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ANNUAL REPORT

New York City
Payment Plan Programs
Calendar Year 2024

Division of Treasury & Payment Services

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Table of Contents

• Introduction	3
• Summary	4
• Part I: Payment Plans Executed During Calendar Year 2024	6
• Part II: Plans That Were in Effect on December 31 of the Preceding Calendar Year	8
• Part III: Payment Plan Applications That Were Not Approved	9
• Part IV: Property Payment Plan Taxes, Charges, and Revenue Collected	10
• Part V: Payment Plans That Have Entered into Default (Delinquent)	11
• Part VI: Number of Payment Plans Terminated During the Preceding Calendar Year	12
• Part VII: Number of Renewed Payment Plans	13
• Part VIII: Terminology	14

Introduction

Under Local Law 36 of 2023, the New York City Department of Finance (DOF) is required to report information relating to property tax payment plans to the mayor and speaker of the City Council. Local Law 36 also created a new type of property tax payment plan that reduces the interest rate charged to certain property owners. Additionally, Local Law 45 of 2019 requires DOF to report information relating to the Property Tax and Interest Deferral Program (PT AID). Local Law 82 of 2024 created a new type of PT AID payment plan, the Circuit Breaker Plan, that permits the taxpayer to defer their taxes if they meet specified eligibility requirements. Additional reporting requirements under Administrative Code Section 11-224.1(h-1)(ii) are also addressed in this report.

This report covers calendar year 2024 using data available as of December 31, 2024. It includes information about all payment plan types, including standard, reduced interest rate, and PT AID. The source of the data regarding payment plan contracts is DOF's Property Tax System. For data regarding applications for these contracts, the source is DOF's online SmartFile system.

Summary

The Department of Finance offers payment plans that allow taxpayers to pay delinquent property taxes over time, instead of paying the full amount all at once. There are six types of payment plans available to taxpayers: standard, reduced interest rate, and the four PT AID plans: Low-income Senior (LIS), Fixed-Term Income-Based (FTI), Extenuating Circumstances Income-Based (ECI), and Circuit Breaker payment plans.

The standard payment plan, which has existed for many years, is available to all individuals and businesses who owe property taxes regardless of property value, income, or residency status. In choosing the terms of the payment plan, a property owner can make a down payment as low as zero dollars, choose the length of the plan between one and 10 years, and choose the payment frequency of either monthly installments or quarterly installments.

The Reduced Interest Rate Property Tax Payment Plan is available for owners of single-family homes, condominiums, or other tax class 1 properties with an assessed value of \$250,000 or less. To qualify, the property must have been the primary residence of the owner for at least one year, and the total annual income of all owners may not exceed \$200,000.

The PT AID payment plan is available for owners of single-family homes, condominiums, or other tax class 1 properties. To qualify, the property must have been the primary residence of the owner for at least one year, and the total annual income of all owners may not exceed \$86,400¹.

PT AID payment plans were created by Local Law 45 of 2019. The amount a participant can defer is limited to a maximum of 25% of the equity they have in their property unless it is a condominium unit, in which case the maximum is up to 50% of the equity. There are four payment plan options within PT AID: Low-Income Senior (LIS), Fixed-Term Income-Based (FTI), Extenuating Circumstances Income-Based (ECI), and Circuit Breaker² payment plans.

Local Law 36 recognizes that the Department of Finance has already confirmed the income for property owners participating in PT AID or receiving the following personal exemptions: Senior Citizen Homeowners' Exemption (SCHE), Disabled Homeowners' Exemption (DHE), and Enhanced STAR (E-STAR). Property owners who receive one of these personal exemptions and who request a payment plan automatically receive the reduced interest rate, as do PT AID participants. These property owners do not need to submit an application if they are enrolled in a standard or PT AID payment plan, are up to date on their payments, and receive the Enhanced STAR credit or exemption, the Senior Citizen Homeowner's Exemption, or the Disabled Homeowners' Exemption.

To highlight the availability of payment plans to assist homeowners with their property tax bills, in 2024, DOF's Outreach Unit held 247 events. This included events with elected officials, community boards, and community-based organizations. The outreach events were especially

¹ The income threshold is tied to New York State's income thresholds set for Enhanced STAR. In October 2024 this increased to \$98,700 and by December increased to its current maximum threshold of \$107,300.

² Became available December 18, 2024.

targeted for New York City council districts with higher homeowner populations. DOF's outreach team provided materials regarding available payment plans.

This report will review the standard, reduced interest rate, and PT AID payment plan data, in accordance with the reporting requirement of New York City Administrative Code Section 11-322 and Section 11-224.1.³

³ For this report required by New York City Administrative Code Section 11-322, the relevant interest rate section referenced in 11-322(c) for criteria (B) is being interpreted to refer to paragraph (i) of subdivision (e) of New York City Administrative Code Section 11-224.1.

