



**TAX COMMISSION OF THE CITY OF NEW YORK**  
1 Centre Street, Room 2400, New York, NY 10007

**TC201INS**  
**2018/19**

**INCOME AND EXPENSE SCHEDULE**  
**FOR RENT PRODUCING PROPERTIES**

**FORM TC201 INSTRUCTIONS FOR 2018/19**

**Attachment to application.** Form TC201 is an attachment to an application or supplemental application (TC150). It is not valid if submitted separately.

**Attachment to TC150 or TC159.** For properties assessed at \$750,000 or more and for recently acquired properties, if a required income and expense schedule was not available by March 1 when the original application was filed, the TC201 may be attached to Form TC150 and filed between March 2 and March 23, 2018. TC201 must be complete when filed.

**Who should use TC201?** Use TC201 to report income and expenses from the operation of a rental property. For example, an apartment building or a multi-tenant commercial building. If the applicant leases the entire property to an unrelated person, report the income and expenses on this form. For example, a vacant lot leased to a parking operator or a store building leased to a single tenant.

A net lessor leasing to a related lessee that occupies the property may use Form TC200, Part 5, instead of TC201. A net lessor with a related lessee that sublets to unrelated tenants must use TC201.

Cooperatives must use Form TC203. Hotels must use TC208. A property used by the applicant to operate a business, such as a public parking garage or department store, must use TC214.

**TC201 Part 1. Related lots.** If the TC201 covers more than one lot, indicate the method you use for allocating income and expenses.

TC201 may cover a group of lots operated by the same landlord if one of the following tests is met: i) all of the lots are contiguous, (i.e., Sharing an edge or boundary; neighboring, adjacent or adjoining; ii) all of the lots are situated on the same or adjacent blocks and are operated as an economic unit; or iii) all of the lots are units in a single condominium and are covered by a single application (or if there are multiple blocks, by one application per block).

Each lot requires a separate application (e.g., TC101) even if the income and expense schedule covers multiple lots (other than condominium units.) Attach the combined TC201 to the application for the first lot in the group. On the other applications, refer to that first lot or attach a copy of the TC201. If filing on Form TC150, file the combined schedule only for the first lot in the group.

File Form TC166 listing the related lots in a combined group. See TC166 instructions. If there has been a change in the lots in the combined group from the combined filing in the preceding year, or if no combined filing was made in the prior year, provide a written explanation for any change in the combined filing. If the

combined filing this year is different from prior years, a written explanation must be provided by someone with personal knowledge.

Rules based on assessed value relating to accountant certifications, supplemental applications and reporting prior calendar year income are governed by the highest assessment in the group.

**TC201 Part 2.** You must indicate whether the accounting basis used for the reporting year is the same that was used in the prior year. The accounting basis **must** be the same one used on federal, state and local income tax returns.

**TC201 Part 3.** Do not divide residential income reported in Part 6 by 12 to calculate monthly rent in Part 3. Do not risk denial of review for incorrect information by averaging annual residential rent instead of stating an actual month's rent roll. Report rent due on the December 2017 or January 2018 rent roll.

**TC201 Part 4.** Nonresidential occupancy information may be reported line by line separately for specified floors or for the building as a whole. If reported separately line by line, each line totals 100% for the space on the floor(s). If reported as a whole, the area of each floor is a portion of the entire building area, and the sum of the floor-by-floor subtotals in the right hand column equals 100% of the entire building area. Percentages must be provided; approximate gross area, in square feet, may also be provided.

**TC201 Part 4 information for certain applicants not otherwise required to report rental income and expenses.** An applicant who owned an income-producing property before January 1, 2018, but is not required to report income and expenses for 2017, must complete TC201 Part 4 if the property is rented or offered for rent on January 5, 2018. Attach TC201 to the application, or submit it at the hearing attached to Form TC159.

**Reporting year.** A report covering the full calendar year ending on December 31, 2017, or full fiscal year ending after July 31, 2017, is considered a current statement. In many cases the Tax Commission requires a current statement.

