

Tax Savings Programs for Individual NYC Property Owners



The City of New York
Department of Finance



Tax Savings Programs for Individual NYC Property Owners

The City and State of New York offer a number of tax Savings Programs to qualified owners of 1-, 2-, and 3-family houses, condominiums, and cooperative apartments. These savings help homeowners lower their property taxes. Please see the following list of Property Tax Exemption and Abatement Programs administered by Finance. Owners of 4-, 5, and 6-family homes, where the owner resides in the building, may also be eligible for Basic STAR. However, the exemption only applies to the portion of the building occupied by the owner.

| Exemption Program | Filing Deadline for Benefits to Begin on July 1st of the Current Filing Year |
|--|--|
| <ul style="list-style-type: none"> • STAR - the New York State School Tax Relief Program (Basic & Enhanced) • Senior Citizen Homeowners' Exemption (SCHE) • Disabled Homeowners' Exemption (DHE) • Veterans' Exemption • Military Request for Relief • Cooperative and Condominium Tax Abatement • Clergy Exemption | <ul style="list-style-type: none"> • March 15th • March 15th • March 15th • March 15th • No Deadline • February 15th • March 15th |

Note: It is very important to file applications by the deadlines to take advantage of all the benefits offered by Finance.

If an application due date falls on a weekend or national holiday, the deadline will become the next business day.

These programs are only available for New York City property owners who use their homes as a primary residence (unless otherwise noted).

Primary Residence is the house, condominium, cooperative apartment or other qualifying property you live in most of the year. It is the address where you are registered to vote. You may be required to prove residency to receive benefits.

STAR - The NY State School Tax Relief Program

Eligibility

Basic STAR is available to all 1-, 2-, and 3-family houses, condominiums, and cooperative apartments that are occupied as the owner's primary residence. There is no income or age limit. Most homeowners who have basic STAR save approximately \$200 a year on their property taxes.

Enhanced STAR is for seniors (age 65 or over as of December 31st of the exemption year) with an annual adjusted gross income of \$74,700 or less. These seniors may be entitled to a higher tax reduction. This program generally offers a tax savings of approximately \$190 per year in addition to Basic STAR.

Senior Citizen Homeowners' Exemption (SCHE)

Eligibility

This program is available only for owners of 1-, 2-, and 3-family houses, condominiums, and cooperative apartments who are age 65 or older by December 31st. The property must serve as the owner(s) primary residence. (See Basic STAR eligibility above).

Eligible seniors may qualify for a reduction to their assessed value for the property tax year that begins in the calendar year in which the senior turns 65. For example, an eligible senior who turns 65 in 2010 will receive a property tax reduction for July 1, 2010 to June 30, 2011, if they apply by the March 15, 2010 deadline.

The amount of reduction is based on the combined Adjusted Gross Income (AGI) listed on the Federal Income Tax Returns for ALL owners. This figure is reduced by unreimbursed medical expenses. The net combined amount must be less than \$37,400.

Example: Use the AGI for your personal 2009 income tax year to figure the benefit for the property tax for the tax year starting July 2010. Homeowners who apply and get SCHE will also automatically receive both the Basic STAR and Enhanced STAR benefit reductions. Note: The combined income for all owners is used.

If a husband/wife, siblings or registered domestic partners own the property, only one owner needs to be 65 or over by December 31st to qualify for SCHE.

Note: Taxpayers applying for SCHE or Disabled Homeowners' Exemption (DHE) are only entitled to have one of the exemptions.

Estimate How Much SCHE (and DHE) Saves You In Taxes

If you qualify for SCHE (or DHE) the table below will help you estimate how much you can save if your application is approved.

| If All Owners' Income Is Between: | SCHE/DHE Can Reduce The Assessed Value By: |
|-----------------------------------|--|
| \$36,500 and \$37,399 | 5% |
| \$35,600 and \$36,499 | 10% |
| \$34,700 and \$35,599 | 15% |
| \$33,800 and \$34,699 | 20% |
| \$32,900 and \$33,799 | 25% |
| \$32,000 and \$32,899 | 30% |
| \$31,000 and \$31,999 | 35% |
| \$30,000 and \$30,999 | 40% |
| \$29,000 and \$29,999 | 45% |
| \$29,001 and \$29,999 | 50% |

Disabled Homeowners' Exemption (DHE)

Low-income homeowners with disabilities may receive a tax reduction based on the income levels shown in the SCHE/DHE table above.

Eligibility

The applicant must have a disability, defined as a physical or mental impairment not due to current use of alcohol or illegal drugs that substantially limits the person's ability to engage in one or more life activities. The property must be the primary residence of at least one of the owners.

