In all cases where a property owner erroneously received an Enhanced STAR exemption on his or her 2014-2015 school tax bill, ORPTS **strongly** recommends that the taxpayer be given notice as soon as possible of the assessor's intention to correct that error on the 2015-2016 school tax roll. This will provide advance notice to the taxpayer so that he or she may budget tax expenditures accordingly. Recognize that when the provisions of §551 or §553 are used next year to correct the 2015 assessment roll, the property owner must be given notice (RPTL, §425(12)(c)). Our suggestion of an additional notice at this time is intended as a courtesy to the taxpayer who may feel inconvenienced by the assessor's error.

Q.3. Given Answer No. 2, for 2015-2016 school tax purposes, the school district will receive two State payments for Ms. Doe's STAR exemption: the incorrect one applied to Mr. White on the assessment roll and the correct one applied to Ms. Doe after she receives a corrected tax bill or refund. How is this to be corrected?

A.3. When the school district submits its STAR payment request for 2016-2017, it must report the additional revenues it has billed Mr. White as a result of the correction of errors process. This amount will then be deducted from the district's 2016-2017 STAR payment.

Q.4. If Ms. Doe should have received a senior citizens exemption (RPTL, §467) and therefore Enhanced STAR as well, but both were granted to Mr. White, can both of Mr. White's exemptions be corrected on next year's roll?

A.4. The STAR exemption may be corrected in the manner described in Answer No. 2. For the senior citizens exemption, it is also now possible for an assessor to petition the board of assessment review at its second meeting to correct an incorrect entry of a partial exemption granted on the preceding year's assessment roll to a parcel that was not entitled to such exemption, provided there has been no transfer of title since the filing of the final assessment roll containing such exemption and provided further that the exemption has not been renounced (RPTL §496). While it is applicable to all partial exemptions, including STAR, the STAR correction provisions discussed in Answer No. 2 also remain in place.

* For assessors using the New York State Real Property System [RPS], omitted taxes should be included on the 2015 assessment roll as Roll Section 9 entries. Although they will appear on the assessment roll, they will not be interpreted as actual parcel entries and will not be accumulated with normal assessment roll totals. They will be included with the appropriate school tax levy. Non-RPS users should process omitted taxes in their usual manner.

Q.5. When a taxpayer is given a corrected tax bill or is granted a refund based on an omitted STAR exemption, will the State provide reimbursement resulting from the correction or refund, and if so, how?

A.5. Yes, the State will pay the full amount of the STAR exemptions. If the tax roll and bill are corrected pursuant to §554, the school district collecting officer will necessarily collect less from the taxpayers. For other, locally-financed exemptions, the RP-554 is attached to or filed with the tax roll to account for the difference. However, since the State must cover the full cost of all STAR exemptions (RPTL, §1306-a), once a corrected bill has been issued in this case, the school district should file with ORPTS a supplemental aid application (RP-6704-B), asking to be reimbursed for the additional STAR-related cost represented by the corrected bill.

Similarly, when a refund is approved pursuant to §556, the normal procedure is either (a) the school district will pay the refund directly to the taxpayer, or (b) if the tax has been returned to and relevied by the county, the county will pay the refund to the taxpayer and then "charge back" the refund to the school district (RPTL, §556(6)(b)). These refund procedures would apply to corrected STAR exemptions to the same extent that they apply to other corrected exemptions, except that the school district would request reimbursement from the State for the refund by filing the supplemental aid application with ORPTS as described above.

To reduce the number of supplemental requests for STAR aid, we recommend that the school district delay the submission of any supplemental claims until it can address as many corrections as possible. It may request reimbursement both for corrections of tax bills and for refunds of taxes in the same claim.

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SUMMARY (continued):

Each taxing jurisdiction that adopts a local law allowing "change in level" exemptions may also allow property owners previously receiving an exemption under §458 but later opting to receive exemption under §458-a to switch back to receiving the §458 exemption. If this provision is included in the local law allowing "change in level" exemptions, a property owner who wishes to switch back to the §458 exemption must file a §458 application (Form RP-458) within one year of the adoption of the local law.

A. ELIGIBILITY REQUIREMENTS:

1. Ownership Requirements:

a. §458(1): The property must be owned by a veteran (or by his or her spouse, unremarried surviving spouse, dependent father or mother, or children under twenty-one years of age) and must have been purchased with eligible funds granted by the United States or by this state.* The following types of transactions are considered to constitute "purchase" of real property where eligible funds are used: (1) payment of purchase price with a government check for eligible funds,(2) payment of purchase

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* The definition of veteran includes (1) certain crew members of the merchant marine, (2) certain members of the American Field Service, and (3) certain flight crew and aviation ground support employees of Pan American World Airways all of whom served during World War II.

To qualify for exemption merchant mariners must have (1) been employed by the War Shipping Administration or Office of Defense Transportation or their agents as a merchant seaman as documented by the U.S. Coast Guard or Department of Commerce or as a civil servant employed by the U.S. Army Transport Service or the National Transportation Service; (2) served satisfactorily as a crew member during World War II (December 7, 1941 to August 15, 1945) aboard (a) a merchant vessel in oceangoing (foreign, intercoastal, or coastwise) voyages or "near foreign" voyages between the U.S. and Canada, Mexico, or the West Indies via ocean routes or (b) a public vessel in oceangoing service or foreign waters; and (3) received a Certificate of Release or Discharge from Active Duty and a discharge certificate, or an Honorable Service Certificate/ Report of Casualty from the Department of Defense.

An American Field Service member applying for exemption must have (1) been employed by the American Field Service, (2) served overseas under U.S. Armies and U.S. Army Groups in World War II (December 7, 1941 to May 8, 1945), and (3) been discharged or released therefrom under honorable conditions.

Exemption may also be granted to a veteran who (1) served overseas as a flight crew and aviation ground support employee of Pan American World Airways or one of its subsidiaries or affiliates as a result of Pan American's contract with Air Transport Command or Naval Air Transport Service during World War II (December 14, 1941 to August 14, 1945) and (2) was discharged or released therefrom under honorable conditions.

A. ELIGIBILITY REQUIREMENTS (continued):

1. Ownership Requirements (continued):

price directly with the proceeds of the check for eligible funds, (3) payment on the principal of a mortgage assumed at the time of the purchase, (4) payment of the cost of a purchase money mortgage, (5) payment of the principal of a mortgage where the mortgage money was borrowed to improve the property, (6) payment of the cost of improvements (improvements increase the value of property whereas repairs do not), (7) payment on the principal of a mortgage on real property owned by any person in the "exempt" class (that is, anyone who would be eligible for exemption under RPTL §458), and (8) acquisition of the title to real property because of default of the mortgagor where the assignment of the mortgage to the veteran has been paid for with eligible funds.

The following does not constitute "purchase" of real property: payment of current or delinquent taxes, interest, insurance premiums, or cost of repairs on property, even if made with money borrowed on a mortgage (and even though the mortgage is paid off with eligible funds).

The following types of payments constitute eligible funds: (1) monthly payments for either a service-connected or a non-service-connected disability or death, (2) retirement pay or disability retirement pay, (3) severance pay or disability severance pay, (4) a death gratuity or benefit equal to six months' pay, (5) proceeds of World War adjusted service bonus and interest (Bonus, World War I), (6) mustering out pay, (7) lump sum payment to Army or Navy Air Corps Reserve officer upon release from active duty, (8) lump sum readjustment allowance paid to member of reserve component on involuntary release, (9) readjustment allowance, (10) subsistence allowance under the GI Bill of Rights (including such allowance in connection with college and school education and training, on-the-job training, apprentice training, and vocational rehabilitation programs), (11) the 4% payment made by the government for the first year on the guaranteed portion of a GI loan on real property when used to reduce the principal of the mortgage (not to exceed $160), (12) the proceeds on maturity or death or the cash value on actual surrender of U.S. Government Life Insurance and National Service Life Insurance, (13) dividends or refunds on insurance granted by the U.S., (14) the amount of money equal to the amount of eligible funds retained by the U.S. Government for insurance premiums, (15) proceeds from the sale of real property entitled to exemption used to purchase another parcel of real property or exchange of such real property to the extent of eligible funds used in the original purchase, (16) bonus granted by New York State or the U.S. Government, (17) annuity to blind veterans

Veterans
(Alternative exemption for wartime veterans) **RPTL Section 458-a**

Exemption Code(s):		
	Wartime veteran, non-combat zone	4112 _
	Wartime veteran, combat zone	4113 _
	Wartime veteran, disabled	4114 _

Year Originally Enacted: 1984

Related Statutes: RPTL §458

SUMMARY: The primary residence of (1) a veteran of the United States Armed Services who actively served during a period of war, (2) a veteran who received an expeditionary medal, or under certain conditions: (3) a veteran of the merchant marine service, (4) a veteran of the American Field Service, or (5) a veteran who served as a Pan American World Airways flight crew and aviation ground support employee may be eligible for partial exemption from general municipal taxes. No exemption is allowed for special ad valorem levies or special assessments. County, city, town and village taxing jurisdictions had the option of disallowing the exemption or allowing it at a reduced or increased level. Jurisdictions which allow the alternative veterans exemption may not grant any new eligible funds (former RPTL §458(1)) or original option pro rata veteran's exemptions (former RPTL §458(5)) after March 2, 1986. In addition, school districts now have the option of allowing this exemption.

The percentage exemption that applies to the assessed value of a qualifying property depends on both the nature of the veteran's service and the local law adopted by the taxing jurisdiction. Veterans who were on active duty during a period of war are eligible for a 15% exemption (not to exceed a basic state maximum of $12,000 or the product of $12,000 multiplied by the latest state equalization rate, special equalization rate, or in the case of a special assessing unit, the latest class ratio, whichever is less). An additional exemption of 10% (not to exceed a basic state maximum of $8,000 or the product of $8,000 multiplied by the latest state equalization rate, special equalization rate, or in the case of a special assessing unit, the latest class ratio, whichever is less) is available for those who served in combat zones. Veterans who sustained service-related disabilities, as evidenced by receipt of disability compensation rating from the Veterans Administration or the Department of Defense are eligible for a percentage exemption equal to one-half of their disability rating (not to exceed $40,000 or the product of $40,000 multiplied by the latest state equalization rate, special state equalization rate, or in the case of a special assessing unit, the latest class ratio, whichever is less) in addition to the wartime and combat zone exemptions. Veterans who died in service of a service-connected disability are considered to have a disability rating of 100%.

A taxing jurisdiction which allows the alternative veterans has the further option of using one of the following ten (or sixteen, in the case of a "high appreciation municipality") reduced or increased maximum exempt amounts (or the product of such a reduced or increased amount multiplied by the latest state equalization rate, special equalization rate or, in the case of a special assessing unit, the latest class ratio, whichever is less) instead of the maximum amounts authorized by state law:

SUMMARY (continued)

	Reduced Maximums Pursuant to Local Law		State Law Basic Max.	Increased Maximums Pursuant to Local Law								
Wartime	$6,000	$9,000	$12,000	$15,000	$18,000	$21,000	$24,000	$27,000	$30,000	$33,000	$36,000
Combat Zone	$4,000	$6,000	$8,000	$10,000	$12,000	$14,000	$16,000	$18,000	$20,000	$22,000	$24,000
Disability	$20,000	$30,000	$40,000	$50,000	$60,000	$70,000	$80,000	$90,000	$100,000	$110,000	$120,000

In "high appreciation municipalities" (defined below) the governing board may adopt still higher maximum limits of:

Wartime	$39,000	$42,000	$45,000	$48,000	$51,000	$54,000
Combat Zone	$26,000	$28,000	$30,000	$32,000	$34,000	$36,000
Disability	$130,000	$140,000	$150,000	$160,000	$170,000	$180,000

A "high-appreciation municipality" means: (1) New York City, (2) a county for which the Office of Real Property Tax Services (ORPTS) has established a sales price differential factor for purposes of the school tax relief [STAR] exemption (Real Property Tax Law, sec. 425) for three consecutive years, or (3) a city, town, village or school district which is wholly or partly located within such a county. ORPTS maintains a list of such counties on its website at: www.tax.ny.gov/pit/property/star/diff.htm

Thus the maximum exemption allowed is 75%, where a veteran served during a period of war in a combat zone and has a 100% service-connected disability rating. (See Calculation of Exemption below for more specific information.)