If a current statement is unavailable, the Tax Commission will accept a statement for the calendar year ending December 31, 2016, but only if: i) the 2018/19 actual assessment is less than \$750,000; ii) the applicant operated the property for all of 2016; and iii) the applicant does not use a fiscal year for federal income tax purposes. A detailed explanation as to why current year figures are unavailable should be attached to the TC201.

If the applicant uses a fiscal year for federal income tax purposes ending before July 31, the schedule may report

income for the most recently ended fiscal year, as of a date six months prior to the date the application is filed.

The form has space for figures for the year prior to the current year. The Tax Commission requests that applicants provide this information, if available for the full year prior to the current year. Prior-year consideration will not be granted if prior-year information is not provided either on the prior year TC201 or on the current year TC201.

**Income and expenses to be reported.** Report all income received or accrued in connection with the property. Report only actual operating expenses. Do not report projections or reserves. Do not report payments to related persons as expenses, unless disclosure is made as directed in the instructions for Part 7 below.

Income and expenses must be itemized as indicated in TC201 Parts 6 through 9 or review will be denied.

**Income and expense figures should be reported to the nearest whole dollar amount.**

**Accountant certification.** If the actual assessment is \$1,000,000 or more, TC201 (or a corrected TC201, if any) must be accompanied by Form TC309, which must be signed by an independent certified public accountant who has conducted an appropriate audit of the applicant's records. The accountant must sign his or her own name, not the firm name.

**Required substantiation in 2018.** Submit substantiation to explain the following 13 items:

1. Operating loss
2. More than 10% decrease in gross income
3. Continuing vacancy of 15% or more
4. Decrease or increase in operating expenses of 15% or more
5. Average monthly rent per apartment \$650 or less, or \$850 or less per apartment in Manhattan on or south of 110th Street.
6. Repairs and maintenance higher than 15% of gross rent
7. More than 15% increase in vacancy
8. Residential rent roll times 12 less than total residential income
9. Residential rent roll times 12 110% or more of total residential income
10. Residential rent roll times 12 equals precisely total residential income
11. Wages higher than normal for the type of property or the level of income
12. Total commercial rent substantially below market rental levels
13. Apparent inconsistency between RPIE and TCIE information or in the property's owner-occupied status.

**How to substantiate these items.**

**Item 1.** State the specific circumstances causing the operating loss, such as the number of tenants, time period and extent of vacancies, unusual expenses, or physical conditions.

**Items 2, 3, 4, 7, 12, 13.** State specifics that would explain the situation.

**Items 5, 8, 9 and 10.** Submit a copy of the December 2017 or January 2018 rent roll or the 2018 DHCR filing for the building. Tenants, apartment numbers, apartment rents and a total of the month's rent income must be stated.

**Item 11.** Submit a weekly payroll statement from January 2018 with job descriptions, employee names, total gross salary and benefits. Social security numbers should be crossed out on any documentation submitted.

**Item 6.** Submit an itemized breakdown of repair and maintenance costs.

Substantiation must be either: (b) written on TC159, or (c) attached to TC159. See TC600A for details on when substantiation for the previous year is required. Failure to submit substantiation may result in a denial of review of the application. **NOTE NEW FOR 2018: substantiation of items 1 through 10 must be submitted with the application or at the hearing. Cases will NOT be placed on hold to submit substantiation after the hearing.**

**Supplemental information.** You should strengthen your application by supplementing the income and expense schedule even when substantiation is not required. Copies of leases or abstracts, a rent roll, and itemizations of expenses may be useful. Supplementation is especially useful when there is no prior filing, there is a single major tenant, there is a substantial increase in the income from the prior year, or the building has unusual operating characteristics, for example, an unusually high expense item. Use Form TC159 when the supplemental information is not attached to the application.

