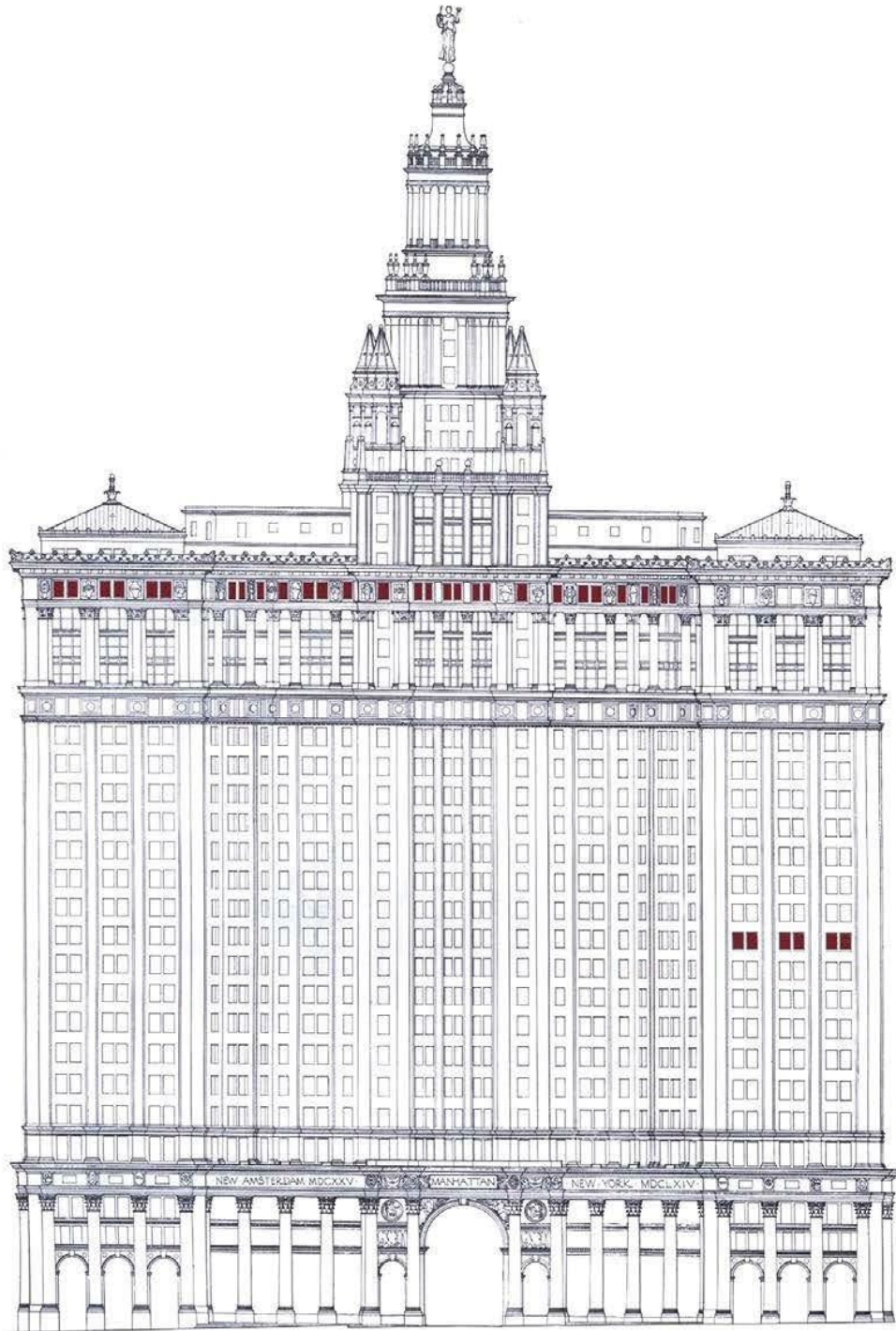


# TAX COMMISSION OF THE CITY OF NEW YORK



SCALE 1/8" = 1'-0" FEET  
The David N. Dinkins Manhattan Municipal Building  
WEST ELEVATION  
1908  
MCKIM, MEAD & WHITE

## 2021 ANNUAL REPORT

Frances J. Henn  
President

**MEMBERS OF THE TAX COMMISSION**

Frances J. Henn, President

Janet Alvarez  
Susan Grossman  
Carlo Silvestri  
Kirk P. Tzanides  
Thomas Nichols  
Vacant

**MANAGERIAL STAFF**

Acting Director of Operations..... Nelson Sanchez  
Special Counsel ..... Leonard Picker  
Director of Appraisal & Hearings ..... Louisa Tang  
Chief Information Officer ..... Srinivas Vallury

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## **Introduction**

The Tax Commission's 2021 Annual Report is submitted to the Mayor and the City Council pursuant to Section 155 of the Charter of the City of New York.