When §458-a, the alternative veterans exemption, was enacted in 1984 and subsequently became effective in many taxing jurisdictions, some veterans in these jurisdictions who already had eligible funds exemptions under §458 chose to switch to the alternative exemption. Other veterans chose to keep their eligible funds exemptions, and some of these veterans, in certain revaluation situations, were granted pro rated exemptions under former §458(5). In 1994, the "pro rata" exemption was repealed and a new §458(5) enacted authorizing, at local option, a "change in level" exemption instead. Current §458(5) also allows those taxing jurisdictions which both allow alternative veterans exemptions and enact a local law adopting the "change in level" exemption to include in their law a provision that allows veterans who once had an eligible funds exemption but later switched to the alternative veterans exemption to switch back to the eligible funds exemption, thereby qualifying them for "change in level" exemptions. For details on the "change in level" exemption and its administration, see the Exemption Profile for RPTL §458.

<u>NOTE</u>: School districts may not offer the Eligible Funds exemption.

A. ELIGIBILITY REQUIREMENTS:

1. Ownership Requirements: The property must be owned by a "qualified owner," namely a veteran, the spouse of a veteran or the unremarried surviving spouse of a veteran. Where property is owned by more than one qualified owner, the exemption to which each is entitled may be combined. Also, a qualified owner includes a Gold Star Parent (defined as the parent of a child who died in the line of duty while serving in the United States Armed Forces during a period of war), where allowed by local option. The ownership requirement is also satisfied if the veteran, the veteran's spouse, the veteran's unremarried surviving spouse, or, if allowed by local option, the Gold Star Parent is the legal life tenant of the property. If the title has been transferred to a trust, the property is eligible for the exemption if the trustees or trust beneficiaries otherwise qualify.

   If the veteran dies and there is no unremarried surviving spouse, the property may qualify for exemption if title to the property is vested in the veteran's dependent child or children under the age of 21 years or dependent parent(s), provided that the dependent uses the property as his primary residence. A veteran who is also the unremarried surviving spouse of a veteran may receive any exemption to which the deceased spouse was entitled.

   A veteran is defined as any of the following:

   a. A person who served in the active military, naval, or air service of the U.S. during a period of war (World War II, Korean War (6/27/50 - 1/31/55), Vietnam War (2/28/61 - 5/7/75), or Persian Gulf conflict (on or after 8/2/90) and who was discharged or released under honorable conditions.

   b. A person who was awarded an Armed Forces Expeditionary Medal, a Navy and Marine Corps Expeditionary Medal, or a Global War on Terrorism Expeditionary Medal, and who was discharged or released under honorable conditions.

   c. A crew member of the merchant marine who served during World War II and (1) was employed by the War Shipping Administration or Office of Defense Transportation or their agents as a merchant seaman as documented by the U.S. Coast Guard or Department of Commerce or as a civil servant employed by the U.S. Army Transport Service or the Naval Transportation Service, (2) served satisfactorily as a crew member during World War II (December 7, 1941 to August 15, 1945) aboard (a) a merchant vessel in oceangoing (foreign, intercoastal, or coastwise) voyages or "near foreign" voyages between the U.S. and Canada, Mexico, or the West Indies via ocean routes or (b) a public vessel in oceangoing service or foreign waters, and (3) received a Certificate of Release or Discharge from Active Duty and a discharge certificate, or an Honorable Service Certificate/Report of Casualty from the Department of Defense.

   d. An American Field Service member who served during World War II and (1) was employed by the American Field Service, (2) served overseas under U.S. Armies and U.S. Army Groups in World War II (December 7, 1941 to May 8, 1945), and (3) was discharged or released therefrom under honorable conditions.

A. **ELIGIBILITY REQUIREMENTS (continued):**

1. **Ownership Requirements (continued):**

   e. A United States civilian who (1) served overseas as a flight crew and aviation ground support employee of Pan American World Airways or one of its subsidiaries or affiliates as a result of Pan American's contract with Air Transport Command or Naval Air Transport Service during World War II (December 14, 1941 to August 14, 1945) and (2) was discharged or released therefrom under honorable conditions.

   f. A member of one of the reserve components of the U.S. armed forces who received an honorable discharge or release therefrom under honorable conditions, but is still a member of the reserve component may be granted the alternative veterans exemption provided that such a member meets all other qualifications for receiving the exemption.

2. **Property Location Requirements:** None.

3. **Property Use Requirements:** The property must be used exclusively for residential purposes. It must also be the primary residence of the veteran, the unremarried surviving spouse of the veteran, or, if allowed by local option, a Gold Star Parent, unless that person is absent from the property due to medical reasons or institutionalization. In the event that a portion of the property is not used exclusively for residential purposes, that portion is not entitled to the exemption. In such cases, the assessor may apportion the assessed value and apply the exemption only to the residential portion of the property.

4. **Certification by State or Local Government:** None required.

5. **Required Construction Start Date or Other Time Requirement:** None.

B. **LOCAL OPTION:** Yes -- Each county, city, town, and village originally had the option to disallow the exemption. This option had to be exercised through adoption of a local law no later than 90 days prior to the 1985 taxable status date in the jurisdiction. The local law may be repealed if at a later date the jurisdiction decides to allow the exemption.

In addition, school districts are now authorized to allow the exemption, by resolution after a public hearing.

A jurisdiction which allows the exemption has the additional option of using the maximum exempt values authorized by state law for the three veterans categories or passing a local law (or in the case of a school district, a resolution) establishing one of the two lower sets of maximum exempt values or one of the eight (or fourteen, in the case of a "high-appreciation municipality") higher sets (see Summary above).

A jurisdiction which allows the exemption has another option of adopting a local law or resolution which extends eligibility to residential property owned by Gold Star Parents, and used as their primary residence. Note that the additional exemption based on a veteran's disability, i.e., 50% of the service-connected disability rating is not available to Gold Star Parents.

B. LOCAL OPTION (continued):

In addition, each taxing jurisdiction may adopt a local law, ordinance or resolution to allow that portion of a cooperative apartment corporation held by an otherwise eligible veteran tenant/ stockholder to be eligible for an exemption from real property taxes. If allowed, the amount of the exemption must be determined by the assessor, based upon the proportion of the outstanding stock held by the eligible shareholder, and credited against the taxes charged to the corporation. Eligible stockholders would receive an adjustment to their monthly maintenance fees by the cooperative apartment corporation to reflect the benefit of the exemption. However, this exemption may not be granted to apartments subject to the provisions of Private Housing Finance Law Articles 2, 4, 5, or 11.

Lastly, each taxing jurisdiction may adopt a local law, ordinance or resolution to allow a transferred prorated exemption to a veteran, the spouse or unremarried surviving spouse of the veteran who sells his or her property upon which he or she has been receiving an exemption under §458-a, and who purchases a replacement property within the same taxing jurisdiction.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	No exemption allowed	No exemption allowed
2. Duration	No Limit	No Limit	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex**	NA	Tax	Tax
b. City	Ex**	NA	NA	Tax
c. Town or Town Special District	Ex**	NA	Tax	Tax
d. Village	Ex**	NA	NA	Tax
e. School District	NA	Ex***	NA	NA

Ex - Exempt **Tax - Taxable** **NA - Not Applicable**

* See Calculation of Exemption below.

** Unless disallowed by local option. If allowed by local option, tax districts may adopt the cooperative apartment provisions of RPTL §458-a(6)

*** If allowed by local option.

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. General Municipal and School District Taxes:

a. Non-combat zone veteran without disability rating

the lesser of either (1) 15% of assessed value or (2) one of the following dollar amounts multiplied by the latest final state equalization rate (or special equalization rate) or, in the case of special assessing units, the latest class ratio:

(a)	if below maximum reduced by local law (option 1)	$6,000
(b)	if below maximum reduced by local law (option 2)	$9,000
(c)	**if state authorized maximum not reduced or increased by law**	**$12,000**
(d)	if above maximum increased by local law (option 3)	$15,000
(e)	if above maximum increased by local law (option 4)	$18,000
(f)	if above maximum increased by local law (option 5)	$21,000
(g)	if above maximum increased by local law (option 6)	$24,000
(h)	if above maximum increased by local law (option 7)	$27,000
(i)	if above maximum increased by local law (option 8)	$30,000
(j)	if above maximum increased by local law (option 9)	$33,000
(k)	if above maximum increased by local law (option 10)	$36,000
(l)	if above maximum increased by local law (option 11, high-appreciation municipalities only*)	$39,000
(m)	if above maximum increased by local law (option 12, high-appreciation municipalities only*)	$42,000
(n)	if above maximum increased by local law (option 13, high-appreciation municipalities only*)	$45,000
(o)	if above maximum increased by local law (option 14, high-appreciation municipalities only*)	$48,000
(p)	if above maximum increased by local law (option 15, high-appreciation municipalities only*)	$51,000
(q)	if above maximum increased by local law (option 16, high-appreciation municipalities only*)	$54,000

* A "high-appreciation municipality" means: (1) New York City, (2) a county for which ORPTS has established a sales price differential factor for purposes of the school tax relief [STAR] exemption (Real Property Tax Law, sec. 425) for three consecutive years, or (3) a city, town, village or school district which is wholly or partly located within such a county. ORPTS maintains a list of such counties on its website at: www.tax.ny.gov/pit/property/star/diff.htm

E. CALCULATION OF EXEMPTION (continued):

b. Combat zone veteran without disability rating

the lesser of either (1) 25% of assessed value or (2) one of the following dollar amounts multiplied by the latest final state equalization rate (or special equalization rate) or class ratio:

(a)	if below maximum reduced by local law (option 1)	$10,000
(b)	if below maximum reduced by local law (option 2)	$15,000
(c)	**if state authorized maximum not reduced or increased by law**	$20,000
(d)	if above maximum increased by local law (option 3)	$25,000
(e)	if above maximum increased by local law (option 4)	$30,000
(f)	if above maximum increased by local law (option 5)	$35,000
(g)	if above maximum increased by local law (option 6)	$40,000
(h)	if above maximum increased by local law (option 7)	$45,000
(i)	if above maximum increased by local law (option 8)	$50,000
(j)	if above maximum increased by local law (option 9)	$55,000
(k)	if above maximum increased by local law (option 10)	$60,000
(l)	if above maximum increased by local law (option 11, high-appreciation municipalities only*)	$65,000
(m)	if above maximum increased by local law (option 12, high-appreciation municipalities only*)	$70,000
(n)	if above maximum increased by local law (option 13, high-appreciation municipalities only*)	$75,000
(o)	if above maximum increased by local law (option 14, high-appreciation municipalities only*)	$80,000
(p)	if above maximum increased by local law (option 15, high-appreciation municipalities only*)	$85,000
(q)	if above maximum increased by local law (option 16, high-appreciation municipalities only*)	$90,000

* A "high-appreciation municipality" means: (1) New York City, (2) a county for which ORPTS has established a sales price differential factor for purposes of the school tax relief [STAR] exemption (Real Property Tax Law, Sec. 425) for three consecutive years, or (3) a city, town, village or school district which is wholly or partly located within such a county. ORPTS maintains a list of such counties on its website at:
www.tax.ny.gov/pit/property/star/diff.htm

E. CALCULATION OF EXEMPTION (continued):

c. Non-combat zone veteran with disability rating*

the exempt amount determined in step a. above plus the lesser of either (1) 1/2 of the disability rating multiplied by the assessed value or (2) one of the following dollar amounts multiplied by the latest final state equalization rate (or special equalization rate) or class ratio:

(a)	if below maximum reduced by local law (option 1)	$20,000
(b)	if below maximum reduced by local law (option 2)	$30,000
(c)	**if state authorized maximum not reduced or increased by law**	$40,000
(d)	if above maximum increased by local law (option 3)	$50,000
(e)	if above maximum increased by local law (option 4)	$60,000
(f)	if above maximum increased by local law (option 5)	$70,000
(g)	if above maximum increased by local law (option 6)	$80,000
(h)	if above maximum increased by local law (option 7)	$90,000
(i)	if above maximum increased by local law (option 8)	$100,000
(j)	if above maximum increased by local law (option 9)	$110,000
(k)	if above maximum increased by local law (option 10)	$120,000
(l)	if above maximum increased by local law (option 11, high-appreciation municipalities only**)	$130,000
(m)	if above maximum increased by local law (option 12, high-appreciation municipalities only**)	$140,000
(n)	if above maximum increased by local law (option 13, high-appreciation municipalities only**)	$150,000
(o)	if above maximum increased by local law (option 14, high-appreciation municipalities only**)	$160,000
(p)	if above maximum increased by local law (option 15, high-appreciation municipalities only**)	$170,000
(q)	if above maximum increased by local law (option 16, high-appreciation municipalities only**)	$180,000

*These sections do not apply to residential property owned by Gold Star Parents.

