



## Real Property Income & Expense (RPIE) Filing Information

### Who is Required to File?

Owners of income-producing properties that have actual assessed values greater than \$40,000 are required to file annual RPIE forms. For the 2010 RPIE due September 1, 2011, refer to "Total Actual AV" as shown on the "Final Assessment Roll 2011-2012," available at [nycprop.nyc.gov](http://nycprop.nyc.gov). The RPIE form and instructions list the exact filing requirements. Property owners who claim either an **exemption** from filing income and expense information or an **exception** from the filing requirement must do so by completing Section D or Section K of the RPIE, or by filing an RPIE-B. Owners who purchased, built, or renovated their properties during the reporting period are required to file an RPIE form for the period of time that their property was operating (income-producing) under their control.

The following major categories of properties are *generally required* to file:

- **Rental Properties** (Properties, other than cooperatives, where the occupants pay rent) - Includes rental apartment buildings and commercial properties with one or more tenants.
- **Cooperatives** (Properties that are owned by a corporation, where the shareholders of the corporation have a proprietary right to occupy an apartment or other space in the building that contains over 2,500 square feet of commercial space, not including any garage.)
- **Condominiums** (Multi-unit properties where the units are individually owned) - Owners of condominium buildings do not file an RPIE form for the units that are individually owned. Owners of an income-producing commercial condominium building or rented commercial and/or professional space in residential condominium buildings, are required to file. Owners of a residential condominium building or development are required to file if the majority (50% or more) of the residential space is operated as rental property.
- **Business-Operating Properties** - An RPIE form is required for the following businesses:
  1. Hotels and motels;
  2. Parking garages and parking lots that are open to the public;
  3. Department stores with 10,000 or more square feet of floor area;
  4. Power plants providing electricity for sale; and
  5. Theaters and cinemas.
- **Net-leased Properties** (Entire properties that are leased by the owner to an entity that pays the taxes and operating expenses)
- **Owners of certain Utility Property and Equipment** Finance's rules now require owners of certain utility property and equipment to file annual inventory and inventory update statements. This rule became effective August 30, 2006. For equipment such as power plants, boilers, generators and telecommunication lines that are defined and assessed as real property under the Real Property Tax Law, we need to obtain accurate updated information each year from the owner so that we can accurately assess the property. To meet our goal of having consistent, accurate and current information from all owners of such property and equipment, you must submit an inventory of your equipment as described on our form. Once you have submitted this basic inventory, you will only be required to provide updates each year.

### Who Is Not Required to File?

Property owners who claim either an exemption from filing income and expense information or an exception from the filing requirement must do so by completing section D or section K of the RPIE, or by filing an RPIE-B. It is each property owner's responsibility to determine whether income and expense information is required. The following properties are *generally exempt* from RPIE income and expense filing requirements:

- Property with an actual assessed value of \$40,000 or less.
- Exclusively residential property, whether vacant or occupied, with ten or fewer apartments.
- Primarily residential property with six or fewer apartments and no more than one commercial unit. The property is only exempt from filing if it does not exceed *either* parameter (six residential units and one commercial unit). The count should include all units, whether vacant or occupied. For example, if the property has five residential and two commercial units, the owner is required to file
- A residential cooperative apartment building with fewer than 2,500 square feet of commercial space, not including the garage. Whether a co-op building is required to file depends on the amount of commercial space.
- Condominiums where the units being rented comprise less than 50% of the total number of units in the development or building.
- Property that is occupied exclusively by the owner who owns and occupies 100% of the gross square footage of the property. However, this exemption does not apply to owners of department stores, hotels or motels, parking garages or lots, power plants, or theaters/cinemas.
- Property that is rented exclusively to a person or entity related to the owner, defined as follows:
  1. Individuals related by blood, marriage, or adoption;
  2. Individuals and the business entities they control;
  3. Business entities under common control; and
  4. Fiduciaries and the beneficiaries for whom they act.
- Property that is owned and used exclusively by a fully exempt not-for-profit organization or government entity and generates no rental income.
- Vacant, non-income-producing land. This refers to empty lots.
- Vacant, uninhabitable, non-income-producing property where there are no existing leases. If there are existing leases, RPIE is required.
- Properties that are used exclusively by their owners for the operation of a business.

### RPIE Exemptions

The following properties are *generally exempt* from RPIE income and expense filing requirements:

- Property with an actual assessed value of \$40,000 or less.
- Exclusively residential property, whether vacant or occupied, with ten or fewer apartments.
- Primarily residential property with six or fewer apartments and no more than one commercial unit. The property is only exempt from filing if it does not exceed *either* parameter (six residential units and one commercial unit). The count should include all units, whether vacant or occupied. For example, if the property has five residential and two commercial units, the owner is required to file.
- A residential cooperative apartment building with fewer than 2,500 square feet of commercial space, not including the garage. Whether a co-op building is required to file depends on the amount of commercial space.
- Condominiums where the units being rented comprise less than 50% of the total number of units in the development or building.

- Property that is occupied exclusively by the owner who owns and occupies 100% of the gross square footage of the property. However, this exemption does not apply to owners of department stores, hotels or motels, parking garages or lots, power plants or theatres/cinemas.
- Property that is rented exclusively to a person or entity related to the owner, defined as follows:
  1. Individuals related by blood, marriage or adoption;
  2. Individuals and the business entities they control;
  3. Business entities under common control; and
  4. Fiduciaries and the beneficiaries for whom they act.
- Property that is owned and used exclusively by a fully exempt not-for-profit organization or government entity and generates no rental income.
- Vacant, non-income producing land. This refers to empty lots.
- Vacant, uninhabitable, non-income producing property where there are no existing leases. If there are existing leases the RPIE is required.
- Properties that are used exclusively by their owners for the operation of a business.

**All properties that claim exemption from filing an RPIE-2010, including those who previously obtained an exemption for RPIE-2007, 2008 or 2009, must complete the RPIE-2010 or RPIE-B to obtain or recertify exemption.** If the property is purchased after September 1, 2010 but before the September 2011 deadline, the new owner is required to file an RPIE by the September filing deadline date that immediately follows the purchase. All exemptions, once granted, will be good for three filing years.

### **RPIE Exceptions**

RPIE filing exceptions apply to the limited number of property owners who are not required to file an RPIE statement for a particular filing period. Unlike filing exemptions, exceptions apply only to that specific filing period and **are good for one year only**. For the 2010 RPIE filing, the only property owners who fall within an exception, and are not required to file the 2010 RPIE, are property owners who acquired the property after August 1, 2011.

### **Penalties for Late Filing or Failure to File**

The law authorizes monetary penalties for late filing and additional penalties for (1) failure to file and (2) failure to file for two consecutive years. Income and expense information is needed for tax administration purposes, and, therefore, must be received by the deadline. In addition, willful misstatement of facts on an RPIE form is a crime punishable by law.