This report contains information about the Tax Commission and its mission, functions, operations and resources, an overview of the agency's performance, and statistical profiles of its determinations during calendar year 2021. It also contains a statement of the Tax Commission's accomplishments and improvements during that year and a summary of plans for 2022.

## **Mission & Functions**

The Tax Commission is the City of New York's independent forum for administrative review of New York City Real Property Tax (RPT) assessments set by the Department of Finance. The Tax Commission's mission is to ensure that determinations of RPT assessment appeals are made effectively, fairly and efficiently. Annual property tax assessments are the basis for the RPT levy, the City's largest single source of revenue. There are over one million parcels of real property in the City, generally identified by the borough, block and lot number on the tax maps maintained by the Department of Finance. Each year, the Department of Finance sets tentative assessed values, which are reflected on the tentative assessment roll it publishes in January for the fiscal year beginning the following July 1st. The Department of Finance also mails individual printed notices of the tentative assessed value to the owner (or designee) of each property on or about January 15th.

Under New York State and City law, each property owner<sup>1</sup> has the right to an administrative review of the assessed value of its property. After the Department of Finance publishes the tentative assessment roll, an owner or other party with legal standing

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<sup>1</sup> By law, certain other parties having an interest in the property who are adversely affected by the assessment, e.g., a tenant of the entire property who pays the RPT for the property, can request a review of the assessment by the Tax Commission in lieu of the property owner.

who believes the property is incorrectly assessed may seek review by the Tax Commission by filing an application for correction.

### **History**

The Tax Commission was created by New York State legislation in 1857. At its inception, the Tax Commission supervised the agency responsible for setting RPT assessments, formerly known as the Tax Department, and later the Real Property Assessment Department. In 1968, the Department of Finance assumed the assessing function as part of a reorganization of City government. In 1984, the Department of Finance was given original jurisdiction to determine applications for exemptions, and the Tax Commission was given authority to review denials of exemptions, completing the separation of the assessment process from the formal assessment review function. Since then, the Tax Commission has served exclusively as an independent administrative review body. In 2007, the City Council amended the New York City Charter (L.L. 59 of 2007) putting both the Tax Commission and the Tax Appeals Tribunal (the agency charged with administrative review of non-property tax notices issued by the Department of Finance) under the umbrella of the Office of Administrative Tax Appeals.

### **Structure & Resources**

The City Charter provides that the Tax Commission consists of a President and six Commissioners appointed by the Mayor to staggered, six-year terms, with the advice and consent of the City Council. The President, as the head of the agency, serves full-time, while the six Commissioners serve part-time. Each member of the Tax Commission must have at least three years of business experience in real estate or real estate law. Additionally, the City Charter requires the Tax Commission to include at least one resident of each borough. The current President, Frances J. Henn, was appointed effective January 7, 2020, for a six-year term ending January 6, 2026. In 2021, there were five part-time Tax Commissioners, one whose term ends in January 2026, one holdover whose term ended in January 2022, two holdovers whose terms ended in January 2018, one holdover whose

term ended in January 2016, and one vacancy. Efforts to fill the remaining position are ongoing.

The Tax Commission has fully integrated the New York City Tax Appeals Tribunal professional staff into the process of reviewing Tax Commission applications. This enables the Tax Commission to manage the increased volume of applications without diminishing the quality of review.

For the 2021/22 tax year filing season, the Office of Administrative Tax Appeals had a staff of 43 full-time employees plus five part-time Tax Commissioners and one additional part-time hearing officer, an attorney with more than 20 years of experience in real property valuation at the City Corporation Counsel's Office.<sup>2</sup> The Office of Administrative Tax Appeals' operating budget for 2021 was \$5,966,558. The Tax Commission's structure and its managerial personnel are presented in the organization chart included in this report.

### **The Administrative Review of Property Tax Assessment in New York City**

State law divides all real property in the City into four classes for purposes of taxation. Class one includes one-, two- and three-family homes, most residentially-zoned vacant land outside Manhattan and certain condominiums of up to three stories.<sup>3</sup> Class two consists of all primarily residential property not in class one. Utility property is in class three. All other nonresidential property is in class four.

Except for properties whose annual assessment increases are limited by law,<sup>4</sup> the amount of a property's assessed value is a percentage, called the assessment ratio, of the property's market value. Each year, the Department of Finance calculates an individual assessment for every parcel of property and the assessment ratio for each of the four tax classes taking into consideration fluctuations in the real estate market, physical alterations

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<sup>2</sup> The Tax Commission also employs part-time college aides.