** A "high-appreciation municipality" means: (1) New York City, (2) a county for which ORPTS has established a sales price differential factor for purposes of the school tax relief [STAR] exemption (Real Property Tax Law, Sec. 425) for three consecutive years, or (3) a city, town, village or school district which is wholly or partly located within such a county. ORPTS maintains a list of such counties on its website at: www.tax.ny.gov/pit/property/star/diff.htm

E. CALCULATION OF EXEMPTION (continued):

d. Combat zone veteran with disability rating*

the exempt amount determined in step b. above plus the lesser of either (1) 1/2 of the disability rating multiplied by the assessed value or (2) one of the following dollar amounts multiplied by the latest final state equalization rate (or special equalization rate) or class ratio:

(a)	if below maximum reduced by local law (option 1)	$20,000
(b)	if below maximum reduced by local law (option 2)	$30,000
(c)	**if state authorized maximum not reduced or increased by law**	**$40,000**
(d)	if above maximum increased by local law (option 3)	$50,000
(e)	if above maximum increased by local law (option 4)	$60,000
(f)	if above maximum increased by local law (option 5)	$70,000
(g)	if above maximum increased by local law (option 6)	$80,000
(h)	if above maximum increased by local law (option 7)	$90,000
(i)	if above maximum increased by local law (option 8)	$100,000
(j)	if above maximum increased by local law (option 9)	$110,000
(k)	if above maximum increased by local law (option 10)	$120,000
(l)	if above maximum increased by local law (option 11, high-appreciation municipalities only**)	$130,000
(m)	if above maximum increased by local law (option 12, high-appreciation municipalities only**)	$140,000
(n)	if above maximum increased by local law (option 13, high-appreciation municipalities only**)	$150,000
(o)	if above maximum increased by local law (option 14, high-appreciation municipalities only**)	$160,000
(p)	if above maximum increased by local law (option 15, high-appreciation municipalities only**)	$170,000
(q)	if above maximum increased by local law (option 16, high-appreciation municipalities only**)	$180,000

*These sections do not apply to residential property owned by Gold Star Parents.

** A "high-appreciation municipality" means: (1) New York City, (2) a county for which ORPTS has established a sales price differential factor for purposes of the school tax relief [STAR] exemption (Real Property Tax Law, Sec. 425) for three consecutive years, or (3) a city, town, village or school district which is wholly or partly located within such a county. ORPTS maintains a list of such counties on its website at: www.tax.ny.gov/pit/property/star/diff.htm

E. CALCULATION OF EXEMPTION (continued):

1. General Municipal and School District Taxes (continued):

e. Exemption for eligible tenant/shareholders of cooperative apartment corporations

Exemption = Assessed Value x (n/N) x W.S.
where n = number of shares owned by eligible veterans
N = total number of corporation shares
W.S. = Percent of exemption due to wartime service determined above

However, exemptions may not exceed the maximums established by local law.

f. Transfer and pro-ration of exemption: Proration of the exemption on the replacement property is based on the date during the fiscal year the veteran obtains title to the new property, and is calculated by multiplying the tax rate or rates for each municipality that has levied taxes for that fiscal year times the exempt amount on the former property, then times the fraction of each fiscal year remaining following the date the replacement property is acquired.

2. Special Ad Valorem Levies and Special Assessments: No exemption allowed.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

Code	Description of Alternative Codes Possible
4112_	Wartime veteran, non-combat zone
4113_	Wartime veteran, combat zone
4114_	Wartime veteran, disabled

Note: If a veteran has been granted a disability exemption, two codes are necessary (either 4112_ or 4113_ **and** 4114_).

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: These codes should not be used to identify property that is exempt under RPTL §458 (veterans exemption based on eligible funds or disability). For coding of such property, see the Exemption Profile for that statute.

G. FILING REQUIREMENTS (Owner or Occupant of Property):

1. All veterans: Form RP-458-a
   Application for Alternative Veterans Exemption from Real Property Taxation (see sample form and instructions following Exemption Profile). Veterans have the option of refilling if changes have occurred that affect qualifications for an increased or decreased amount of exemption, other than changes in disability ratings.

   Notes: (a) If more than one veteran owner of a single property applies for exemption under RPTL §458-a, each owner must file a separate application form.

   (b) No application form is required in applying for a prorated exemption. However, to continue receiving the exemption beyond the fiscal year in question, the owner must re-file Form RP-458-a.

2. Disabled veterans: Form RP-458-a-Dis
   Renewal Application for Alternative Veterans Exemption from Real Property Taxation Based on Service Connected Disability Compensation Rating (see sample form and instructions following Exemption Profile)

   Note: Renewal application is only required if the disability rating is increased or decreased.

Both forms and separate instructions may be downloaded and printed at:
www.tax.ny.gov/forms/orpts/exemption.htm

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS:

Subject	Statute
Veterans (exemption based on eligible funds or disability)	RPTL §458
Veterans (Cold War)	RPTL §458-b

NOTE: The Alternative Veterans Exemption Assessor's Guide follows.

A pamphlet for the general public (Veterans' Exemptions *Questions and Answers*) is available at: www.tax.ny.gov/pdf/publications/orpts/veterans.pdf

ALTERNATIVE VETERANS EXEMPTION
ASSESSOR'S GUIDE

NYS Department of Taxation and Finance
Office of Real Property Tax Services
WA Harriman State Campus
Albany, NY 12227

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THE ALTERNATIVE VETERANS EXEMPTION

In 1984, the Legislature amended the Real Property Tax Law (RPTL) and enacted a new alternative veterans exemption, §458-a (L.1984, c.525). Unlike the longstanding veterans exemption provided by RPTL §458 (the so-called "eligible funds" exemption), the alternative veterans exemption is not contingent upon the purchase of real property with specified government monies. Instead, the alternative veterans exemption is based on a percentage of assessed value subject to maximum levels of exemption. The alternative exemption is limited to the primary residence of a veteran and is available to property owned by honorably discharged veterans (or certain of their family members) who served during specified periods of war or under certain other conditions.

The alternative veterans exemption is applicable to county, city, town, village and school taxes, but not to special district levies or special assessments. In general, a qualifying wartime veteran's property receives an exemption of 15% of its assessed value. An additional 10% exemption is available where the veteran can document service in a combat theatre or zone.

There is also a third exemption for veterans who received a service-connected disability compensation rating from the Veterans Administration or the Department of Defense. The percentage for this exemption is equal to one-half of the veteran's disability rating. (Where a veteran died in the service of a service-connected disability, the veteran is considered to have been assigned a disability rating of 100%.)

Local Authorization for the Alternative Veterans Exemption

When the alternative veterans exemption was first enacted in 1984, each county, city, town and village had the choice of whether to grant it. If the municipality decided not to grant the exemption, a local law "opting out" of the alternative exemption must have been passed within given time limits. Any municipality, however, which initially opted by local law not to grant the alternative veterans exemption, may reverse its decision by repealing its local law. School districts now have the option of allowing this exemption.

In municipalities granting the alternative veterans exemption, eligible funds exemptions existing before adoption of the alternative exemption could continue, but no new eligible funds exemptions could be granted, except in the following case. In 1994 a new §458(5) was enacted authorizing, at local option, a "change in level" adjustment to eligible funds exemptions. If a taxing jurisdiction granting alternative veterans exemptions opted to allow "change in level" exemptions, it could also allow veterans who had previously had eligible funds exemptions but who later switched to the alternative veterans exemption to switch back to the eligible funds exemption. For details, see the Exemption Profile for RPTL §458, Section 4.01, P. 8.01ff.
Note: Unlike the alternative veterans exemption, the eligible funds exemption does not apply to school taxes.

Lastly, taxing jurisdictions granting the alternative veterans exemption may additionally adopt a local law, ordinance or resolution to allow that portion of a cooperative apartment corporation held by an otherwise eligible veteran tenant/stockholder to be eligible for an exemption from real property taxes. If allowed, the amount of the exemption must be determined by the assessor, based upon the proportion of the outstanding stock held by the eligible shareholder, and credited against the taxes charged to the corporation. Eligible stockholders would receive an adjustment to their monthly maintenance fees by the cooperative apartment corporation to reflect the benefit of the exemption. However, this exemption may not be granted to apartments subject to the provisions of Private Housing Finance Law Articles 2, 4, 5, or 11.

Maximum Levels of Exemption

Each county, city, town, village and school district granting the alternative veterans exemption may use the maximum set of exemption limits for the three categories of exemptions or pass a local law (or resolution, for a school district) to use either of two lower or several higher sets of exemption limits. Local laws or resolutions to use either of the two lower or eight (or fourteen, in the case of a "high-appreciation municipality") higher sets can be passed at any time.

The exemption limit sets are:

	Reduced Maximums Pursuant to Local Law		State Law Basic Max.	Increased Maximums Pursuant to Local Law							
Wartime	**$6,000**	**$9,000**	**$12,000**	**$15,000**	**$18,000**	**$21,000**	**$24,000**	**$27,000**	**$30,000**	**$33,000**	**$36,000**
Combat Zone	**$4,000**	**$6,000**	**$8,000**	**$10,000**	**$12,000**	**$14,000**	**$16,000**	**$18,000**	**$20,000**	**$22,000**	**$24,000**
Disability	**$20,000**	**$30,000**	**$40,000**	**$50,000**	**$60,000**	**$70,000**	**$80,000**	**$90,000**	**$100,000**	**$110,000**	**$120,000**

In "high appreciation municipalities" (defined below) the governing board may adopt still higher maximum limits of:

Wartime	$39,000	$42,000	$45,000	$48,000	$51,000	$54,000
Combat Zone	$26,000	$28,000	$30,000	$32,000	$34,000	$36,000
Disability	$130,000	$140,000	$150,000	$160,000	$170,000	$180,000

A "high-appreciation municipality" means: (1) New York City, (2) a county for which the Office of Real Property Tax Services (ORPTS) has established a sales price differential factor for purposes of the school tax relief [STAR] exemption (Real Property Tax Law, Sec. 425) for three consecutive years, or (3) a city, town, or village or school district which is wholly or partly located within such a county. ORPTS maintains a list of such counties on its website at: www.tax.ny.gov/pit/property/star/diff.htm

The maximum amounts must be multiplied by the latest final equalization rate or special equalization rate (if the equalization rate is 100 or less) for the assessing unit in order to arrive at the appropriate maximum exemption for each assessment roll. New maximum exemptions must be computed annually. The maximum exempt amounts can change from year to year if there is a change in the equalization rate. The annual determination of the maximum exemption is discussed in more detail in a later section of this guide.

Eligibility for Exemption

The alternative veterans exemption is available to qualifying residential real property owned by honorably discharged veterans (or certain family members) who served during defined periods of war or under certain other conditions. The following sections discuss the criteria for eligibility for exemption. Reference is made, where appropriate, to the application form for the exemption (RP-458-a).

Period of War

Veterans (or as discussed below, certain family members of veterans) who served in active duty during one of the following periods of war may qualify for at least the basic 15% alternative veterans exemption:

Persian Gulf Conflict:	8/2/90	-	*
Vietnam War:	2/28/61	-	5/7/75 *
Korean War:	6/27/50	-	1/31/55 *
World War II:	12/7/41	-	12/31/46 **

Unless one of the alternatives described in the following section is applicable, in order to qualify for the exemption, at least part of the veteran's service must fall within one of the above defined periods of war. Generally, reservists who engaged only in active duty for training or who were activated for only short periods of time are not eligible for the alternative exemption. However, reservists who were activated during a period of war and who performed significant, full-time active duty may qualify (8 Op.Counsel SBEA No. 37) (Question No. 5 on application form).

Expeditionary Medals and Other Alternatives to "Period of War" Service

In addition, veterans may qualify for the exemption without having served during a "period of war" if they were awarded an Armed Forces Expeditionary Medal, a Navy and Marine Corps Expeditionary Medal, or a Global War on Terrorism Expeditionary Medal, and were discharged or released under honorable conditions (see pp. 9.28—9.31 for a list of qualifying awards).

Certain veterans who served as crew members in the U.S. Merchant Marine during World War II are eligible to receive the alternative veterans' exemption. To qualify for exemption the person must have (1) been employed by the War Shipping Administration or Office of Defense Transportation or their agents as a merchant seaman as documented by the U.S. Coast Guard or Department of Commerce or as a civil servant employed by the U.S. Army Transport Service or the Naval Transportation Service; (2) served satisfactorily as a crew member during WW II (December 7, 1941 to August 15, 1945) aboard (a) a merchant vessel in oceangoing (foreign, intercoastal, or coastwise) voyages or "near foreign" voyages between the U.S. and Canada, Mexico, or the West Indies via ocean routes or (b) a public vessel in

*Defined in Section 458-a of the N.Y.S. Real Property Tax Law

**Derived from Section 101 of Title 38 of the United States Code oceangoing service or foreign waters; <u>and</u> (3) received a Certificate of Release or Discharge from Active Duty and a discharge certificate, or an Honorable Service Certificate/Report of Casualty from the Department of Defense.