Part I: Payment Plans Executed During Calendar Year 2024

Analysis:

Part I a: Plans Executed

The data indicates a steady increase in the number of payment plans executed compared to previous years. This suggests that DOF's outreach efforts and the availability of various payment plan options have been successful in assisting property owners who are seeking financial relief. In 2024, the standard plans with AV \$250k or less was the largest group out of all payment plans, at 67%. Similarly in 2024, the Low-Income Senior plan was the largest group out of all PT AID payment plans, at 63%.

Year	Borough	PT AID Plans Executed					Reduced Interest Rate Plans Executed	Standard Plans		Total Number of Payment Plans Executed
		Low-Income Senior	Fixed-Term Income-Based	Extenuating Circumstances Income-Based	Circuit Breaker Plan	Total Number of PT AID Plans		Payment Plans Executed with AV \$250K or less	Payment Plans Executed with AV greater than \$250K	
2024	Manhattan	4	0	0	0	4	0	48	25	77
	Bronx	1	0	2	0	3	0	44	21	68
	Brooklyn	7	5	1	0	13	1	114	68	196
	Queens	17	5	2	0	24	0	163	25	212
	Staten Island	2	1	2	0	5	0	20	3	28
2024 Totals:		31	11	7	0	49	1	389	142	581

Part I: Payment Plans Executed During Calendar Year 2024 (cont'd)

Part I b: Plans Executed by Plan Type

The Low-Income Senior payment plan allows taxpayers to choose the percentage of their annual property taxes and charges they wish to defer, ranging from 0% (full deferral) to 25%, 50%, or 75%. In contrast, the Fixed-Term Income-Based and Extenuating Circumstances Income-Based plans allow taxpayers to select a percentage of their combined income to be applied towards the payment plan, with options ranging from 2% to 8%. Both approaches aim to provide flexibility and support for taxpayers facing temporary financial difficulties by allowing them to choose a payment plan that best suits their individual circumstances.

Year	% of Taxes to Pay	PT AID Plans Executed			
		Low-Income Senior	% of Combined Income toward Plan	Fixed-Term Income-Based	Extenuating Circumstances Income-Based
2024	0%	15	2%	9	6
	25%	10	4%	0	1
	50%	2	6%	1	0
	75%	4	8%	1	0
	Total	31	Total	11	7

Part II: Payment Plans That Were in Effect on December 31 of the Preceding Calendar Year

Analysis:

Queens and Brooklyn together accounted for nearly 72% of all 3,110 active payment plans. The remaining plans were distributed between Manhattan, the Bronx, and Staten Island.

Year	Borough	PT AID Applications In Effect on 12/31/2024					Reduced Interest Rate Applications In Effect on 12/31/2024	Standard Plans In Effect on 12/31/2024		Total Number of Payment Plans In Effect on 12/31/2024
		Low-Income Senior	Fixed-Term Income-Based	Extenuating Circumstances Income-Based	Circuit Breaker Plan	Total Number of PT AID Plans In Effect		Payment Agreements In Effect with AV \$250K or less	Payment Agreements In Effect with AV Greater than \$250K	
2024	Manhattan	10	10	5	0	25	0	153	136	314
	Bronx	13	7	6	0	26	6	256	57	345
	Brooklyn	55	29	12	0	96	15	848	161	1,120
	Queens	100	49	22	0	171	31	835	96	1,133
	Staten Island	17	21	5	0	43	9	123	23	198
2024 Totals:		195	116	50	0	361	61	2,215	473	3,110

Part III: Payment Plan Applications That Were Not Approved

Analysis:

With the advent of DOF's online SmartFile system in mid-2023 and the ability to enforce most eligibility requirements at the point of electronic submission, we saw a reduction in the rate at which payment plan applications were not approved. However, paper application submissions, while declining in overall numbers, continue to not be approved for simple property ownership issues and income exceeding eligibility requirements.