**Department of Finance RPIE requirements.** By June 1 each year, rent-producing properties assessed for \$40,000 or more must file a Real Property Income and Expense statement with Finance for use in preparing real property tax assessments. Exclusively residential properties with ten or fewer apartments, residential properties with up to six apartments and one store, and other types of properties may claim an exclusion from filing.

Failure to comply timely with RPIE filing requirements results in the loss of eligibility for Tax Commission review of the assessment the following year and subjects the owner to liability for fines.

Filing TC201 does not satisfy the RPIE filing requirement in 2018. Finance RPIE rules require electronic filing of RPIEs. Information on RPIE filing requirements in 2018 is posted at <http://www1.nyc.gov/site/finance/taxes/property.page>. Filing of the RPIE with the Department of Finance also does not satisfy the requirement to file an income and expense statement with the Tax Commission.

## **TC201 PART 6. INCOME INFORMATION**

Report all operating income received or accrued in connection with the property.

## Definitions for purposes of TC201.

**Related persons.** Related persons include individuals related by blood, marriage or adoption, individuals and the business entities they control, business entities under common control, and fiduciaries and the beneficiaries for whom they act. A person includes a corporation or other business entity.

**Floor area.** Where floor area is called for, state the approximate gross floor area to the best of your knowledge and ability. The measurement should be from exterior wall to exterior wall for each floor.

**Lines a - h.** Rent received or accrued for space occupied by tenants. Do not include space occupied by the owner, applicant, related parties or affiliates. Rent must be correctly identified by use (apartments, offices, stores, loft, factory, warehouse, storage, parking.) Regulated and unregulated residential rent must be reported separately on two lines indicated in Part 6. Failure to itemize disqualifies the application from review. When reporting rental income on the accrual basis and the reporting entity's leases, provide scheduled increases in rent, do not straight-line rental income as may be required by Financial Accounting Standard No. 13. Payments by tenants to the reporting entity to terminate a lease prior to the lease's expiration date (lease termination income) should be included and specified in line k. Additional explanation or disclosures about any line item may be attached to TC201 or noted on TC309.

**Line i.** Income from related persons must be segregated from other income and listed only on line i. State the amount carried on the owner or applicant's books for space occupied by the owner, applicant, related parties or affiliates. If such rental income is not reflected on the reporting entity's books, an estimated fair market rental may be stated instead. Whether or not rent is stated, report the number of residential units on line i and non-residential floor area in Part 4 on the front of TC201.

### Line j. ANCILLARY INCOME

1. OPERATING ESCALATION INCOME - Additional rent received or accrued above the base rent, as provided for in the lease, for increases in operating expenses, CPI clauses, etc.

2. REAL ESTATE TAX ESCALATION - Additional rent received or accrued above the base rent, as provided for in the lease, for increases in real estate taxes.

3. SALE OF UTILITY SERVICES - The gross amount received or accrued from the sale of utility services such as electricity, gas and air conditioning. Do not deduct the landlord's costs.

4. SALE OF OTHER SERVICES. - The gross amount received or accrued for services such as laundry, valet, vending machines, etc.

5. GOVERNMENT RENT SUBSIDIES - Direct rent subsidies received or accrued (for example, Section 8) and

any abatement of real estate taxes or carry-over amount received or accrued in respect to senior citizen rent increase exemption (SCRIE) orders.

6. SIGNAGE/BILLBOARD – The gross amount received from unrelated persons from renting any signage or billboard space on your property.

7. CELL TOWERS – The gross amount received for placing a cell tower or other telecommunications equipment on your property.

**Line k. OTHER OPERATING INCOME** - Any other operating income derived from the property not previously specified (do not include interest on bank accounts and tenants' deposits). Identify the source or sources of income on line k. Lease termination payments should be reported and specified on line k.