Qualifying members of the American Field Service who served during World War II are also eligible for the alternative veterans exemption. To be eligible for exemption, the applicant must have (1) been employed by the American Field Service, (2) served overseas under U.S. Armies and U.S. Army Groups in World War II (December 7, 1941 to May 8, 1945), and (3) been discharged or released therefrom under honorable conditions.

Certain individuals who served with Pan American World Airways' during World War II may be granted the alternative veterans exemption. Persons receiving the exemption will have (1) served overseas as a flight crew and aviation ground support employee of Pan American World Airways or one of its subsidiaries or affiliates as a result of Pan American's contract with Air Transport Command or Naval Air Transport Service during World War II (December 14, 1941 to August 14, 1945) and (2) been discharged or released therefrom under honorable conditions.

Members of the reserve components of the U.S. armed forces who received an honorable discharge or release therefrom under honorable conditions, but are still members of the reserve components may be granted the alternative veterans exemption provided that such members meet all other qualifications for receiving the exemption.

To be eligible for exemption, the veteran must also have been discharged or released from service under honorable conditions. The veteran must attach proof to the application form verifying the dates and character of service (Question Nos. 5, 6). The additional proof necessary to justify approval of the combat zone (Question No. 7) and/or the disability portion (Question No. 8) of the alternative exemption is discussed in a later section of this guide.

<u>Ownership Requirements</u>

To be eligible for exemption, the property must be owned by the veteran, the spouse of the veteran, the unremarried surviving spouse of the veteran, or, if allowed by local option, a Gold Star Parent (defined as the parent of a child who died in the line of duty while serving in the United States Armed Forces during a period of war). (The fact that title to the property is in a veteran's spouse's name will not render a property ineligible to receive the exemption.) The ownership requirement is also satisfied if the veteran, the veteran's spouse, the veteran's unremarried surviving spouse, or the Gold Star Parent is the legal life tenant of the property. For purposes of this veterans' exemption, if the title to real property is held by a trustee or trustees, the property is eligible for a property tax exemption so long as the trustees or trust beneficiaries are otherwise qualified. If both the husband and wife are deceased, the exemption can be granted or continued for the veteran's dependent father, mother, or child(ren) under 21 years of age who have legally received the property and who use it as their primary residence. The property must also have been the primary residence of a qualified owner prior to his or her death. If the owner is a veteran and is also the unremarried surviving spouse of a veteran, the veteran may also receive any exemption to which the deceased spouse was entitled.

Proof of ownership must be submitted with the application. Generally, the deed to the property for which exemption is sought will be the best proof of ownership. However, 3 Op.Counsel SBEA No. 52, which applies to the senior citizens exemption, concludes that a person in possession of property and holding an executory contract of sale to the parcel has "ownership" of the parcel and is entitled to receive that exemption. Similarly, a veteran holding this type of executory contract of sale will also qualify as an "owner" for purposes of the alternative veterans' exemption.

A mortgage can also be used as proof of ownership. Make sure that the mortgage is for the property for which the exemption is being sought and that the owner(s) name(s) on the application form correspond to the mortgagor's name.

If the cooperative apartment provisions of RPTL §458-a(6) are allowed by local option, the apartment must be held in a cooperative form of ownership by a veteran who is a tenant/stockholder and resident of the apartment and satisfies all other conditions of the exemption. However, this exemption may not be granted to apartments subject to the provisions of Private Housing Finance Law Articles 2, 4, 5, or 11.

Residential and Occupancy Requirements

To be eligible for exemption, the property must be the primary residence of the veteran, the unremarried surviving spouse of the veteran, or, if allowed by local option, a Gold Star Parent unless that person is absent from the property due to medical reasons or institutionalization (Question No. 9).

In discussing what is a "legal residence" for purposes of the senior citizens exemption, we stated, "which dwelling is his legal residence depends upon such facts as where he votes, the length of time spent in each place, the nature and amount of personal property in each place, and other conduct and behavior evidencing which he considers to be his permanent home" (2 Op.Counsel SBEA No. 57). We believe that similar criteria should be applied in determining "primary residence" for purposes of §458-a. It is clear, however, that unlike the eligible funds veterans' exemption (RPTL §458(1)), the alternative veterans exemption can only be granted to the primary residence of the veteran, and, if the veteran does not reside on the property, no exemption may be granted unless his absence is due to hospitalization or institutionalization. It is also clear that the "primary residence" issue needs to be determined on a case-by-case basis.

The property for which the exemption is sought must also be used exclusively for residential purposes. However, if a portion of the property is not used exclusively for residential purposes, the alternative veterans exemption can still be granted, but only to the residential portion of the property (Question No. 10). Where only a portion of the parcel is used exclusively for residential purposes, the exemption may be granted by distributing or apportioning the assessed valuation of the property between the residential (exempt) and nonresidential (taxable) portions and applying the exemption to the assessed valuation attributable to only the residential portion. Thus, the alternative exemption may be granted with or without separately assessing the residential portion or classifying the roll.

You will find that exclusive residential use normally means that the parcel has a property class code of 210 (single family), 220 (two family), 230 (three family), or 270 (mobile home). It could also include a portion of an agricultural property coded in the 100 series. Where rolls are classified in accordance with Article 19 of the RPTL as to the homestead class and non-homestead class, entries coded to the homestead class will meet the "exclusively used for residential purposes" requirement. The residential portion, if any, of non-homestead property may also qualify for exemption. Similarly, for special assessing units under Article 18 of the RPTL (New York City and Nassau County), the properties included in Class 1 should satisfy the "exclusively used for residential purposes" test. Condominiums in Class 2 will have to be reviewed on a case-by-case basis.

Options for Veterans -- "Grandfather" Provisions

A qualified veteran receiving the eligible funds exemption may continue to receive that exemption notwithstanding the decision of his or her municipality to grant the alternative exemption. A veteran retaining the eligible funds exemption may still, at any time, apply for an increase in the amount of that exemption to the statutory $5,000 maximum provided he or she uses additional eligible funds to purchase his or her real property.

If a veteran who received the eligible funds exemption moves, the veteran may still transfer that exemption, provided that the proceeds of sale of the former exempt property are used to purchase replacement property, even if the replacement property is located in a jurisdiction granting the alternative exemption.

Switching to the Alternative Veterans Exemption

In a municipality granting the alternative veterans exemption, a qualified veteran receiving an eligible funds exemption may elect to switch to the alternative exemption. To receive the alternative veterans exemption, however, the veteran must generally terminate all of his or her eligible funds (or pro rata) exemption(s) (i.e., statewide). For example, where the alternative exemption is being granted by both the town (or city) and the county, a veteran may not receive the eligible funds veterans exemption for one tax purpose (e.g., town taxes) and an alternative exemption for another (e.g., county taxes). If, however, the town opted out of the alternative exemption but the county did not, the veteran may retain the eligible funds exemption for town purposes and receive the alternative exemption for county purposes (8 Op.Counsel SBEA No. 12) (Question No. 12).

If the veteran switches to the alternative veterans exemption, the veteran cannot reverse the action unless (1) the veteran moves to a municipality that does not grant the alternative exemption and the veteran uses the proceeds of property sale to purchase the replacement property or (2) switching back to the eligible funds exemption is allowed by the local law adopting "change in level" adjustment to such exemptions (described in the Exemption Profile for RPTL §458, Section 4.01, P. 8.01ff.)

Moving to a New Property

A veteran who moves and purchases another residence in the same assessing unit or in another assessing unit granting the alternative veterans exemption can continue to receive the alternative exemption upon timely application. If the new municipality is not granting the alternative exemption, the veteran can switch back to the eligible funds exemption if the veteran previously had that exemption.

A veteran, spouse of a veteran or unremarried surviving spouse of a veteran who moves and purchases another residence in the same assessing unit may transfer the alternative veterans' exemption to the replacement property if allowed by local option. Such an owner need not resubmit RP-458-a to receive the prorated benefit, however, to continue receiving the exemption on the replacement residence beyond the fiscal year in question, the owner must resubmit RP-458-a.

The veteran who moves from one municipality to another should attach a copy of the previous exemption application or other proof of a prior exemption with the RP-458-a being submitted to you. If the veteran is unable to obtain a copy of the previous application, you are encouraged to contact the assessor in the prior municipality to verify the previous exemption.

Applying for the Exemption

A veteran (or other qualified owner) seeking the alternative veterans exemption must file a completed application form (RP-458-a) with the assessor on or before taxable status date. Veterans initially filing for the alternative exemption as well as those veterans receiving an eligible funds exemption who want to switch to the alternative exemption must use this form. A copy of Form RP-458-a and instructions can be found at the end of the exemption profile.

The owner(s) of the residential property is (are) the person(s) who must complete and sign the form. If more than one veteran is making application for a single property, separate applications need to be provided. An example of this is where both the husband and wife are veterans.

One of the most important parts of the application is the written evidence that needs to be attached to the application. An application submitted without the required written evidence does not provide sufficient documentation to justify approval of the exemption.

For the basic 15 percent exemption for "active service during a period of war," the owner needs to provide, at a minimum, the following:

1. A completed application form.
2. A copy of the deed to the property or other proof of ownership.
3. A copy of the separation from service form such as the DD214 or other written evidence to prove dates of service and type of discharge or release.

A veteran who is also requesting the additional 10 percent exemption for service in a combat zone or combat theatre must submit proof of the award of a United States campaign medal or ribbon documenting such service. (Question No. 7).

The New York State Division of Veterans' Affairs has provided the following list of awards which, when included on separation of service forms, document service in a "combat theatre or combat zone." These medals were awarded to all qualifying veterans in all branches of the Armed Forces and are on the separation papers of such veterans. The qualifying awards for these war periods are:

World War II – European-African-Middle Eastern Ribbon, Combat Infantry Badge, Combat Medical Badge, Combat Action Ribbon, or Asiatic-Pacific Campaign Ribbon, or American Campaign Medal when awarded under certain conditions

Korean – Korean Service Ribbon, Korean Service Medal, Combat Infantry Badge, Combat Medical Badge, Combat Action Ribbon, United Nations Service Medal for Korea, or Presidential Unit Citation (Republic of Korea)

Vietnam – Vietnam Service Ribbon, Combat Infantry Badge, Combat Medical Badge, Combat Action Badge, or Combat Action Ribbon

Persian Gulf – Southwest Asia Service Medal, Afghanistan Campaign Medal, Iraq Campaign Medal, Kosovo Campaign Medal, Combat Infantry Badge, Combat Medical Badge, Combat Action Ribbon, or Close Combat Badge

In addition to the medals specified above, a veteran who has received an Armed Forces Expeditionary Medal, a Navy Expeditionary Medal, Marine Corps Expeditionary Medal, or a Global War on Terrorism Expeditionary Medal is entitled to the additional combat zone exemption. The State Division of Veterans' Affairs has provided the following list of medals which, when included on separation of service forms, document receipt of an Armed Forces Expeditionary Medal, a Navy Expeditionary Medal, or a Marine Corps Expeditionary Medal. As of September 1, 2013, the qualifying medals are:

Armed Forces Expeditionary Medals

Lebanon (Oper. Bluebat) .... 7/1/58 - 11/1/58
Vietnam .... 7/1/58 - 7/3/65
Taiwan Straits .... 8/23/58 - 1/1/59
Quemoy & Matsu Islands .... 8/23/58 - 6/1/63
Congo/Zaire (Oper. New Tape) .... 7/14/60 - 9/1/62
Laos .... 4/19/61 - 10/7/62
Berlin .... 8/14/61 - 6/1/63
Cuba (Missile Crisis) .... 10/24/62 - 6/1/63
Congo (Opers. Dragon Red & Dragon Black) .... 11/23/64 - 11/27/64
Dominican Republic .... 4/28/65 - 9/21/66
Korea .... 10/1/66 - 6/30/74
Cambodia (Bombing Campaign) .... 3/29/73 - 8/15/73
Thailand .... 3/29/73 - 8/15/73
Cambodia (Oper. Eagle Pull) .... 4/11/75 - 4/13/75
Vietnam (Oper. Frequent Wind) .... 4/29/75 - 4/30/75
Cambodia (Mayaguez Hostage Rescue) .... 5/15/75 - 5/15/75
El Salvador .... 1/1/81 - 2/1/92
Lebanon .... 6/1/83 - 12/1/87
Grenada (Oper. Urgent Fury) .... 10/23/83 - 11/21/83
Libya (Oper. El Dorado Canyon) .... 4/12/86 - 4/17/86
Persian Gulf (Oper. Earnest Will) .... 7/24/87 - 8/1/90
Panama (Oper. Just Cause) .... 12/20/89 - 1/31/90
Somalia (Opers. Restore Hope & United Shield) .... 12/5/92 - 3/31/95
Haiti (Oper. Uphold Democracy) .... 9/16/94 - 3/31/95