<sup>3</sup> Certain other small condominiums also are included in class one.

<sup>4</sup> All class one and certain small class two properties having ten or fewer units.

and changes in taxable status. The current assessment ratio for class one property is 6%. The assessment ratio for classes two, three and four is 45%. A property's assessed value is a function of that property's tax class designation, market value, assessment ratio and eligibility for exemption.

The tentative assessment roll is subject to modifications until the final assessment roll is published by the Department of Finance on or about May 25th. Thereafter, the City Council sets the annual tax rates for the four tax classes in accordance with statutory requirements involving: the aggregate assessments in each of the four tax classes; the portion of the City's budget to be sustained by the total property tax levy; and the proportion of the total property tax levy to be borne by each of the four property tax classes. The tax imposed on each property for a fiscal year (before abatements) is the product of its assessed value (after exemptions) and the tax rate applicable to its tax class as adopted by the City Council.

In response to the filing of an application for correction of assessment, the Tax Commission will review the following claims: 1) misclassification, i.e., the property is assessed in the wrong tax class for its type and use under the four-class system; 2) excessiveness, including claims that the property did not receive all or a portion of a tax exemption; 3) inequality, i.e., the property's assessed value is set at a higher proportion of market value than that applied to all other properties in the same tax class; and 4) unlawfulness, including claims that the property did not receive a full exemption or the property otherwise was not subject to assessment by the Department of Finance. The RPT rates set by the City Council are *not* subject to Tax Commission review. The estimated market value determined by the Department of Finance for class one properties and class 2 properties having fewer than 11 residential units also are not subject to Tax Commission review. The physical description of the property cannot be changed on the records of the Department of Finance although if, as part of a Tax Commission application, an applicant offers evidence of a discrepancy in the physical description, the Tax Commission will ask

the Department of Finance to inspect the property to confirm or modify the physical description.

The typical application filed with the Tax Commission seeks a reduction in the amount of the property's assessed value. Challenges to the assessment ratio set by the Department of Finance are rarely raised before the Tax Commission because they require extensive data analysis and are best handled through court proceedings. Therefore, challenges for most properties are limited to disputes over the assessed value as determined by the Department of Finance. Challenges based on a claim of misclassification or eligibility for a full or partial exemption also are common. Applications can raise more than one type of claim.

The Tax Commission updates and prints application forms each year for use in the administrative review process. The specific forms required to be filed depend on the property's designated tax class and use and the nature of the claim(s) being made. Application forms, instructions, and summaries of applicable procedures may be obtained in person at the Tax Commission's office in Manhattan as well as at the Department of Finance Business Centers in each borough. Forms also are available on the Tax Commission's website at [www.nyc.gov/taxcommission](http://www.nyc.gov/taxcommission) and are mailed by the Tax Commission on request.

The application forms are designed to elicit information necessary for the Tax Commission's proper determination of the claims raised in the application, including financial information and information about the use and occupancy of the property. By law, financial statements for income-producing properties having an assessed value of \$5 million or more must be accompanied by a certification by a certified public accountant that the accountant has reviewed the financial statement.<sup>5</sup>

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<sup>5</sup> Local Law 42 of 2019 raised the threshold for requiring a CPA's certification from \$1 million to \$5 million effective January 1, 2019. That threshold is subject to adjustment every five years to reflect changes in the assessed values of tax class two and four properties.



In 2021, the filing deadline for applications for review of assessments of properties in tax class one was March 15, 2021; the deadline for filing applications for review of assessments of all other properties was March 1, 2021. To be considered timely, an application must be *received* at the Tax Commission or a borough office of the Department of Finance by the applicable deadline. The Tax Commission has no authority to waive or extend the deadlines.<sup>6</sup>

The applicant must complete the application according to the printed instructions and sign it with a certification for property in tax class one, or sign it before a notary public, for property in tax classes two, three and four. All applicants who properly complete, sign and timely file the required application forms receive review of their claims by the Tax Commission. To the extent resources allow, an in-person hearing is granted if requested. In 2021, virtual hearings were offered in lieu of an in-person hearing in most instances. When an in-person hearing is not requested, or when resource allocations require it, an application may be determined on the papers (i.e. documented information) submitted. There is no difference in the thoroughness of the review if the hearing is on papers or in-person. A substantial majority of applicants request an in-person hearing. The duration of a hearing may be a few minutes in straightforward cases, and up to an hour in particularly complex or unique cases.