**Line l. TOTAL GROSS INCOME** - Add all items on lines a through k.

## TC201 PART 7. EXPENSE INFORMATION

Report only actual operating expenses to the nearest whole dollar amount in the appropriate category. Do not report projections or reserves. Do not include any personal or business expenses for space occupied by the applicant or a related party. All related party expenses must be disclosed in an attachment to TC201 or noted on TC309, stating: the nature, amount of the expense(s) and on what line of Part 7 the expense is reported. An example of a related party disclosure is a management fee, reported on line f of Part 7, representing 5% of rent collected during the year. Services or goods provided by related parties for which no charge was made may be disclosed on an attachment to TC201 or noted on TC309 and a fair market expense estimated. For example, an owner of the property may provide management services at no charge.

**Line a. FUEL** - Amount paid or incurred for heating and for supply of hot water. Include the cost of gas provided to tenants.

**Line b. LIGHT and POWER** - Amount paid or incurred for electricity. Include electricity supplied or sold to tenants; do not include electricity consumed for the owner's personal or business use.

**Line c. CLEANING CONTRACTS** - Amount paid or incurred for cleaning contracts.

**Line d. WAGES and PAYROLL** - Wages and related payroll taxes and employee benefits paid or incurred to employees responsible for the operation or maintenance of the property. Do not include salaries or commissions paid to directors, officers or management employees or agents.

**Line e. REPAIRS and MAINTENANCE** - Amount paid or incurred for contracted labor and materials for the general maintenance and repair of the property. Do not include reserves for replacements, amounts attributable to capital improvements and common area improvements (see instructions for line l below). See instructions above for

required substantiation of expenses for repairs and maintenance in excess of 15% of gross income.

**Line f. MANAGEMENT and ADMINISTRATION** - Amount paid or incurred for management, legal and accounting services attributable to operation of the property.

**Line g. INSURANCE** - Annual charges paid or incurred for fire and other insurance premiums relating to the real property. Prorate multi-year premiums on a yearly basis.

**Line h. WATER and SEWER** - Amount paid or incurred for water and sewer usage.

**Line i. ADVERTISING** - Amount paid or incurred for advertising space for rent.

**Line j. INTERIOR PAINTING and DECORATING** - The cost of all contracted labor and decorating materials for interior painting and decorating, including paint, wallpaper and brushes). This item may be combined with REPAIRS and MAINTENANCE if the applicant's books are maintained on that basis, and line e should be so marked.

**Line k. AMORTIZED LEASING and TENANT IMPROVEMENT COSTS** - The amortization of all costs incurred to lease space to tenants over the term of their respective leases. Examples of such costs are legal fees, brokers' commissions, tenant improvements, etc.

**Line l. MISCELLANEOUS EXPENSES** - Other expenses paid or accrued not previously specified which are related to the operation and maintenance of the property, including amortization of common area improvements and amortization of certain lease buyout costs defined below. **Do not include income tax, commercial rent tax, rent, ground lease rent, capital costs, depreciation, mortgage payments and acquisition costs, interest, and uncollectible accounts receivable originating in a previous year.**

Amortization of common area improvements having a useful life of more than one year may be included in line l if you itemize the amortized costs and the amount is amortized over the useful life of the item. For those costs that are amortized, provide a schedule showing a brief description, cost, date of service, period of amortization, and amount of amortization included in line l this year and accumulated amortization.

Common area improvements include replacements of existing building components, major repairs, and installation of safety and health systems. Examples of replacement costs are replacement of boilers, roofs, elevators, and residential kitchen appliances and cabinets. Examples of safety and health systems are brick pointing, fire safety systems, and environmental remediation.

Amortization of lease buyout costs includes all costs to acquire the unexpired lease of a vacating tenant to secure an identified prospective tenant and may be included only on line l if you itemize the amortized costs and the amount is amortized over the term of the new lease. Lease buyout costs incurred without an identified replacement tenant

should be deferred until a new tenant is secured; itemize and amortize such costs over the term of the new lease.

**Line m. EXPENSES BEFORE TAXES** - Add lines a through l.

**Line n. REAL ESTATE TAXES** - Total annual real property taxes paid or incurred. Where there are SCRIE abatements, state the total tax levied.