Bosnia .... 6/1/92 – 6/20/98
(Oper. Joint Guard) .... 12/20/96 - 6/20/98
(Oper. Joint Endeavor) .... 11/20/95 – 12/19/98

Southwest Asia (Opers. Maritime Intercept & Southern Watch, and Exercises Intrinsic Action & Iris Gold) .... 12/1/95 – 3/18/03
(Oper. Vigilant Sentinel) .... 12/1/95 - 2/15/97
(Oper. Northern Watch) .... 1/1/97 – 3/18/03
(Oper. Desert Thunder) .... 11/11/98 - 12/22/98
(Oper. Desert Fox) .... 12/16/98 - 12/22/98
(Oper. Desert Spring) .... 12/31/98 - 3/18/03

Yugoslavia
(Oper. Joint Forge) .... 11/29/95 – 12/2/04

Haiti
(Oper. Secure Tomorrow) .... 2/27/04 - 6/15/04

Navy Expeditionary Medals and Marine Corps Expeditionary Medals

Wake Island .... 12/7/41 - 12/22/41
Cuba (Bay of Pigs) .... 1/3/61 - 10/23/62
Thailand .... 5/16/62 - 8/10/62
Gulf of Aden/Yemen and Indian Ocean .... 12/8/78 - 6/6/79
Iranian and Indian Ocean (Hostage Crisis) .... 11/21/79 - 10/21/81
Lebanon .... 8/20/82 - 5/31/83
Libya (Oper. Prairie Fire, etc.) .... 1/20/86 - 6/27/86
Persian Gulf (USS Stark, etc.) .... 2/1/87 - 7/23/87
Panama .... 12/20/89 - 1/31/90
Liberia (Oper. Sharp Edge) .... 8/5/90 - 2/21/91
Rwanda (Oper. Distant Runner) .... 4/7/94 - 4/18/94
Eritrea (Oper. Safe Departure) .... 6/6/98 - 6/23/98
USS Cole (Oper. Determined Response) .... 10/12/00 - 12/15/02

Global War on Terrorism Expeditionary Medals (9/11/01 - TBD*)

(Note: the Global War on Terrorism *Service* Medal does not qualify.)

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*TBD - To be determined.

Not all recipients of the World War II American Campaign Medal are eligible for the additional exemption for service in a combat zone or theatre. For a veteran to qualify for additional exemption based upon the receipt of the American Campaign Medal, the medal must have been awarded under one of the following conditions:

1. On permanent assignment outside the continental limits.

2. Permanently assigned as a member of a crew of a vessel sailing ocean waters for 30 consecutive days or 60 nonconsecutive days.

3. Outside the continental limits in a passenger status or on temporary duty for 30 consecutive days or 60 nonconsecutive days.

4. Awarded combat decoration or certificate when recipient actually participated in active combat against the enemy.

A veteran, therefore, who received the American Campaign Medal solely for service within the continental limits of the United States for an aggregate period of one year will not qualify for the additional exemption. Accordingly, to determine if a particular recipient of the American Campaign Medal qualifies for the additional exemption, it is necessary to examine the veteran's DD214 or other separation form to determine the basis for the award.

Veterans who served in the U.S. Merchant Marine during World War II are eligible to receive the alternative exemption. These veterans received awards different from those issued to veterans in the Armed Forces. The State Division of Veterans' Affairs has advised us that awards that document a World War II merchant mariner's service in a combat theatre or combat zone are:

Atlantic War Zone Bar
Pacific War Zone Bar
Mediterranean-Middle East War Zone Bar
Merchant Marine Combat Bar

The Division of Veterans' Affairs has also advised us that a World War II merchant mariner may also have received one of the following awards:

Philippine Defense Ribbon
Philippine Liberation Ribbon
Mariner's Medal
Distinguished Service Medal
Meritorious Service Medal

These awards, however, do not prove service in a combat zone in and of themselves. Documentation will be necessary to show that the recognized service occurred in a combat zone.

Certain members of the American Field Service and flight crew and aviation ground support units of Pan American World Airways are also eligible to receive the alternative veterans exemption. However, The Division of Veterans' Affairs has informed us that these service members did not receive any awards different from those issued to veterans in the United States Armed Forces.

New Residential Property in Certain Cities **RPTL Section 485-o**

Exemption Code(s):

Vacant or New Residential	44456
LEED – Certified/Silver	44466
LEED – Gold	44476
LEED – Platinum	44486

Year Originally Enacted: 2013

Related Statutes: None

SUMMARY: If approved by local law, the rehabilitation of formerly vacant residential structures determined to be unoccupied hazards and the construction of new one- or two-family residences which are located in cities of at least 130,000 but not more than 160,000 residents based on the 2010 federal census (i.e., Syracuse (Onondaga County)) are partially exempt from city and school taxes. Qualified new residential structures built to certain energy efficiency and environmental standards are eligible for a longer exemption. Such partial exemption, for the value added by the improvements, is based on schedules that apply to different types of improvements. No exemption is allowed from county taxes, county special ad valorem levies, and special assessments.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or organization.

2. **Property Location Requirements:** Property must be located in cities having a population of not less than 130,000, and not more than 160,000, as measured in the 2010 census. Only Syracuse (Onondaga County) satisfies this criterion.

3. **Property Use Requirements:** Property must be either (1) a rehabilitated formerly vacant residential building that has been determined to be an unoccupied hazard, all or a substantial part of which has remained unoccupied for at least one year with doors, windows, or other openings that were broken, removed, boarded or sealed up, (2) a new one- or two-family residence that meets the certified/silver, gold, or platinum standards for Leadership in Energy and Environmental Design (LEED) published by the U.S. Green Building Council, or (3) a new one- or two-family residence meeting requirements set in the City's local law.

   The value of such a rehabilitation or new construction project must be greater than $20,000. Ordinary maintenance and repairs do not qualify as construction or improvements. The exemption granted to a newly constructed one- or two-family residence ceases if such a building is no longer used primarily as a one- or two-family residence.

A. **ELIGIBILITY REQUIREMENTS (continued):**

4. **Certification by State or Local Government:** Each rehabilitation project must be pre-approved by the city assessor and director of code enforcement prior to the commencement of the renovation. The pre-approval must be in writing, and must certify that the building to be totally rehabilitated constitutes an unoccupied hazard. A copy of a certificate prepared by a LEED-accredited professional regarding compliance with LEED environmental building standards must be filed with the assessor for each newly constructed one- or two-family residence whose owner claims exemption as a certified/silver, gold or platinum LEED-certified home. The building renovation or new construction must be documented by a building permit, if applicable, or other appropriate documentation as required by the assessor, such as a certificate of occupancy.

5. **Required Construction Start Date or Other Time Requirement:** Rehabilitation or new construction must commence on or after January 1, 2013. Application for exemption must be filed with the assessor on or before the applicable taxable status date and within one year from the date of completion of construction.

B. **LOCAL OPTION:** Yes, the city is allowed two choices:

1. **Adopt the Exemption:** A local law is required to adopt the Section 485-o exemption. Such a local law may provide that the exemption applies to qualified renovations and new home construction that begin on or after January 1, 2013.

2. **Termination of Exemption:** The city may provide in its local law procedures for eliminating the exemption previously granted to a particular property after the assessor and the director of code enforcement determine that a property has serious code violations which have not been corrected and/or that the owner of such a property has not paid any judgments and/or fines, penalties and costs for the property that are owed in accordance with the applicable laws, local laws, ordinances, rules and regulations.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	No exemption allowed**	No exemption allowed
2. Duration	Yes*	Yes*	No exemption allowed**	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Tax	NA	Tax	Tax
b. City	Ex***	NA	NA	Tax
c. Town or Town Special District	Tax	NA	Tax	Tax
d. Village	Tax	NA	NA	Tax
e. School District	NA	Ex***	NA	NA

Ex - Exempt Tax - Taxable NA - Not Applicable

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*See Calculation of Exemption below.

**No exemption allowed for county special ad valorem levies.

***If allowed by local option. Please note that the exemption would apply to taxes the City of Syracuse levies for city and school purposes, since the Syracuse City School District is a financially dependent school district (Education Law, Article 52).

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. **General Municipal and School District Taxes**: The schedule to be followed in calculating the exemption depends on which exemption applies: a rehabilitated formerly vacant residential building, a new residential structure, or a new residential structure that meets energy efficiency and environmental standards in one of three categories specified in the LEED program: certified/silver; gold; or platinum. (These standards can be found at www.usgbc.org). For all of the exemption schedules listed below, the exempt amount for each year is to be calculated on the basis of the "exemption base," defined as the increase in the assessed value due to qualified improvements in the initial year of the term of each exemption schedule. The exemption applies only to city and school district taxes.

   a. Rehabilitated Formerly Vacant Residential Building or A Newly Constructed Residence That Does Not Meet LEED Standards: The following percentages of the increase in assessed value resulting from the rehabilitation or construction should be applied:

Year of Exemption	Percentage of Exemption
1	100
2	100
3	100
4	100
5	100
6	100
7	100
8	75
9	50
10	25

E. CALCULATION OF EXEMPTION (continued):

1. General Municipal and School District Taxes (continued):

b. Newly Constructed Residential Structures Qualifying for LEED Certification (by designated category): The following percentages of the increase in assessed value resulting from the new construction should be applied:

	Percentage of Exemption		
Year of Exemption	(1) Certified/ Silver	(2) Gold	(3) Platinum
1	100	100	100
2	100	100	100
3	100	100	100
4	100	100	100
5	100	100	100
6	100	100	100
7	100	100	100
8	100	100	100
9	80	100	100
10	60	80	100
11	40	60	100
12	20	40	75
13	n/a	20	50
14	n/a	n/a	25

2. Special Ad Valorem Levies and Special Assessments:

Cities and school districts do not impose special ad valorem levies; no exemption is allowed for county special ad valorem levies. No exemption is allowed for special assessments.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

Code	Description of Alternative Codes Possible
44456	Vacant or New Residential
44466	LEED – Certified/Silver
44476	LEED – Gold
44486	LEED – Platinum

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: These codes should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below. For coding of such properties, see the Exemption Profile for the statutes that apply.

G. FILING REQUIREMENTS (Owner or Occupant of Property): The Syracuse Assessment Department has posted an explanation of the exemption and application forms on the City of Syracuse's Internet Website (www.syracuse.ny.us). Further information may be obtained by contacting the Syracuse Assessment Department at City Hall, Room 130, Syracuse, NY 13202 or at (315) 448-8280.

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS:

Subject	Statute
Capital improvements to residential buildings in certain towns	RPTL §421-l
Certain living quarters constructed to be occupied by a senior citizen or disabled individual	RPTL §467-d
First-time homebuyers of newly constructed homes	RPTL §457
Green Buildings	RPTL §470
Private one- and two-family dwellings and certain multiple dwellings in New York City	RPTL §421-b
Residential capital improvements in certain cities	RPTL §421-ff
Residential investment in certain municipalities	RPTL §§485-h, 485-i, 485-j, 485-k, 485-l, 485-m
Residential property improvements in certain cities	RPTL §485-j
Residential property improvements in certain towns	RPTL §485-l

Solar, Wind, or Farm Waste Energy Systems — RPTL Section 487

Exemption Code(s): Publicly owned property 3030 _
Privately owned property 4950 _

Year Originally Enacted: 1977, reenacted 1990

Related Statutes: Pub Serv L §66-j

SUMMARY: Real property that contains a solar, wind, or farm waste energy system approved by the State Energy Research and Development Authority is exempt from taxation for a period of 15 years to the extent of any increase in assessed value due to the system. Such property is liable for special ad valorem levies and special assessments. The exemption as reenacted in 1990 is subject to local option (see below).

A. ELIGIBILITY REQUIREMENTS:

1. <u>Ownership Requirements</u>: None.

2. <u>Property Location Requirements</u>: None.

3. <u>Property Use Requirements</u>: Property must contain a solar or wind energy system, an arrangement of solar or wind energy equipment designed to provide heating, cooling, hot water, or mechanical, chemical, or electrical energy by the collection of solar or wind energy and its conversion, storage, protection, and distribution. Solar or wind energy equipment qualifying the property for exemption includes collectors, controls, energy storage devices, heat pumps and pumps, heat exchangers, windmills, and other materials, hardware, or equipment necessary to the process by which solar radiation or wind is collected, converted into another form of energy, stored, protected from unnecessary dissipation, and distributed. It does not include pipes, controls, insulation, heat pumps, or other equipment that is part of the normal heating, cooling, or insulation system of a building. It does include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards required by law.

