NYC Finance

Understanding Changes in Your Property's Taxable Value

1-3 Family Homes

Increase in Taxable Value

Any one of these reasons can cause your taxable (or assessed) value to go up:

- Continued increases in market value, as determined by recent sale prices of similar houses.
- Assessed value (AV) cannot go up more than 6% each year or 20% over a five year period unless there was new construction or renovations took place. Therefore, it may take several years for AV to adjust to a large increase in market value. This explains why AV goes up even when market value goes down.
- You did new construction or renovations (see previous bullet).
- You lost an exemption, or its value was reduced.

My House's Taxable Value is Higher Than My Neighbor's

Any one of these reasons can explain the difference:

- Houses like yours are selling for a higher price than houses like your neighbor's.
- Your house is newer or had more recent renovations. That is, your neighbor has had more years to benefit from rules that limit increases to assessed value (see chart below).
- Your neighbor has more exemptions.
- Your neighbor's exemptions are more valuable, for example, a larger Veteran's exemption.

This chart shows how a newer house pays more tax than an older house of equal value.

YEAR	HOUSE 1 (BUILT 1990)	HOUSE 2 (BUILT 1995)
1990 - Market Value (MV)	$100,000	N/A
1990 - Assessed Value (AV)	$6,000	N/A
1995 - MV	$150,000	$150,000
1995 - AV	$7,200 (up 20% from 1990)	$9,000 (6% of $150,000)
2000 - MV	$200,000	$200,000
2000 - AV	$8,640	$10,800 (up 20% from 1995)

*If you believe your property's value is not correct, see the "How to Appeal Your Property Value" section on the back of this flyer.

Condominiums

Very often, your issue is shared by other people in your building. Chances are, your building is appealing the assessment of every unit. Contact your managing agent for more information. Coop buildings are not assessed by unit; the whole building is valued.

Increase in Taxable Value

Any one of these reasons can cause your taxable (or assessed) value to go up:

- Increase in rental values of comparable buildings. State law requires us to value your building as if it were a rental building.
- Assessed value (AV) for condo buildings with 4 -10 units cannot go up more than 8% each year or more than 30% over a five year period unless you did renovations. Therefore, it may take several years for AV to adjust to a large increase in market value. This explains why AV goes up even when market value goes down.
- Assessed values for condo buildings with 11 or more units have to be phased in 20% each year over a five year period, so it may take several years for the AV to adjust to large increases or decreases in market value.
- You did renovations.
- You lost an exemption, or its value was reduced.

My Unit's Taxable Value is Higher Than My Neighbor's

Any one of these reasons can explain the difference:

- Your neighbor has more exemptions.
- Your neighbor's exemptions are more valuable, for example, a larger Veteran's exemption.
- Your neighbor's percentage of common interest is lower than yours.

How to Appeal Your Property Value

If you think Finance has the wrong information about your property, you can let the City know. The NYC Tax Commission can change your property's tax class, reduce its assessment or adjust exemptions. The Tax Commission must receive your application for correction by March 3rd (classes 2, 3 and 4) or march 17th (class 1 only). Do not miss your deadline. For more information, go to nyc.gov/html/taxcomm. You can also ask Finance to review market values or property descriptions, but it may not affect your assessment for this year. That's why it's important to file with the Tax Commission if you believe your assessed value should be reduced. You will find Finance's request for review forms at nyc.gov/finance.