**Line o. TOTAL EXPENSES** - Add Lines m and n.

**Public records.** Tax Commission application forms and attachments are subject to public disclosure under the Freedom of Information Law. Details of rent rolls and lease schedules whose disclosure would cause substantial injury to the filer's competitive position may be withheld if confidentiality is claimed.

**Where to get additional forms and information.** Copies of Tax Commission forms may be obtained at [www.nyc.gov/html/taxcomm](http://www.nyc.gov/html/taxcomm), at the Tax Commission's main office and at Finance Business Centers in each borough. Questions about RPIE filings, how your assessment was determined, or general questions about real property tax assessments should be addressed to Finance. Contact Finance at <http://www1.nyc.gov/site/finance/taxes/property.page> or call 311.



**TAX COMMISSION OF THE CITY OF NEW YORK**  
**1 Centre Street, Room 2400, New York, NY 10007**

**TC201**  
**2018/19**

**INCOME AND EXPENSE SCHEDULE FOR RENT PRODUCING PROPERTY**

ATTACH TO AN APPLICATION. TC201 IS NOT VALID IF FILED SEPARATELY. READ TC201 INSTRUCTIONS BEFORE YOU BEGIN.  
 COMPLETE ALL PARTS OF TC201. ANSWER ALL QUESTIONS MARKED ◆.

**ALL INCOME FROM THE PROPERTY, WHATEVER ITS SOURCE, MUST BE REPORTED IN PARTS 6-9 ON PAGE 2.**

<b>1. PROPERTY IDENTIFICATION</b>				
BOROUGH (Bronx, Brooklyn, Manhattan, Queens or Staten Island)	BLOCK	LOT	REP. TC GROUP NUMBER	ASSESSMENT YEAR <b>2018/19</b>

a. ◆ If property is a condominium, does this schedule cover all lots listed on Form TC109? \_\_\_\_\_ (Y/N). If yes, skip section b.

b. ◆ Does this schedule cover more than one tax lot? \_\_\_\_\_ (Y/N). If yes, state total number of lots \_\_\_\_\_, and list block and lot numbers:  
 Block \_\_\_\_\_ Lots \_\_\_\_\_      Block \_\_\_\_\_ Lots \_\_\_\_\_  
 Block \_\_\_\_\_ Lots \_\_\_\_\_      Block \_\_\_\_\_ Lots \_\_\_\_\_  
 Check if applicable:  Additional lots are listed on page \_\_\_\_\_     All lots are contiguous     All lots are operated as a unit  
**Method of allocating income and expenses (Check one)**  Square footage     Number of units     Percentage of income

c. ◆ Does this schedule report occupancy and income for the entire tax lot (or lots)? \_\_\_\_\_ (Y/N). If no, describe portions not covered and reason for omission: \_\_\_\_\_

**2. CURRENT YEAR REPORTING PERIOD AND ACCOUNTING BASIS**

Current year reporting period: From \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ to \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_      Accounting basis:  Cash     Accrual

Has the accounting basis changed from the prior reporting period? Y  N

If assessment is \$1,000,000 or more and income exceeds \$100,000, attach accountant's certification TC309. TC309 does not apply to parts 3, 4, 5 or 10.

**3. RESIDENTIAL OCCUPANCY AS OF JANUARY 5, 2018 - Number of dwelling units, rent by type of occupancy.**

TYPE OF OCCUPANCY	NUMBER OF UNITS	MONTHLY RENT
RENTED, REGULATED		\$
RENTED, UNREGULATED		\$
OWNER OCCUPIED		\$
VACANT		\$
<b>TOTAL</b>		\$

◆ Does rent reported include all recurring charges, such as parking, subsidies and SCRIE abatements? \_\_\_\_\_.