   Alternatively, the property must contain a farm waste energy system, an arrangement of farm waste electrical generating equipment necessary to the process of producing, collecting, storing, cleaning, and converting agricultural waste biogas into forms of energy such as thermal, electrical, mechanical or chemical and by which the biogas and converted energy are distributed on-site. It does not include pipes, controls, insulation, or other equipment that are part

A. ELIGIBILITY REQUIREMENTS (continued):

3. Property Use Requirements (continued):

of the normal heating, cooling or insulation system of a building. Farm waste electric generating equipment includes equipment that generates electrical energy from biogas produced by the anaerobic digestion of agricultural waste, such as livestock manure, farming waste and food processing wastes with a rated capacity of not more than 1,000 kilowatts that is: 1) manufactured, installed and operated in accordance with applicable government and industry standards, 2) connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities, 3) operated in compliance with the provisions of Section 66-j of the Public Service Law, 4) fueled at a minimum of 90 percent annually by biogas produced from the anaerobic digestion of agricultural waste such as livestock manure materials, crop residues and food processing wastes, and 5) fueled by biogas generated by anaerobic digestion with at least 50 percent by weight of its feedstock being livestock manure materials annually.

4. Certification by State or Local Government: None required.

5. Required Construction Start Date or Other Time Requirement: Solar, wind, or farm waste energy system must be (a) in existence or constructed prior to July 1, 1988, or (b) constructed after January 1, 1991 and before January 1, 2015.

B. LOCAL OPTION: Yes -- With respect to solar, wind, or farm waste energy systems constructed after January 1, 1991 and before January 1, 2015, each county, city, town, village and school district (except the city school districts of New York, Buffalo, Rochester, Syracuse, and Yonkers) may choose whether to disallow the exemption. The option must be exercised by counties, cities, towns, and villages through adoption of a local law and by school districts by adoption of a resolution.

D. PAYMENTS IN LIEU OF TAXES (continued):

Subsequent to acquisition of the property by a state and prior to the completion of construction of the facilities, annual payments are to be equivalent to the amount of taxes levied on the property prior to acquisition by the state. After the facilities are constructed, annual payments are to be made for the period of probable usefulness of the facilities or the lands on which the facilities are built, whichever is longer, but in no event for more than 30 years. These payments are to be equal to 1% of the sum of the acquisition cost of the land and improvements plus the cost of construction of the facilities. The law governing this program allows the city to agree to payments in lesser amounts than those described here or to agree not to apply for any payments at all.

4. The state is required to make payments in lieu of taxes to a city located in a county where a state office building project has been constructed in accordance with the "South Mall contract", i.e. the City of Albany. These payments are to be equal to 1% of the sum of the actual acquisition cost of the land and the improvements thereon and the actual cost of the construction of the facilities, but may not exceed the following amounts:

State Fiscal Year	Amount
2000-2001	$4,500,000
2001-2002	$4,500,000
2002-2003	$4,500,000
2003-2004	$9,850,000
2004-2005	$16,850,000
2005-2006	$22,850,000
2006-2007	$22,850,000
2007-2008	$22,850,000
2008-2009	$22,850,000
2009-2010	$22,850,000
2010-2011	$22,850,000
2011-2012	$15,000,000
2012-2013	$22,850,000
2013-2014	$22,850,000
2014-2015	$15,000,000
2015-2016	$15,000,000
2016-2017	$15,000,000

State Fiscal Year	Amount
2017-2018	$15,000,000
2018-2019	$15,000,000
2019-2020	$15,000,000
2020-2021	$15,000,000
2021-2022	$15,000,000
2022-2023	$15,000,000
2023-2024	$15,000,000
2024-2025	$15,000,000
2025-2026	$15,000,000
2026-2027	$15,000,000
2027-2028	$15,000,000
2028-2029	$15,000,000
2029-2030	$15,000,000
2030-2031	$15,000,000
2031-2032	$7,150,000
2032-2033	$7,150,000

Property eligible for these payments is not entitled to any other form of state aid for such state-owned or state-leased property.

5. The state is required to make payments in lieu of taxes to the county, town, school district, and special district(s) for land and improvements acquired by the state at West Valley in the town of Ashford, Cattaraugus County, and used by Nuclear Fuel Services, Inc., beginning in any year in which the acquisition of such property causes a decrease in the taxable assessed value of the taxing

D. PAYMENTS IN LIEU OF TAXES (continued):

jurisdiction. The amount of payment is to be equal to the taxes and special district charges that were levied or would have been levied on the property on the basis of its value on the last assessment roll completed in 1980. Each taxing jurisdiction must apply to the state Comptroller for payments under this program.

Since they are not collected by the tax collector, payments in lieu of taxes should not be entered on the tax roll. Such payments are collected in the same manner as are other payments due the municipality under contract.

E. CALCULATION OF EXEMPTION:

1. General Municipal and School District Taxes: 100% of assessed value.

2. Special Ad Valorem Levies and Special Assessments:

Special Ad Valorem Levies: 100% of assessed value.

Special Assessments: 100% of basis of assessment.

The exemption applies to all assessments imposed by counties, county special districts, towns, and town special districts except (1) charges levied to pay for the capital costs of sewer systems, water supply systems, waterways and drainage improvements, and streets and highways, and (2) special assessments for indebtedness contracted before 7/1/53. The exemption does not apply to special assessments imposed by cities or villages.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

Code	Description of Alternative Codes Possible
12100	

Assessment Roll Section(s): Exempt (RPS Section 8).

NOTE: This code should not be used to identify property that is taxable under RPTL §402, RPTL §532, or ECL §15-2115, or is exempt for certain purposes under RPTL §534, RPTL §536, or ECL §15-2309, or is exempt under any of the statutes listed under Similar Exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

G. FILING REQUIREMENTS (Owner or Occupant of Property): None.

($25); each of these amounts must be increased by 5% every 6th year.

D. PAYMENTS IN LIEU OF TAXES (continued):

d. To all school districts annually determined by the Water Board to have lost property tax revenues as a result of the transfer of previously taxable property by either a municipality or its board of water supply to the Water Board: in the first fiscal year, the sum of $975,000; in each of the next 22 years, the sum paid in the preceding year reduced by $42,391. The amount paid to each individual school district, to be determined annually by the Water Board, must be in proportion to the amount of property taxes received by each school district from the board of water supply in fiscal year 1993-1994.

Any of the above required payments in lieu of taxes may be reduced at any time for any period by resolution of the governing body of the Water Board. Such reduction must be uniform among the recipient taxing jurisdictions; i.e., any percentage decrease to a municipality or school district must be equally applied to each other municipality or school district. Payments in lieu of taxes to local taxing jurisdictions may, as determined by the Water Board, be in priority to or subordinate to any other payments that the Water Board is required to make, including payments to the Upper Mohawk Valley Regional Water Finance Authority or to any trustee representing the holders of bonds issued by the authority.

10. Long Island Power Authority -

The authority is required to make payments in lieu of taxes to municipalities and school districts as follows:

For property that is acquired by the authority from the Long Island Lighting Company (LILCO) and as a result is removed from the tax rolls, annual payments must equal 100% of the taxes that would have been received by each taxing jurisdiction if the acquisition had not occurred, provided, however that for the calendar year starting on January 1, 2015, and for each calendar year thereafter, such payments in lieu of taxes may not exceed the in lieu of tax payments made to authorities and school districts in the immediately preceding year by more than two percent.

11. North Country Power Authority

The authority is required to make payments in lieu of taxes to municipalities and school districts equal to the taxes and the assessments which would have been received from year to year by such jurisdictions.

D. PAYMENTS IN LIEU OF TAXES (continued):

Other public authorities may make payments in lieu of taxes voluntarily, through agreements with taxing jurisdictions. For two public authorities, the Auburn Industrial Development Authority and the Troy Industrial Development Authority, the form of
such agreements is specified by law. The agreement must be in writing and must specify: (1) the amount due annually to each affected taxing jurisdiction (or a formula by which the amount can be calculated), (2) the name and address of the person, office, or agency to which payment must be delivered, (3) the date on which payment will be
made, and (4) the date on which payment will be considered delinquent if not paid. Unless otherwise agreed to by the affected taxing jurisdictions, the agreement must provide that payments will be allocated among the taxing jurisdictions in proportion to the amount of real property tax and other taxes that would have been received by each jurisdiction had the project not been tax exempt. In the absence of any such written agreement, payments in lieu of taxes must be allocated in the same proportion as they had been prior to January 1, 1993.

Note: Since they are not collected by the tax collector, payments in lieu of taxes should not be entered on the tax roll. Such payments are collected in the same manner as are other payments due the municipality under contract.

See also Section 4.02, RPTL Section 404(1).

E. CALCULATION OF EXEMPTION:

1. General Municipal and School District Taxes: 100% of assessed value.

2. Special Ad Valorem Levies and Special Assessments: 100% of assessed value or other basis of assessment for those authorities which are exempt from such levies and assessments (see Table 3 - Extent of Exemption).

   See note under Local Option section above regarding the authorities with possibly different percentages of exemption.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

State Public Authorities

Code	Description of Alternative Codes Possible
12350	Battery Park City Authority NY Local Government Assistance Corporation NYC Municipal Assistance Corporation NYS Energy Research and Development Authority NYS Industrial Exhibit Authority NYS Job Development Authority NYS Mortgage Agency

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TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
A. Civic Center and Sports Authorities			
1. Albany Convention Center Authority	Property must be owned by the authority or under its control, possession, or supervision	C/Albany	Design, develop, plan, finance, create, site, construct, renovate, operate, manage, and maintain the Albany Convention facility
2. NYC Sports Authority	Property must be owned by the authority or under its control, possession, or supervision	New York City	Maintain and operate NYC sports facilities, both public and private, in an efficient and economic manner for sports events, meetings, exhibitions, cultural events, and other events of civic, community, or general public interest
3 NY Convention Center Operating Corporation	Property must be owned by the authority	New York County in the area with boundaries defined by Chapter 3 of the Laws of 2004	Construct, operate, and maintain a convention center including the expansion project for conventions, trade exhibitions, and public shows
4. NYS Industrial Exhibit Authority	Property must be owned by the authority	See Use Requirements	Establish, develop, and perpetuate a state or interstate and international industrial exhibition in connection and cooperation with the annual state fair upon the property originally owned by the NYS Agricultural Society and now owned by the authority
5. NYS Olympic Regional Development Authority	Property must be owned by the authority	Olympic Region (Essex County)	Maintain and operate the Olympic facilities in and around Lake Placid
6. Oneida County Sports Facility Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	C/Utica	Develop, construct, operate, maintain, manage, or contract for the operation, maintenance, or management of Murnane Field
7. Saratoga Springs City Center Authority	Property must be owned by the authority or under its control, possession, or supervision	C/Saratoga Springs	Construct, operate, and maintain the Saratoga Springs City Center and related facilities
8. Upper Mohawk Valley Memorial Auditorium Authority	Property must be owned by the authority or under its control, possession, or supervision	C/Utica	Develop, construct, operate, maintain, and manage the Upper Mohawk Valley Memorial Auditorium

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
B. Industrial Development and Market Authorities			
1. Auburn Industrial Development Authority	Property must be owned by the authority or under its control, possession, or supervision	None	Acquire, construct, reconstruct, improve, maintain, and equip industrial, warehousing, research, and commercial facilities, including industrial pollution control and civic facilities
2. Central New York Regional Market Authority	Property must be owned by the authority	Cayuga, Cortland, Madison, Oneida, Onondaga, and Oswego Counties; Wayne Co. east of new pre-emption line (see Genesee Valley Market Auth., Location Requirements below)	Construct, maintain, and improve regional market facilities for the buying and selling of agricultural products; provide services incidental thereto
3. Genesee Valley Regional Market Authority	Property must be owned by the authority or under its control, possession, or supervision	Genesee, Livingston, Monroe, Ontario, Orleans, Steuben, Wyoming, and Yates Counties; Wayne Co. Towns of Arcadia, Lyons, Macedon, Marion, Ontario, Palmyra, Sodus, Walworth, and Williamson (towns other than these are located west of the new pre-emption line)	Acquire, construct, reconstruct, equip, improve, operate and maintain adequate regional market facilities within the district for the buying and selling of agricultural products; provide services incidental thereto; to assist in the establishment and development of agriculture and agriculturally related businesses in the district
4. Long Island Market Authority	Property must be owned by the authority or under its control, jurisdiction, or supervision	None	Acquire, construct, lease, expand, improve, maintain, equip, furnish, and operate regional market facilities for the buying and selling of perishable agricultural commodities and commercial fishing products.
5. NYS Job Development Authority	Property must be owned by the authority	None	Acquire property for (1) construction of new industrial or manufacturing plants, (2) construction of new buildings for research and development, or (3) rehabilitation and improvement of former industrial or manufacturing plants
6. Troy Industrial Development Authority	Property must be owned by the authority or under its control, possession, or supervision	C/Troy	Acquire, construct, reconstruct, improve, maintain, and equip industrial, manufacturing, warehousing, research, and commercial facilities, including industrial pollution control and civic facilities