Since 2011, a filing fee of \$175 applies to applications for properties with an assessed value of \$2 million or more, equivalent to a market value of about \$4.45 million for properties in tax classes two, three and four, and over \$33 million for properties in tax class one. The Tax Commission will not review an application if the fee is not paid for the previous year.<sup>7</sup> The fee does not apply if the applicant or representative waives review of the application before it is scheduled for a hearing.

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<sup>6</sup> However, if the Department of Finance issues a notice increasing the assessed value or reducing the amount of an exemption, the property owner can file an application for correction within 20 calendar days after the date of that notice even if the 20th day falls after the deadlines.

<sup>7</sup> The fee is not paid with the application but is added to the RPT bill and collected with the tax by the Department of Finance.

In addition to providing property owners an independent forum for review of their property tax assessments, the Tax Commission helps the City maintain the integrity of the property tax assessment rolls, the sound and equitable allocation of the property tax burden, and promotes public confidence in government and the tax system. A fair and efficient review process is essential to reducing costly litigation of assessment disputes. Appropriate action by the Tax Commission resolves many claims that might be further contested through court proceedings under Article 7 of the New York Real Property Tax Law (RPTL) costing property owners and the City time and resources.

As a condition of accepting an offer of reduction from the Tax Commission, applicants must agree to discontinue all pending judicial proceedings for prior years and to forego filing for such a proceeding for the current year. This benefits the City by eliminating thousands of pending Article 7 proceedings. Finally, to the extent the Tax Commission resolves applicants' claims prior to publication of the final annual assessment roll in May, RPT bills issued in July can be based on the corrected assessed values.

In sum, although it is a small agency in terms of staffing and expense budget allotments, the Tax Commission is an integral and essential component of the New York City RPT administration system.

Applications are reviewed by one or more of the following acting as hearing officers: members of the Tax Commission Appraisal & Hearing Group (all of whom are experienced assessors by training), the President, part-time Tax Commissioners, or, as designated by the President, the Tax Commission Special Counsel, one of the part-time hearing officers,<sup>8</sup> or an attorney in the Tax Appeals Tribunal. In 2021, hearings on applications involving properties with assessments of \$65 million or more, referred to generally as "high value" properties, were conducted by teams of two hearing officers,

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<sup>8</sup> See "Structure & Resources" at p. 2.

consisting of one assessor and either the President or a senior member of the Appraisal & Hearings Group.

For applications involving utility properties, as provided by law and upon request by the applicant, the entire Tax Commission (i.e., the President and all the part-time Tax Commissioners) will convene and act on the application. Utility applicants also may choose to have a hearing before, and determination by, the President, working with a member of the Appraisal & Hearings Group.

Applications involving exemption claims are reviewed by attorneys in the Tax Commission or Tax Appeals Tribunal acting as hearing officers. The rest of the applications are divided into categories based on the property type and assessed value, and then randomly assigned to a hearing officer by category, taking into account the experience level of the hearing officer.

The Tax Commission conducts hearings at its offices in Manhattan, as well as in the Bronx, Brooklyn, Queens and Staten Island offices located within the premises of the Department of Finance's Property Division.

In preparation for the hearing, the hearing officer reviews the current year's application, financial or other information submitted, applications submitted in past years, and any other relevant information. At the hearing, the applicant or representative is expected to be prepared to explain any anomalies in the application and accompanying documents, especially discrepancies between the current year's application and prior applications filed. At the applicant's request, the Tax Commission will receive sworn oral testimony by the owner (or another person with relevant knowledge) in support of the claims made on the application. Formal rules of evidence do not apply. Although not required, about 98% of applicants were represented by a lawyer or a non-attorney professional in 2021 although owners of class one properties represented themselves about 24% of the time.

Under applicable case law, the assessment set by the Department of Finance is presumed to be correct. The burden is on the applicant to offer substantial evidence to overcome the presumption and then to prove, by a preponderance of the evidence, that the assessment should be reduced or otherwise corrected.

The Department of Finance is permitted to appear at hearings or may offer written submissions in defense of assessments under review. For the past several years, representatives of the Department of Finance have attended a number of hearings, requested copies of various documents, and submitted information and documents supporting the original assessment. Applicants or their representatives will receive copies of any information submitted by the Department of Finance. Attendance at hearings gives the Department of Finance the opportunity to gain additional information about a specific property that may aid in assessing that property for the following year, with a goal of reducing or eliminating the need for Tax Commission review in the following year.

In making a determination on an application, the hearing officer considers all relevant information and documents presented, along with any information from the Department of Finance, and any facts of which the Tax Commission properly may take administrative notice. The accepted methodologies for valuing real estate, as well as those set by law, use sales of comparable properties, income generated by the property or the cost of reproducing the property. To aid in determining the market values of properties, the Tax Commission staff does market research and monitoring, and compiles reference materials that are supplemented and updated regularly. The Tax Commission also reviews documents and articles regarding the real estate industry, such as recent sales and leasing activity reports, and maintains in its files materials relevant to specific properties. Finally, Tax Commission assessors perform exterior and/or interior field inspections of subject properties when necessary or make referrals to the Department of Finance for inspection.

