

**THE CITY OF NEW YORK
DEPARTMENT OF FINANCE**

NOTICE OF RULE MAKING

Pursuant to the power vested in me as Commissioner of Finance by New York City Administrative Code section 11-208.1 and sections 1043 and 1504 of the New York City Charter, I hereby promulgate the written amendments to the Rules Relating to the Filing of Income and Expense Statements. These rules were published in proposed form on July 31, 2014. A hearing for public comment was held on September 3, 2014.

S/S

Jacques Jiha Commissioner of Finance

STATEMENT OF BASIS AND PURPOSE

Section 11-208.1 of the Administrative Code of the City of New York requires that owners of income-producing real property in New York City file income and expense statements each year for the property. The Department of Finance uses the information in the statements to assess the value of real property in the City.

These proposed rule amendments will reduce the monetary penalties on owners of income-producing property for failure to file income and expense statements set forth in Chapter 33 of Title 19 of the Rules of the City of New York by:

- establishing a set penalty amount based on final actual assessed valuation for the property for the calendar year in which such a statement was required to be filed.
- eliminating a higher penalty amount for owners who fail to file an income and expense statement by the thirty-first day of December, and
- eliminating a higher penalty amount for owners who fail to file an income and expense statement for consecutive years.

Matter underlined is new. Matter in brackets [] is to be deleted.

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department unless otherwise specified or unless the context clearly indicates otherwise.

Amendments to Rules Relating to the Filing of Income and Expense Statements

Section 1. Paragraph (1) of subdivision (a) of section 33-03 of Title 19 of the Rules of the City of New York is amended to read as follows:

- (a) *Monetary penalties.* (1) Owners of income-producing property who fail to file an income and expense statement by the first day of [~~September~~] June, or in the event of an extension, by the extended due date, shall be subject to a penalty in accordance with the monetary penalty schedule set forth below[not to exceed three percent of the final actual assessed valuation for the property for the tax year in which such a statement was required to be filed]. The final actual assessed

valuation for the property promulgated in the calendar year in which the income and expense statement is required to be filed will be used to determine monetary penalties.

<u>Final Actual Assessed Valuation</u>	<u>Penalty Amount</u>
<u>\$40,001 to \$99,999</u>	<u>\$300</u>
<u>\$100,000 to \$249,999</u>	<u>\$750</u>
<u>\$250,000 to \$499,999</u>	<u>\$1,500</u>
<u>\$500,000 to \$999,999</u>	<u>\$3,000</u>
<u>\$1,000,000 to \$4,999,999</u>	<u>\$5,000</u>
<u>\$5,000,000 to \$9,999,999</u>	<u>\$20,000</u>
<u>\$10,000,000 to \$14,999,999</u>	<u>\$40,000</u>
<u>\$15,000,000 to \$24,999,999</u>	<u>\$60,000</u>
<u>\$25,000,000 and above</u>	<u>\$100,000</u>

Section 2. Paragraphs (2) and (3) of subdivision (a) of section 33-03 of Title 19 of the Rules of the City of New York are deleted.

[(2) Owners of income-producing property who fail to file an income and expense statement by the thirty-first day of December shall be subject to a penalty not to exceed four percent of the final actual assessed valuation for the property for the tax year in which such a statement was to be filed

(3) If, in the year immediately following the year in which an owner fails to file an income and expense statement by the thirty-first day of December, the owner again fails to file an income and expense statement within the time provided in §33-02(a) of these regulations (determined with regard to any extension of time for filing), such owner shall be subject to a penalty in an amount not to exceed five percent of the final actual assessed value of such property determined for the tax year in which such a statement was to be filed. Such owner shall also be subject to a penalty of up to five percent of such final actual assessed value in any year immediately succeeding a year in which a penalty of up to five percent could have been imposed, if in such succeeding year the owner fails to file an income and expense statement within the time prescribed in §33-02(a) of these regulations (determined with regard to any extension of time for filing).]