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
C. Transportation Authorities			
1. Albany County Airport Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Acquire, construct, reconstruct, lease, expand, improve, maintain, equip, furnish, and operate one or more aviation or pollution control facilities
2. Capital District Transportation Authority	Property must be (1) owned or leased by the authority and used for transportation purposes or (2) leased for the benefit of the authority exclusively pursuant to joint service, joint facilities, or trackage rights agreements	Albany, Rensselaer, Saratoga, and Schenectady Counties, and, if the governing bodies elect, Columbia, Fulton, Greene, and Montgomery Counties, or any county in the Upper Hudson Planning and Development Region, as determined by NYS	Continue, further develop, and improve transportation and other related services within the district, including but not limited to transportation by railroad, omnibus, marine, and air
3. Central New York Regional Transportation Authority	Property must be (1) owned or leased by the authority and used for transportation purposes or (2) leased for the benefit of the authority exclusively pursuant to joint service, joint facilities, or trackage rights agreements	Onondaga County and, if the governing bodies elect, Cayuga, Cortland, Jefferson, Madison, Oneida, and Oswego Counties	Continue, further develop, and improve transportation and other related services within the district, including but not limited to transportation by railroad, omnibus, marine, and air
4. Chautauqua, Cattaraugus, Allegany, and Steuben Southern Tier Extension Railroad	Property must be (1) owned or leased by the authority and used for transportation purposes or (2) leased for the benefit of the authority exclusively pursuant to joint service, joint facilities, or trackage rights agreements	Chautauqua, Cattaraugus, Allegany, and Steuben counties	Continue to further develop and improve railroad transportation and related services within Chautauqua, Cattaraugus, Allegany, and Steuben counties
5. Harrison Parking Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	V/Harrison	Construct, operate, and maintain one or more parking projects

TABLE 2: ELIGIBILITY REQUIREMENTS

	Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
C. Transportation Authorities (continued)				
6.	Metropolitan Transportation Authority	Property must be (1) owned by the authority, (2) leased by the authority and used for transportation purposes, or (3) leased for the benefit of the authority exclusively pursuant to joint service, joint facilities, or trackage rights agreements	Within NYC or the Counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, or Westchester	Continue, further develop, and improve commuter transportation and other related services within the district, including but not limited to transportation by railroad, omnibus, marine, and air
7.	Middletown Parking Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	C/Middletown	Construct, operate, or maintain one or more parking projects
8.	Monroe County Airport Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Construct, improve, maintain, and operate aviation and related facilities and services
9.	NYC Transit Authority	Property must be owned by the authority	Within NYC	Construct, maintain, improve, and operate transit facilities
10.	NYC Transit Construction Authority	Property must be owned by the authority	None	Provide transit facilities to the NYC Transit Authority through agreements with the Metropolitan Transportation Authority, including construction, planning, design, rehabilitation, and extension of such facilities
11.	Niagara Frontier Transportation Authority	Property must be (1) owned by the authority, (2) leased by the authority and used for transportation purposes, or (3) leased for the benefit of the authority exclusively pursuant to joint service, joint facilities, or trackage rights agreements	Erie and Niagara Counties	Continue, further develop, and improve transportation and other related services within the district, including but not limited to transportation by railroad, omnibus, marine, and air
12.	Nyack Parking Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	V/Nyack	Construct, improve, maintain, or operate one or more parking projects

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
C. Transportation Authorities (continued)			
13. Ogdensburg Bridge and Port Authority	Property must be owned by the authority or under its control, possession, or supervision	See Use Requirements	1. Construct, operate, and maintain the Odgensburg Bridge 2. Establish, operate, and maintain a public bus transportation system between C/Prescott, Province of Ontario, and C/Ogdensburg 3. Construct, operate, and maintain port facilities in the Ogdensburg and Waddington Port Districts, which include all or part of the City of Ogdensburg, the Towns of Canton, DeKalb, Lisbon, Louisville, Madrid, Norfolk, Oswegatchie, Potsdam, and Waddington, and the Villages of Norwood and Waddington (Pub Auth L §1377) 4. Rehabilitate the "Garden Cottage" building and operate it as a port facilities building 5, Operate the Ogdensburg Municipal Airport 6. Operate a foreign trade zone in St. Lawrence County 7. Develop and industrial park 8. Construct, renovate, operate, and maintain railroad lines
14. Oswego Port Authority	Property must be owned by the authority or under its control, possession, or supervision	C/Oswego and T/Scriba including all lands under and in the Oswego River and Lake Ontario within their boundaries that are subject to the control of the United States or New York State	1. Survey, develop, and operate the port facilities and industrial projects 2. Operate a foreign trade zone in C/Oswego
15. Rochester-Genesee Regional Transportation Authority	Property must be (1) owned or leased by the authority and used for transportation purposes or (2) leased for the benefit of the authority exclusively pursuant to joint service, joint facilities, or trackage rights agreements	Monroe County and, if the governing bodies elect, Genesee, Livingston, Ontario, Orleans, Seneca, Wayne, and Yates Counties	Continue, further develop, and improve transportation and other related services within the district, including but not limited to transportation by railroad, omnibus, marine, and air

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
C. Transportation Authorities (continued)			
16. Schenectady Parking Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	C/Schenectady	Construct, operate, and maintain one or more parking projects
17. Syracuse Regional Airport Authority	Property must be owned by the authority or under its control, possession, or supervision	None	Acquire, construct, reconstruct, lease, expand, improve, maintain, equip, furnish, and operate one or more projects
18. Thousand Islands Bridge Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	See Use Requirements	1. Construct, maintain, and operate the following bridges and their approaches and improvements: (a) Collins Landing (T/Orleans, Jefferson Co.) to Wellesley or Wells Island, (b) Ivy Lea (Leeds Co., Ontario, Canada) to Hill Island, and (c) Wellesley or Wells Island to Hill Island 2. St. Lawrence River and/or Lake Ontario port projects 3. One or more performing arts centers and/or convention centers
19. Triborough Bridge and Tunnel Authority	Property must be owned by the authority or under its control, possession, or supervision	1. Vicinity of Penn Station in New York City 2. New York County in the area bounded by: 33rd St. on the north, 30th St. on the south, 10th Ave. on the east, 11th Ave. on the west 3. New York City	1. Improve land for the benefit of the Long Island Rail Road for a lay-up yard and other railroad purposes (and subsequently transfer the property to the Metropolitan Transportation Authority, parent corporation of the railroad) 2. Railroad or other corporate purposes 3. At the request of the NYC Transit Authority or the Metropolitan Transportation Authority, acquire, construct, improve, or rehabilitate transit or transportation property, other than marine or aviation (and subsequently transfer the property to the requesting authority or its designated subsidiary)

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
D. Water Supply, Waste Disposal, and Resource Recovery Authorities			
1. Albany Municipal Water Finance Authority	Property must be owned by the authority	None	Develop and maintain the City of Albany's water and sewer systems
2. Albany Water Board	Property must be owned by the board	None	Develop and maintain the City of Albany's water and sewer systems
3. Alfred, Almond, Hornellsville Sewer Authority	Property must be owned by the authority	None	Construct, improve or rehabilitate sewage disposal facilities and appurtenances required for the maintenance development or expansion of the sewage disposal system within the bounds of the authority
4. Buffalo Municipal Water Finance Authority	Property must be owned by the authority	None	Acquire, construct, improve, or rehabilitate the City of Buffalo's water supply and distribution system
5. Buffalo Water Board	Property must be owned by the board	None	Acquire, construct, improve, or rehabilitate the City of Buffalo's water supply and distribution system
6. Cayuga County Water and Sewer Authority	Property must be owned by the authority	None	Construct, improve, maintain, develop, expand or rehabilitate water or sewage facilities
7. Clifton Park Water Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Construct, improve, maintain, and operate water or sewerage facilities
8. Dutchess County Resource Recovery Authority	Property must be owned by the authority or under its control, possession, or supervision	None	Plan, develop, construct, operate, and maintain solid waste management-resource recovery facilities and associated structures
9. Dutchess County Water and Wastewater Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Develop, construct, or maintain water supply and sewer facilities

TABLE 2: ELIGIBILITY REQUIREMENTS

	Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
D.	**Water Supply, Waste Disposal, and Resource Recovery Authorities (continued)**			
10.	Eastern Rensselaer County Solid Waste Management Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	Within the boundaries of towns participating in the authority (any of the following: Towns of Berlin, Stephentown, Petersburg, Grafton, Hoosick, Pittstown, Poestenkill, Schaghticoke, Sand Lake, Nassau, Schodack, Brunswick and Villages of Schaticoke, Castleton-on-Hudson, Nassau, Valley Falls, Hoosick)	Construct, improve, maintain, and operate one or more solid waste management-resource recovery facilities
11.	Erie County Water Authority	Property must be owned by the authority or under its control, possession, or supervision	See Use Requirements	1. Within Erie Co. - acquire, construct, maintain, and operate a water supply and distribution system, including reservoirs, lines, pumping stations, and related equipment and services 2. Outside Erie Co. - acquire, and/or construct, and maintain a water supply system, including sources of supply
12.	Franklin County Solid Waste Management Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Construct, improve, maintain, and operate one or more solid waste management facilities
13.	Great Neck North Water Authority	Property must be owned by the authority	1. Water Authority of Great Neck North District, which includes that portion of Union Free School District #7, great Neck (T/North Hempstead, Nassau Co.) that lies north of the Manhasset-Lakeville Water District 2. None	1. Acquire, construct, maintain, operate a water supply and distribution system, including reservoirs, lines, pumping stations, and related equipment and services 2. Acquire and maintain a water supply system

TABLE 2: ELIGIBILITY REQUIREMENTS

	Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
D.	**Water Supply, Waste Disposal, and Resource Recovery Authorities (continued)**			
14.	Islip Resource Recovery Agency	Property must be owned by the authority or under its control, possession, or supervision	None	Plan, develop, construct, operate, and maintain solid waste management-resource recovery facilitate and associated structures
15.	Livingston County Water and Sewer Authority	Property must be owned by the authority	None	Construct, improve, maintain, develop, expand or rehabilitate water and sewage facilities
16.	Monroe County Water Authority	Property must be owned by the authority or under its control, possession, or supervision	Monroe and Genesee Counties; Towns of Victor, East Bloomfield, Canadice, West Bloomfield, Villages of Victor, Bloomfield (Ontario County); Towns of Clarendon, Kendall, Village of Holley (Orleans County)	Acquire, construct, maintain, operate a water supply and distribution system, including sources of supply, lines, pumping stations, and related equipment and services
17.	Montgomery, Otsego, Schoharie Solid Waste Management Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	Montgomery, Otsego, and Schoharie Counties	Develop, construct, maintain, and operate solid waste management-resource recovery facilities
18.	Nassau County Sewer and Storm Water Finance Authority	Property must be owned by the authority or under its control, possession, or supervision	None	Finance the acquisition, design, construction, reconstruction, rehabilitation, improvement, or to otherwise provide, finish, and equip sewerage or storm water resource facilities for Nassau County
19.	Niagara Falls Public Water Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Construct, Improve, maintain, develop, expand, repair, replace or rehabilitate any and all system facilities
20.	Niagara Falls Water Board	Property must be owned by the authority or under its jurisdiction, control, or supervision		Construct, Improve, maintain, develop, expand, repair, replace or rehabilitate any and all system facilities
21.	NYC Municipal Water Finance Authority	Property must be owned by the authority	None	Assist in the financing of New York City's water supply and sewer system
22.	NYC Water Board	Property must be owned by the board	None	Acquire facilities for New York City's water supply and sewer systems
23.	NYS Environmental Facilities Corporation	Property must be owned by the authority	None	Construct, maintain, and operate sewage treatment works, water management facilities, sewage collection systems, air pollution control facilities, storm water collecting systems, and solid or hazardous waste disposal facilities