In addition to considering claims relating to a property's current year assessment, the Tax Commission also is authorized by law to review the assessment for the most recent

preceding year, provided a valid court proceeding is pending. In unusual cases, the assessment for an earlier year within the most recent five years may be reviewed, again provided a valid court proceeding is pending. Proper filing of a Tax Commission application is a prerequisite to judicial review of an assessment, and timely filing of an Article 7 petition<sup>9</sup> is a prerequisite to Tax Commission review of a prior year's assessment.

If the Tax Commission concludes that there is adequate proof, it offers relief in the form of an assessment reduction, class change or exemption as appropriate. The Tax Commission cannot raise the assessed value or reduce the amount of an exemption. The Tax Commission mails a notice of its determination to the applicant or its designated representative. An offer to reduce or otherwise adjust an assessment is implemented only if the applicant or authorized representative properly executes and returns the Tax Commission's standard written acceptance agreement within the specified time. Acceptance of any offer is subject to specified terms and conditions, which include the discontinuance of all judicial proceedings pending with respect to assessments for prior years and an agreement not to file an Article 7 proceeding for the current year covered by the offer.<sup>10</sup>

All offers of reduction of \$50,000 or more are subject to review and approval by the President of the Tax Commission. The Tax Commission also has an internal quality control auditing process. A number of applications for which the hearing officer has proposed an offer of reduction are systematically identified using predetermined criteria as well as a stratified random sample. Selected applications are subject to reexamination and a revised determination may be made. On occasion, an offer is withdrawn.<sup>11</sup> The Tax Commission will explain to applicants or their representatives the basis for any withdrawal of an offer.

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<sup>9</sup> An Article 7 petition must be filed by the October 24 of the tax year, e.g., an Article 7 petition on an application filed by March 1, 2021 had to have been filed by October 24, 2021.

<sup>10</sup> Statistics on prior years' petitions closed in connection with Tax Commission offers of reduction are provided under "2021 Operations & Performance" at p. 12.

<sup>11</sup> The Tax Commission's authority to withdraw an offer was recently upheld by the Appellate Division, First Department in *The 45 Great Jones Apartment Corp. v Tax Commission of the City of NY*, 180 AD3d 442 (1<sup>st</sup> Dept., 2020).

In addition, as part of the internal quality controls, to the extent possible, applications for a property are not reviewed by the same hearing officer in more than two consecutive years.

If the applicant accepts a Tax Commission offer of relief before publication of the final assessment roll, the revised assessed value is reflected on the final annual assessment roll and on the corresponding tax bills subsequently mailed by the Department of Finance for the fiscal year beginning July 1. Offers of reduction for current-year assessments accepted after the roll becomes final, as well as all accepted offers of relief for prior-year assessments, are implemented by remission. In those situations, the Department of Finance recalculates the property's RPT liability based on the assessment as corrected by the Tax Commission and issues a refund and/or credit to the affected taxpayer.

If a Tax Commission offer of relief is not accepted, is not accepted by the applicable deadline, or the offer is withdrawn or an acceptance agreement revoked as part of the quality control auditing process, the tentative assessment at issue is confirmed.

An applicant may seek judicial review of an assessment confirmed by the Tax Commission by filing an Article 7 petition in the New York State Supreme Court in the appropriate county by October 24 and serving the petition on the Tax Commission. State law does not require the courts to give any deference to the Tax Commission's determination. An optional small claims (SCAR) procedure is available for owner-occupied one, two and three-family homes. With its notice of determination, the Tax Commission provides all applicants with information on how to initiate an Article 7 or SCAR proceeding.

The City's Corporation Counsel represents the Tax Commission in Article 7 proceedings. The Tax Commission and the Tax and Bankruptcy Division of the City Corporation Counsel's office maintain ongoing communications to foster efficiency, fairness, and to further the best interests of the City. The Tax Commission maintains records of all judicial proceedings relating to property tax assessments from commencement to disposition and updates that file twice a year.