The most common reasons for not being approved include:

- Application was still pending in reporting year
- Property on application was not a tax class 1 or condominium (PT AID)
- Applicant not listed as the owner of the property on the deed or other legal documentation (PT AID, reduced interest rate)
- Debt against the property exceeds market value (PT AID)
- Property owned by a trust (PT AID, reduced interest rate, standard)
- Applicant's income exceeds maximum threshold (PT AID, reduced interest rate)

Year	Borough	Total Number of PT AID Plans Received	Total Number of PT AID Plans Not Approved	Reduced Interest Rate Applications Received	Reduced Interest Rate Applications Not Approved	Standard Plan Applications Received	Standard Plan Applications Not Approved	Total Number of Payment Plans Received	Total Number of Payment Plans Not Approved
2024	Manhattan	18	15	4	4	114	65	136	84
	Bronx	18	15	5	4	74	53	97	72
	Brooklyn	51	37	17	17	247	181	315	235
	Queens	82	58	9	9	205	165	296	232
	Staten Island	24	20	2	2	39	32	65	54
2024 Totals:		193	145	37	36	679	496	909	677

Part IV: Property Payment Plan Taxes, Charges, and Revenue Collected

Analysis:

The data shows a significant amount of revenue collected through property payment plans. Queens and Brooklyn were the boroughs with the highest total property tax payments collected in 2024.

Year	Borough	PT AID Plans			Reduced Interest Rate Plans			Standard Plans		
		Total Property Tax Payment Plan Amounts	Avg Property Tax and Charges	Tot Property Tax and Charges Collected	Total Property Tax Payment Plan Amounts	Avg Property Tax and Charges	Tot Property Tax and Charges Collected	Total Property Tax Payment Plan Amounts	Avg Property Tax and Charges	Tot Property Tax and Charges Collected
2024	Manhattan	\$411,716.99	\$102,929.25	\$954.94	0	0	0	\$9,179,492.19	\$117,685.80	\$350,204.51
	Bronx	\$18,104.07	\$6,034.69	\$748.38	0	0	0	\$5,996,264.53	\$88,180.36	\$254,847.90
	Brooklyn	\$428,002.79	\$32,923.29	\$25,153.37	\$ 17,229.74	\$ 17,229.74	\$ 8,203.14	\$36,111,257.87	\$191,064.86	\$1,621,246.83
	Queens	\$392,071.81	\$15,682.87	\$27,600.18	0	0	0	\$17,403,380.14	\$89,708.15	\$677,661.69
	Staten Island	\$71,746.19	\$14,349.24	\$15,077.48	0	0	0	\$942,510.42	\$37,700.42	\$32,932.61
2024 Totals:		\$1,321,641.85	\$26,432.84	\$69,534.35	\$ 17,229.74	\$ 17,229.74	\$ 8,203.14	\$69,632,905.15	\$125,691.16	\$2,936,893.54

Part V: Payment Plans That Have Entered into Default (Delinquent)

Analysis:

We work closely with payment plan participants, particularly those with PT AID plans, if they fall behind on installments to prevent them from going into default. While the default rate for payment plans is relatively low, it is important to identify the factors contributing to defaults and implement strategies to prevent them.

Year	Borough	PT AID Plans		Reduced Interest Rate Plans		Standard Plans			
		Defaulted Plans	Defaulted Plans That Were Cured	Defaulted Plans	Defaulted Plans That Were Cured	Defaulted Plans with AV \$250K or Less	Defaulted Plans with AV \$250K or Less That Were Cured	Defaulted Plans with AV Greater Than \$250K	Defaulted Plans with AV Greater Than \$250K That Were Cured
2024	Manhattan	0	0	0	0	11	1	5	0
	Bronx	0	0	0	0	17	6	7	0
	Brooklyn	0	0	1	0	50	13	17	0
	Queens	0	0	0	0	62	14	3	0
	Staten Island	0	0	0	0	2	4	0	0
2024 Totals:		0	0	1	0	142	38	32	0

Part VI: Number of Payment Plans Terminated During the Preceding Calendar Year**Analysis:**

The data indicates that most payment plans are terminated due to property sales or full payment of outstanding taxes.

Year	Borough	PT AID Plans: Total Terminated	Reduced Interest Rate Plans: Total Terminated	Standard Plans: Total Terminated
2024	Manhattan	0	0	8
	Bronx	0	0	5
	Brooklyn	1	0	10
	Queens	0	0	10
	Staten Island	0	0	1
2024 Totals:		1	0	34

Part VII: Number of Renewed Payment Plans

Analysis:

PT AID and reduced interest rate plans are subject to annual renewal to confirm the participant's continued eligibility. In calendar year 2024, 360 PT AID plans and 61 reduced interest rate plans were renewed.

Part VIII: Terminology

- Defaulted: a property owner has not paid the installment amount associated with their payment plan (in whole or in part) for at least six months
- Executed: processed a signed property tax payment contract
- Payment Plan: an agreement with the Department of Finance to pay property taxes over time
- PT AID: Property Tax and Interest Deferral payment plans
- Renewal: action of agreeing to a payment plan on an annual basis
- Terminated: payment plan agreements that are closed and fully paid
- Not Approved: payment plan applications that are either denied, pending, abandoned, or withdrawn. Please note that an application “Not Approved” in 2024 may have been received in a prior year.