**4. NONRESIDENTIAL OCCUPANCY AS OF JANUARY 5, 2018 – Approximate gross percent.**

FLOOR	APPLICANT OR RELATED	RENTED (UNRELATED)	VACANT	TOTAL
FLOOR 3-_____	%	%	%	%
2 <sup>ND</sup> FLOOR	%	%	%	%
1 <sup>ST</sup> FLOOR	%	%	%	%
BASEMENT	%	%	%	%
<b>ENTIRE BUILDING</b>	%	%	%	<b>100%</b>

**5. LAND OR BUILDING LEASE INFORMATION AS OF JANUARY 5, 2018**

◆ Is the entire tax lot (or lots) or the entire land portion of the tax lot (or lots) subject to an arms-length lease? \_\_\_\_\_ (Y/N). If YES, complete this Part.

◆ If the Applicant is the lessee, does lessee receive any rental income from the property? \_\_\_\_\_ (Y/N). If YES, Applicant must complete Parts 6 through 10. If NO, complete this Part if lease information is not reported on Form TC200.

LESSOR	IF NOT OWNER OF RECORD, DESCRIBE RELATION TO PROPERTY
LESSEE	IF NOT APPLICANT, DESCRIBE RELATION TO APPLICANT

Term of lease: from \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ to \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_      Annual rent \$ \_\_\_\_\_

Start date of annual rent stated: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.    End date of annual rent stated \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.    End date of lease option: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.  
 ◆ Does lessor receive any sums in addition to annual rent stated? \_\_\_\_\_ (Y/N). If yes, state additional sums here: \$ \_\_\_\_\_  
 ◆ Does lessor pay any of the operating expenses or real estate taxes? \_\_\_\_\_ (Y/N). If yes, specify: \_\_\_\_\_

◆ Is the lease a lease of the land portion of the property only? \_\_\_\_\_ (Y/N).

6. INCOME INFORMATION		BOROUGH/BLOCK/LOT	Prior year	Current year
a. Residential: Regulated				a.
Unregulated				
b. Office				b.
c. Retail (including storefront professional offices, banks, restaurants)				c.
d. Loft				d.
e. Factory				e.
f. Warehouse				f.
g. Storage				g.
h. Garage/parking				h.
<b>SUBTOTAL</b>				
i. Owner-occupied or owner-related space				i.
j. Ancillary Income: 1. Operating escalation				j.
2. Real estate tax escalation				
3. Sale of utility services				
4. Sale of other services				
5. Government rent subsidies				
6. Signage/billboard				
7. Cell towers/ telecommunications equipment				
k. Other (specify)				k.
<b>I. TOTAL GROSS INCOME</b>				<b>l.</b>
<b>7. EXPENSE INFORMATION</b>				
a. Fuel				a.
b. Light and power				b.
c. Cleaning contracts				c.
d. Wages and payroll				d.
e. Repairs and maintenance				e.
f. Management and administration				f.
g. Insurance (annual)				g.
h. Water and sewer				h.
i. Advertising				i.
j. Interior painting and decorating				j.
k. Amortized leasing and tenant improvement costs				k.
l. Miscellaneous expenses (from Part 9)				l.
<b>m. EXPENSES BEFORE REAL ESTATE TAXES (add lines a through l)</b>				<b>m.</b>
n. Real estate taxes (before any abatements)				n.
<b>o. TOTAL EXPENSES (add lines m and n)</b>				<b>o.</b>
<b>8. NET PROFIT (OR LOSS)</b>				
a. Net before real estate taxes (subtract Part 7 line m from Part 6 line l)				a.
b. Net after real estate taxes (subtract Part 7 line o from Part 6 line l)				b.
<b>9. ITEMIZATION OF MISCELLANEOUS EXPENSES</b>				
ITEM	AMOUNT	ITEM	AMOUNT	
<b>10. TENANTS' ELECTRICITY</b>				
◆ Do tenants obtain electricity from the applicant or a related person? ____ (Y/N)				
◆ Is there a separate charge in addition to the rent? ____ (Y/N)				