## **2021 Operations & Performance**

Assessment Review. In 2021, the Tax Commission received 57,989 applications, covering 241,516 separately assessed tax lots, having an aggregate tentative assessed value of \$230,379,565,169. This represents about 79.9% of the total 2021/22 tentative assessed value of all City properties in all tax classes.<sup>12</sup>

In 2021, the Tax Commission provided substantive review on 34,036 applications.<sup>13</sup> The Tax Commission took remedial actions that, in the aggregate, granted \$3,941,009,680<sup>14</sup> in assessment reductions for the 2021/22 tax year, yielding an estimated \$443,715,371 in tax relief for that year. In conjunction with its disposition of 2021 applications, the Tax Commission also obtained discontinuances of 18,421 pending Article 7 judicial review proceedings claiming errors in assessments for prior years.

The Tax Commission's administrative review has been, and continues to be, the most effective means of resolving pending judicial proceedings contesting billions of dollars in assessments.

In connection with performing its core function of ruling on annual applications for correction of assessment, the Tax Commission must undertake substantial preparatory and support work including:

- Annually reviewing, updating and refining application forms along with associated instructions and informational summaries
- Outreach to the public and information sessions on the application process
- Intake of applications and stratified sorting of applications and accompanying documents
- Creating, maintaining, and tracking case files and records, which are used throughout the office during the review process

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<sup>12</sup> The total tentative assessed value of all City properties for the 2021/22 tax year was \$288,444,272,978.

<sup>13</sup> This figure includes applications where the applicant requested that the application be reviewed without a personal hearing. An additional 18,628 applications eligible to be heard did not receive a substantive determination because the applicant or representative either declined substantive review or failed to provide requested information at or after the hearing.

<sup>14</sup> In 2021, the Tax Commission also granted reductions of \$1,356,626,545 for the 2020/21 tax year.

- Calendaring applications for hearing, which requires matching hearing officers' schedules with those of representatives, and grouping applications by various characteristics, including property type and representative
- Extensive data processing, to ensure Tax Commission data on properties is current and correct and any determinations by the Tax Commission are communicated to the Department of Finance for reflection in the assessment roll
- Performing legal, appraisal and factual research and analyses
- Rendering determinations
- Generating and mailing disposition notices
- Communicating with the Department of Finance and the City Corporation Counsel's Office
- Auditing determinations
- Compiling and analyzing performance statistics
- Removing discontinued petitions from the Tax Commission's systems
- Responding to inquiries throughout the year from property owners, representatives, elected officials and the public

Nonprofit Exemptions. The Department of Finance sends notices requesting renewal of property tax exemptions to not-for-profit organizations requiring them to provide updated information to establish continued eligibility for exemption. This can result in the Department of Finance reducing or removing an exemption. In 2021, the Tax Commission received 142 applications protesting the denial or reduction of nonprofit exemptions. These matters required substantial interaction with those claiming exemption and extensive documentation of the exempt status of the organizations and use of the premises. Many of these organizations are not represented and do not have professional staff so the Tax Commission spends a considerable amount of time explaining the requirements for exemption and how to present the facts needed to prove their claim.

Personal Exemptions. The Department of Finance removed significant numbers of personal exemptions from properties in 2021. As a result, the Tax Commission received 375 applications for review of denials of personal exemptions for the 21/22 tax year, including STAR, Enhanced STAR, Senior Citizen, Disabled, Veteran and Clergy exemptions in 2021, of which 260 were resolved. The Tax Commission anticipates



receiving more personal exemption appeals for the 22/23 tax year, in numbers comparable to pre-pandemic years, as the lower volume of appeals received for the 21/22 tax year is likely the result of the Department of Finance's policy to automatically renew many such exemptions during the pandemic.

FOIL. The Tax Commission receives numerous requests under the Freedom of Information Law each year. Some requests relate to individual properties; some requests are for large volumes of data to be provided in electronic form. We are advised by the City Corporation Counsel's office that FOIL requires the Tax Commission to put data into the format requested if possible, even if it is not maintained by the Tax Commission in that format. Depending on the nature of the request, either Tax Commission IT staff must take time to compile the data requested and convert it into the desired format, or other staff must manually locate, review and make hard copies of requested material from the paper files. FOIL compliance requires adherence to statutory deadlines so that the necessary staff must be pulled from other tasks. FOIL does not permit full compensation for the time of staff or the cost of data processing done by agency staff; we only can charge \$0.25 per page for copying. In 2021, the Office of Administrative Tax Appeals received 52 FOIL requests, for Tax Commission documents.

### **Planned and Implemented Improvements or Modifications**

In 2021, the Tax Commission continued to expand its use of technology for information-gathering, administration, and communication with the public. Publicly-available information, including property sales prices, leasing activity, and income and expense data, were used to aid in determining property values and in establishing internal guidelines.<sup>15</sup> In 2021, the Tax Commission continued to make available its guidelines for income, expenses, and capitalization rates, for various property types on its website. In addition, members of the Tax Commission's Appraisal & Hearings Group continued to

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<sup>15</sup> Guidelines published by the Department of Finance also are considered.

perform inspections and field visits as well as internet research, to enhance their knowledge of various neighborhoods and the uses of different property types.