TABLE 2: ELIGIBILITY REQUIREMENTS

	Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
D.	**Water Supply, Waste Disposal, and Resource Recovery Authorities (continued)**			
24.	North Country Development Authority	Property must be owned by the authority	Jefferson, Lewis, and St. Lawrence Counties	Plan, develop, construct, operate, and maintain sewer facilities, solid waste management-resource recovery facilities and water supply and distribution systems
25.	North Hempstead Solid Waste Management Authority	Property must be owned by the authority or under its control, possession, or supervision	None	Plan, develop, construct, operate, and maintain solid waste management-resource recovery facilities and associated structures
26.	Oneida-Herkimer Solid Waste Management Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Construct, improve, maintain, and operate one or more solid waste management-resource recovery facilities
27.	Onondaga County Resource Recovery Agency	Property must be owned by the authority or under its control, possession, or supervision	None	Plan, develop, construct, operate, and maintain solid waste management-resource recovery facilities and associated structures
28.	Onondaga County Water Authority	Property must be owned by the authority or under its control, possession, or supervision	Onondaga County; Town of Sterling in Cayuga County; Towns of Lenox, Lincoln, and Sullivan in Madison County; Towns of Annsville, Verona, and Vienna in Oneida County; Towns of Constantia, Hannibal, Hastings, Oswego, Schroeppel, Volney, and West Monroe in Oswego County	Acquire, construct, maintain, operate a water supply and distribution system, including sources of supply, lines, pumping stations, and related equipment and services
29.	Orange County Water Authority	Property must be owned by the authority	Orange County, except within the U.S. Military Reservation at West Point	Construct, improve, rehabilitate, or maintain water facilities
30.	Rensselaer County Water and Sewer Authorities	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Construct, improve, rehabilitate, or maintain water facilities
31.	Rockland County Solid Waste Management Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Plan, develop, construct, reconstruct, extent, operate, and maintain solid waste management facilities

TABLE 2: ELIGIBILITY REQUIREMENTS

	Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
D.	**Water Supply, Waste Disposal, and Resource Recovery Authorities (continued)**			
32.	Saratoga County Water Authority	Property must be owned by the authority	None	Construct, improve, maintain, develop, expand, or rehabilitate water facilities
33.	Southeastern Nassau County Water Authority	Property must be owned by the authority	That portion of Nassau County serviced by the New York Water Service Corporation as of January 1, 1991	Construct, improve, maintain, and operate one or more water supply facilities
34.	Suffolk County Water Authority	Property must be owned by the authority or under its control, possession, or supervision	Suffolk County	Acquire, construct, maintain, operate a water supply and distribution system, including sources of supply, lines, pumping stations, and related equipment and services
35.	Ulster County Resource Recovery Agency	Property must be owned by the authority or under its jurisdiction, control, or supervision	Ulster County	Develop, construct, maintain, and operate solid waste management-resource recovery facilities
36.	Upper Mohawk Valley Regional Water Board	Property must be owned by the authority or under its jurisdiction, control, or supervision	City of Utica or town or village in the Water Board's service area defined as the entirety of each municipality receiving water from the City of Utica or its Board of Water Supply at the time the Upper Mohawk Valley Regional Water Board and Water Finance Authority were created, subject to future expansion/ contraction by state law	Construct, improve, maintain, develop, expand, or rehabilitate water facilities
37.	Upper Mohawk Valley Regional Water Finance Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	City of Utica or town or village in the authority's service area (see #36 above for definition or service area)	Construct, improve, maintain, develop, expand, or rehabilitate water facilities
38.	Wayne County Water and Sewer Authority	Property must be owned by the authority	Wayne County	Construct, improve, rehabilitate, or maintain water and sewer facilities
39.	Western Finger Lakes Solid Waste Management Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Acquire, construct, improve, maintain, and operate solid waste management-resource recovery facilities

TABLE 2: ELIGIBILITY REQUIREMENTS

	Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
D.	**Water Supply, Waste Disposal, and Resource Recovery Authorities (continued)**			
40.	Western Nassau County Water Authority	Property must be owned by the authority	None	Construct, improve, maintain, and operate one or more water supply facilities
41.	Wilton Water and Sewer Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Construct, improve, maintain, and operate one or more water supply or sewer facilities
E.	**Miscellaneous Authorities**			
1.	Battery Park City Authority	Property must be owned by the authority or under its control, possession, or supervision	Lower west side of New York County to the north of Battery Park and adjacent to the Hudson River	Redevelop and reconstruct said area (see Location Requirements)
2.	Bethpage Park Authority	Property must be owned by the authority	Nassau County - T/Oyster Bay Suffolk County - T/Babylon T/Huntington	Maintain and operate a public park or a public recreation center
3.	Buffalo Fiscal Stability Authority	Property must be under its jurisdiction, control, or supervision, however authority is expressly prohibited from leasing, acquiring, or otherwise exercising control over real property other than leased or subleased office space deemed necessary or desirable for the authority.	None	1. Supervise the fiscal affairs of the City of Buffalo and impose requirements on the city with respect to its budgetary operations and fiscal management. 2. Issue bonds backed by the city sales tax revenue and state aid.
4.	Clifton-Fine Health Care Corporation	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Acquire, construct, lease, expand, improve, maintain, equip, furnish, and operate one or more health care facility projects
5.	Erie County Medical Center Corporation	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Operate, manage, superintend, and control any health facility under its jurisdiction and to repair, maintain, and otherwise keep up any such health facility.
6.	Green Island Power Authority	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	Acquire, construct, improve, maintain, and operate facilities for the transmission or distribution of light, heat, power, or any connected service

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
E. Miscellaneous Authorities (continued)			
7. Hudson-Mohawk Urban Cultural Park Commission	Property must be owned by the authority or under its jurisdiction, control, or supervision	Cities of Cohoes, Troy, and Watervliet; Town of Waterford; Villages of Green Island and Waterford	Construct, improve, or maintain one or more park facilities
8. Long Island Power Authority	Property must be owned by the authority or under its control	Nassau and Suffolk Counties and that portion of Queens County constituting the franchise area of Long Island Lighting Company	Acquire, construct, improve, rehabilitate, maintain, and operate generating, transmission, and related facilities for the supply of gas and electric power
9. Nassau Health Care Corporation	Property must be owned by the authority or under its jurisdiction, control or supervision	None	Acquire, construct, lease, expand, improve, maintain, equip, furnish, and operate one or more health-related projects
10. North Country Power Authority	Property must be owned by the authority or under its control	Portions of Franklin and St. Lawrence counties exclusive of areas served by another existing non-profit municipal electric utility (see Pub. Auth. L§1021-c)	Develop, acquire, construct, reconstruct, rehabilitate and improve facilities for the distribution of electric power or any connected service
11. NY Local Government Assistance Corporation	Property must be owned by the authority	None	Provide financial assistance to local governments
12. NYC Municipal Assistance Corporation	Property must be owned by the authority	None	Financially assist New York City in providing essential services to its inhabitants while meeting its obligation to the holders of its outstanding service
13. NYC School Construction Authority	Property must be owned by the authority or subject to any rights of the authority	New York City	Construct, improve, and maintain educational facilities
14. NYC Stabilization Reserve Corporation	Property must be owned by the authority	New York City	Financially assist New York City in providing essential services to its general population
15. NYS Dormitory Authority	Property must be owned by the authority or under its control, possession, or supervision	None	1. Construct, rehabilitate, and improve dormitories and other buildings for state-operated institutions and statutory and contract colleges under the jurisdiction of the State University of New York, other higher education institutions, hospitals, and certain other institutions 2. Construct, rehabilitate, and improve judicial facilities

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
E. Miscellaneous Authorities (continued)			
16. NYS Energy Research and Development Authority	Property must be owned by the authority	1. None	1. Establish, acquire, operate, develop, and/or manage facilities for the research, development, and demonstration of new energy technologies; participate in constructing facilities used to supply electricity or gas; participate in constructing and operating power generating facilities for water desalination or distribution
		2. Saratoga Research and Development Center	2. Assist in acquiring, constructing, and maintaining industrial manufacturing, warehousing, commercial, research, and industrial pollution control facilities
17. NYS Mortgage Agency	Property must be owned by the authority	None	Prevent shortages of funds for residential mortgages
18. NYS Municipal Bond Bank Agency	Property must be owned by the authority	None	Foster and promote the provision of capital markets and facilities for the borrowing of money by NYS municipalities for the financing of public improvements and other public purposes

TABLE 2: ELIGIBILITY REQUIREMENTS

Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
E. Miscellaneous Authorities (continued)			
19. NYS Power Authority	Property must be owned by the authority	None	1. Improve and develop the Niagara River and the international rapids area of the St. Lawrence River for the benefit of commerce and navigation and the development of hydro-electric power; operate Niagara/St. Lawrence hydroelectric projects 2. Construct, improve, rehabilitate, and operate (a) hydro-electric or energy storage projects and (b) base-load nuclear generating facilities or other facilities (1) to support Niagara/St. Lawrence River projects, (2) to supply power and energy top high-load factor manufacturers that will expand existing facilities or build new facilities, and (3) to supply the future needs of the authority's existing municipal electric and rural electric cooperative customers 3. Construct and/or acquire, complete, and operate base-load generating, transmission, and related facilities to supply power to the Metropolitan Transportation Authority, the NYC Transit Authority, the Port Authority of NY & NJ New York City, New York State, the United States, the Niagara Frontier Transportation Authority, other public corporations and electric corporations within New York City
20. NYS Science and Technology Foundation	Property must be owned by the foundation	None	Encourage and promote scientific and technological education, basic and applied research and development, and the development and fabrication of new commercial products

TABLE 2: ELIGIBILITY REQUIREMENTS

	Public Authority	Ownership Requirements	Location Requirements	Powers of Authority
E.	**Miscellaneous Authorities (continued)**			
21.	Roswell Park Cancer Institute Corporation	Property must be owned by the authority or under its jurisdiction, control, or supervision	None	1. Contact with the state to operate, manage, superintend, and control the Roswell Park Cancer Institute 2. Provide health and medical services for the public directly or through agreements with others 3. Provide and maintain training programs for health professionals 4. Sponsor and conduct research, educational, and training programs 5. Participate in managed-care networks, fee-for-service, and other arrangements for the provision of health care services 6. Affiliate with a medical college or colleges.
22.	Schenectady Metroplex Development Authority	Property must be owned by the authority or under its control, possession, or supervision	Schenectady County within designated corridors along State routes 5 and 7, with certain exclusions, plus within designated zones in the City of Schenectady	Design, develop, finance, construct, operate, manage, and maintain all Metroplex facilities and Metroplex parks within the designated service district
23.	Suffolk County Judicial Facilities Agency	Property must be owned by the authority or under its jurisdiction, control or supervision	None	1. Develop, construct, maintain, rehabilitate, or relocate the John P. Cohalen Court Complex currently in the Town of Islip (Suffolk County) 2. Operate, manage, and contract for the operation and management of agency properties
24.	Troy Municipal Assistance Corporation	Property must be owned by the corporation	None	Financially assist the City of Troy in providing essential services to its inhabitants while meeting its obligations to holders of outstanding securities

TABLE 3. EXTENT OF EXEMPTION

Public Authorities	County or County Special District			City		Town or Town Special District			Village		School District
	General Municipal Taxes	Special Ad Valorem Levies	Special Assess-ments	General Municipal Taxes	Special Assess-ments	General Municipal Taxes	Special Ad Valorem Levies	Special Assess-ments	General Municipal Taxes	Special Assess-ments	School District Taxes
A. Civic Center and Sports Authorities											
1. Albany Convention CenterAuthority	Ex	Ex	Ex	Ex	Ex	NA	NA	NA	NA	NA	Ex
2. NYC Sports Authority*	NA	NA	NA	Ex	Ex	NA	NA	NA	NA	NA	Ex
3. NY Convention Center Operating Corporation	NA	NA	NA	Ex	Tax	NA	NA	NA	NA	NA	Ex
4. NYS Industrial Exhibit Authority	Ex	Tax	Tax	NA	NA	Ex	Tax	Tax	Ex	Tax	Ex
5. NYS Olympic Regional Development Authority	Ex	Ex	Ex	NA	NA	Ex	Ex	Ex	Ex	Ex	Ex
6. Oneida County Sports Facility Authority	Ex	Ex	Ex	Ex	Ex	NA	NA	NA	NA	NA	Ex
7. Saratoga Springs City Center Authority	Ex	Ex	Ex	Ex	Ex	NA	NA	NA	NA	NA	Ex
8. Upper Mohawk Valley Memorial Auditorium	Ex	Ex	Ex**	Ex	Ex**	Ex	Ex	Ex**	Ex	Ex**	Ex
B. Industrial Development and Market Authorities											
1. Auburn Industrial Development Authority	Ex	Ex	Ex	Ex	Ex	NA	NA	NA	NA	NA	Ex
2. Central New York Regional Market Authority	Ex	Tax	Tax	Ex	Tax	Ex	Tax	Tax	Ex	Tax	Ex
3. Genesee Valley Regional Market Authority	Ex	Tax	Tax	Ex	Tax	Ex	Tax	Tax	Ex	Tax	Ex

Ex - Exempt   Tax - Taxable   NA - Not Applicable

*A board of directors has never been appointed for the NYC Sports Authority.
**Except for water and pure water fees or charges as may be negotiated by any public corporation.