



FINANCE
NEW • YORK
THE CITY OF NEW YORK
DEPARTMENT OF FINANCE

**ANSWERS TO THE MOST FREQUENTLY ASKED
QUESTIONS ABOUT**

THE BASIC & ENHANCED STAR (School Tax Relief) PROPERTY TAX EXEMPTIONS

1. WHAT IS STAR?

STAR is a New York State tax relief program that lowers property taxes for owner-occupied primary residences. There are two levels of STAR benefits – Basic STAR and Enhanced STAR.

2. WHO IS ELIGIBLE FOR STAR?

To be eligible for the STAR reduction, you must own a property that you use as your primary residence (see question number 3). For Basic STAR, this is the only requirement. Basic STAR has *no* income or age limits. To be eligible for Enhanced STAR, you must own a property that you use as your primary residence *and* be 65 or older. In addition, the total annual income of *all* the owners of the property must be \$66,050 or less.

3. WHAT IS A “PRIMARY RESIDENCE”?

Your primary residence is typically the home that you occupy for most of the year and is generally the place where you vote and where your car is registered. If you own more than one property, only your primary residence can receive a STAR tax reduction. STAR applicants may be asked to prove “primary residency” and, in the future, certify that the property is still the primary place where they reside.

4. CAN I HAVE STAR BENEFITS FOR MORE THAN ONE HOME?

No. Only one home can be your *primary* residence.

5. DO ALL THE OWNERS OF A PROPERTY HAVE TO USE THE PROPERTY AS THEIR PRIMARY RESIDENCE TO BE ELIGIBLE FOR STAR?

No. All the owners must complete and sign the STAR application, but only one owner has to use the property as his or her primary residence to qualify for benefits.

6. HOW DOES THE DEPARTMENT OF FINANCE KNOW I MEET THE AGE AND INCOME REQUIREMENTS FOR ENHANCED STAR?

Applicants for Enhanced STAR *must* submit proof of age, e.g., birth certificate, baptismal record, passport, or other official document showing your birth date. Applicants must also provide proof of the total adjusted gross income of all owners by submitting federal or New York State tax return(s), if filed. If one of the owners did not file a tax return, that owner should complete a Department of Finance Income Statement in place of submitting a tax return.

*This document is intended to serve only as a guide.
All submitted applications for exemptions are subject to review in accordance with the real property tax laws of New York State.*

Revised 01/24/06

7. HOW MUCH LESS PROPERTY TAX WILL I PAY IF I HAVE THE STAR REDUCTION?

The level of the STAR benefit is set every year by the State, based on the type of property you own. For example, for the July 1, 2005-June 30, 2006 tax year, owners of Class 1 properties (that is 1-, 2-, and 3-family homes and some condominiums) saved approximately \$200 in property taxes if they had the Basic STAR reduction and about \$350 if they had the Enhanced STAR reduction.

8. HOW DO I APPLY FOR STAR?

You can print a Basic or Enhanced STAR application from the Department of Finance ("Finance") website at nyc.gov/STAR. If you do not have Internet access, call 311 to request an application by mail, or call Finance's TAX FAX Service at 212-504-4038 *from your fax machine* (press "#" and enter "374" for Basic and "375" for Enhanced) to receive an application by fax.

Before applying, Finance suggests that you check your assessment records online to make sure that you do not already have the STAR tax reduction. A surprising 50-60% of STAR applicants already have the STAR reduction. Go to nyc.gov/propertytaxes, and look up your borough, block and lot on your latest Statement of Account to see if you have any exemptions. Or call 311, and ask them to look it up for you.

9. WHAT IS THE DEADLINE TO APPLY? WHEN WILL MY TAXES BE REDUCED?

Basic and Enhanced STAR application must be filed by January 5th. Applications that are received by that date and approved will result in lower property taxes beginning July 1st of that same year, which is the start of the City's new tax year. Applications received after January 5th will be processed for benefits that begin the following year.

Owners of co-ops also receive the tax reduction beginning on July 1st. However, management offices receive a report from Finance each November breaking down the total exemptions by apartment/unit. For this reason, co-op management cannot refund the tax reduction to individual co-op owners until November, at the earliest. It is left to the discretion of the management company how to pass along the tax savings to individual shareholders.

10. DO I NEED TO REAPPLY EVERY YEAR?

- **Basic STAR:** No. Once you are approved for STAR, you do not have to reapply unless you move to a new primary residence. However, if you have Basic STAR and are turning 65, you have to complete a separate application for Enhanced STAR.
- **Enhanced STAR:** No. Once you are approved for Enhanced STAR, you do not have to reapply. However, to make sure that you still meet the Enhanced STAR income requirements, you must complete an Annual Income Statement or elect to have New York State verify income from your State tax return.

Mail completed applications and all supporting documents by January 5th to
NYC Dept. of Finance, STAR Exemption, PO Box 3120, Church St. Station, NYC 10008-3120.
Keep a copy of your application for your records, and send *copies* of your supporting documents, not originals.