The Tax Commission continued its emphasis on the efficient delivery of service to applicants in 2021 by:

- Working with taxpayer representatives to allow them additional time to screen and decline hearings on matters for which merits review was not requested, resulting in fewer non-meritorious cases being scheduled, and allowing the best use of hearing officers' time and attention.
- Joining representatives from the Department of Finance to present outreach information programs specifically designed to provide property owners with information and guidance needed to understand the property tax assessment (and other information) listed on the Notice of Property Value sent annually in January by the Department of Finance, and to determine whether an appeal to the Tax Commission of the assessment was warranted. Eight such sessions were held in February 2021.
- Joining representatives from the Department of Finance to present a briefing session aimed at providing City Council staff members with information to help answer constituents' questions about the Department of Finance's Notices of Property Value and opportunities to appeal to the Tax Commission.
- Embedding a language translation tool in the Tax Commission's website that allowed users to translate much of the posted information into over 90 languages.
- Conducting a three-hour program in January 2021, in conjunction with New York Law School's Center for New York City Law, for representatives who regularly appear before the Tax Commission to review current agency policies, rules of practice, requirements of professional conduct and integrity, any additions or changes applicable to

the 2021 hearing season, and other information to help avoid common mistakes that could prevent their clients' applications from being considered on the merits.

- Suspending, via a Mayoral Executive Order, the application notarization and in-person filing requirements, and utilizing a cloud-based document management application to facilitate the filing of appeal-related documents during the Covid-19 State of Emergency.

- Collaborating with various professional and industry organizations to modify the practices, procedures, and policies typically employed in the annual assessment review process, so that Tax Commission staff and taxpayer representatives could safely and productively telework, as necessary, during the pandemic. Modifications included utilizing video conferencing software to conduct hearings, recognizing pandemic-related effects when considering Tax Commission's substantiation requirements that are based on year-over-year changes to the reported income and expenses of a property, and establishing new processes for the submission of documents historically provided to hearing officers by the representatives at in-person hearings. These same modifications allowed Tax Commission staff to continue to safely conduct virtual hearings upon their return to the office.

- Communicating directly with each unrepresented applicant who had requested an in-person hearing in order to provide the option of a telephone conference and/or submission of additional documents or statements in support of their application by mail/email for consideration by the Tax Commission.

In 2022, Tax Commission plans include:

- Utilizing Tax Commission staff and resources more efficiently to allow for an increased number of appeals involving small and medium-sized properties to be heard earlier in the hearing season and thus provide earlier taxpayer relief for those properties determined to be overassessed.

- Enhancing the virtual hearing process with the use of upgraded equipment.
- Increasing utilization of the Department of Finance’s Property Tax System (PTS) computer application, where possible, to perform Tax Commission functions more efficiently.
- Utilizing available resources to further the Tax Commission’s goal of reducing its heavy reliance on paper to carry out its core functions in favor of fillable forms that can be completed online and electronically transmitted to the Tax Commission, developing a system of record-keeping capable of storing documents digitally, and providing enhanced record retention and search capabilities, while also expanding Tax Commission’s capabilities to transmit information and documents to applicants and their representatives electronically.
- Reviewing existing outreach efforts to identify potential new opportunities to provide information to individuals seeking Tax Commission assistance, in addition to current efforts that include information briefings for taxpayers and staff of public officials interested in learning more about the real property tax assessment system and protest process.
- Reviewing the Tax Commission’s forms and instructions periodically to help minimize filing errors and simplify filings, particularly for self-represented applicants.
- Ensuring that Tax Commission staff, as well as applicants/taxpayers and their representatives, have sufficient and meaningful opportunities to express concerns and provide constructive feedback that can help improve the quality and efficiency of annual assessment review hearings, the consistency and accuracy of determinations, the effectiveness of quality control procedures designed to protect against potential corruption, and increase transparency in the assessment review process.

- Working with the Department of Finance to identify opportunities in the assessment and exemption application process where its early action could reduce the number of cases that need Tax Commission review.
- Expanding the information gathering efforts of the Appraisal & Hearings Group to ensure the most current and reliable information is available to value properties.