If a husband/wife, siblings, or registered domestic partners own the property, only one owner needs to have a disability to qualify for DHE. All owners must qualify as disabled for other types of co-ownership, e.g., parent and child.

Veterans' Exemption

Eligibility

This program is for qualified military veterans who served in the armed forces during one of the following periods of war. The property must be the primary residence of the applicant(s).

- Persian Gulf Conflict (beginning August 2, 1990 to present)
- Vietnam War (February 28, 1961 to May 7, 1975)
- Korean War (June 27, 1950 to January 31, 1955)
- World War II (December 7, 1941 to December 31, 1946)
- World War I (April 6, 1917 to November 11, 1918)
- Mexican Border Period (May 9, 1916 to April 5, 1917)

Property tax class groups covered in the Veteran's exemption:

- Class 1: Includes most residential properties of up to three units (such as 1-, 2-, and 3-family homes - small store/office with one or two attached apartments); and most condominiums not more than three stories.
- Class 2: Includes all other property, fully or partially residential, such as cooperatives and condominiums.
- Class 4: Includes all commercial and industrial property, such as office or factory buildings, provided a section is the primary residence of the applicant(s).

Other owners who are eligible:

- Wife or husband of a qualified veteran
- Surviving spouse of a qualified veteran (who has not remarried)
- Gold Star parent (the parent of a child who died in the line of duty while serving in the US armed forces during one of the qualifying periods)
- Registered domestic partner of a qualified veteran

There are three levels of Exemption Rates for eligible veterans who:

- Served during a specified period of war
- Served in a combat zone
- Are disabled as a result of a service-related disability (Table Below)

| Requirements for Eligible Veterans | % of Assessed value Reduction |
|---|---|
| Served during a specified period of war (See list above) | 15% |
| Served in a combat zone | 15% + 10% |
| Are disabled as a result of a service-related disability* | Assessed value times 50% of the Vet's disability rating |

*Gold Star parents are not eligible for this portion of the Vet's Exemption

Military Request for Relief From Lien Sale and Other Issues

Active military personnel may request relief from the Lien Sale, Tax Warrants, Environmental Control Board judgments, and parking judgments.

Cooperative and Condominium Abatement Program

This program provides partial tax relief for owners of condominium and cooperative units. This helps balance the property tax paid between condo/co-ops and 1-, 2-, and 3-family homes.

Eligibility

Shareholders may not own more than three units in any building. Units owned by sponsors are not eligible. You do not have to occupy this property to receive the benefit.

Who must File the Abatement Application?

Only the Board of Directors, managing agent, or other official representative of the development can complete the Condominium/Cooperative Property Tax Abatement application. Individual owners may not file for themselves.

Note: Owners must occupy the unit as their primary residence if they are filing for personal exemptions such as STAR, SCHE, Veterans, or DHE. Individual applications are required for these programs.

The abatement is granted based on the average assessed value of the eligible units in the building.

| Average Assessed Value Per Unit | Fiscal Year | Abatement |
|---------------------------------|----------------|-----------|
| Less than or equal to \$15,000 | 1997 | 4 % |
| | 1998 | 16 % |
| | 1999 and after | 25 % |
| Greater than \$15,000 | 1997 | 2.75 % |
| | 1998 | 10.75 % |
| | 1999 and after | 17.5 % |

Clergy Exemption

This exemption is available for a property owned by a clergy member. He or she does not have to occupy the property as their primary residence to receive the exemption. They must, however, be a current resident of NY state. Cooperative apartments are not eligible.

Clergy Eligibility

The Clergy Member must:

- Perform work assigned by the denomination to which they belong; or
- Be unable to perform such work due to illness or physical impairment; or
- Be over the age of 70.

A widow or widower who has not remarried and who remains a resident of New York State may receive this benefit if the eligibility requirements were met during the clergy member's lifetime.

Note for Exemptions

Owners of 4-, 5-, and 6-family homes, and other property where the owner resides in the building, may also be eligible. However, the exemptions only apply to the portion of the building occupied by the resident owner.

Mail all applications to:

NYC Department of Finance
P.O. Box 3120, Church Street Station
New York, NY 10008-3120

You can also fax completed applications to Finance at 212-361-7799.

CUSTOMER ASSISTANCE

BY PHONE

For more information call 311
Outside New York call 212-NEW-YORK or 212-639-9675
TTY/TTD access for hearing-impaired: 212-504-4115

EMAIL

To email inquiries visit the Finance website at nyc.gov/finance. Select Contact Finance from the left sidebar on the Home Page and choose: Email/Property/Tax Reduction Eligibility.

ONLINE

For more information or to download forms discussed in this brochure please visit Finance at nyc.gov/finance