**NEW YORK CITY TAX COMMISSION 2021 ANNUAL REPORT**  
**2021 ASSESSMENT APPEALS AND OUTCOMES BY TAX CLASS**

APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
REAL PROPERTY DESIGNATION	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
TAX CLASS 1	1,750	3,151	\$ 233,568,513	116	116	\$ 1,649,743	78	78	\$ 1,317,803
TAX CLASS 2	29,437	194,547	\$ 106,728,645,677	4,137	27,135	\$ 1,680,865,361	3,250	22,693	\$ 1,397,246,122
TAX CLASS 3	108	107	\$ 4,286,396,337	1	1	\$ 6,975,000	1	1	\$ 6,975,000
TAX CLASS 4	26,698	43,713	\$ 119,134,374,494	2,798	5,070	\$ 2,869,665,282	2,140	3,853	\$ 2,535,470,755
<b>TOTAL</b>	<b>57,993</b>	<b>241,518</b>	<b>\$ 230,382,985,021</b>	<b>7,052</b>	<b>32,322</b>	<b>\$ 4,559,155,386</b>	<b>5,469</b>	<b>26,625</b>	<b>\$ 3,941,009,680</b>

**NEW YORK CITY TAX COMMISSION 2021 ANNUAL REPORT**

**REMEDIAL ACTIONS BY TAX COMMISSION ON  
APPLICATIONS IN 2021 FOR 2020 ASSESSMENTS**

<b>OFFERS TO REDUCE 2020 ASSESSMENTS</b>			<b>ACCEPTED OFFERS TO REDUCE 2020 ASSESSMENTS</b>		
<b>APPLICATIONS</b>	<b>COLLECTIVE AMOUNT OF ASSESSMENTS AT ISSUE</b>	<b>COLLECTIVE AMOUNT OF ASSESSMENT REDUCTION OFFERS</b>	<b>APPLICATIONS</b>	<b>COLLECTIVE AMOUNT OF ASSESSMENTS NO LONGER AT ISSUE</b>	<b>COLLECTIVE AMOUNT OF ACCEPTED ASSESSMENT REDUCTION OFFERS</b>
5,828	\$ 36,713,876,781	\$ 3,617,469,323	1,684	\$ 11,072,394,337	\$ 1,356,626,545

**NEW YORK CITY TAX COMMISSION 2021 ANNUAL REPORT**

**2021 PRO SE ASSESSMENT APPEALS AND OUTCOMES BY TAX CLASS**

APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
REAL PROPERTY DESIGNATION	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
TAX CLASS 1	428	436	\$ 35,684,577	107	107	\$ 795,472	73	73	\$ 528,713
TAX CLASS 2	258	433	\$ 135,396,493	86	138	\$ 6,057,825	65	108	\$ 4,813,289
TAX CLASS 3	11	10	\$ 1,185,571,939	0	0	\$ 0	0	0	\$ 0
TAX CLASS 4	299	431	\$ 1,499,189,532	61	82	\$ 133,114,617	46	68	\$ 130,946,669
<b>TOTAL</b>	<b>996</b>	<b>1,310</b>	<b>\$ 2,855,842,541</b>	<b>254</b>	<b>327</b>	<b>\$ 139,967,914</b>	<b>184</b>	<b>249</b>	<b>\$ 136,288,671</b>



**NEW YORK CITY TAX COMMISSION 2021 ANNUAL REPORT**

**2021 ASSESSMENT APPEALS AND OUTCOMES - BY PROPERTY TYPE**

APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
REAL PROPERTY DESIGNATION	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
<b>TAX CLASS 1</b>	<b>1,750</b>	<b>3,151</b>	<b>\$ 233,568,513</b>	<b>116</b>	<b>116</b>	<b>\$ 1,649,743</b>	<b>78</b>	<b>78</b>	<b>\$ 1,317,803</b>
CONDOMINIUMS	52	1,494	\$ 32,668,633	3	3	\$ 46,935	1	1	\$ 2,837
1,2 & 3 FAMILY	1,393	1,367	\$ 163,124,846	109	109	\$ 989,777	73	73	\$ 701,935
VACANT LAND	144	132	\$ 10,048,101	0	0	\$ 0	0	0	\$ 0
OTHER	161	158	\$ 27,726,933	4	4	\$ 613,031	4	4	\$ 613,031
<b>TAX CLASS 2</b>	<b>29,437</b>	<b>194,547</b>	<b>\$ 106,728,645,677</b>	<b>4,137</b>	<b>27,135</b>	<b>\$ 1,680,865,361</b>	<b>3,250</b>	<b>22,693</b>	<b>\$ 1,397,246,122</b>
CONDOMINIUMS	3,288	168,466	\$ 31,260,283,093	571	23,569	\$ 550,380,863	459	19,902	\$ 482,635,682
2-10 FAMILY	5,260	5,240	\$ 2,831,145,990	938	938	\$ 95,489,626	686	686	\$ 72,336,814
COOPERATIVES	4,110	4,100	\$ 26,551,548,189	490	490	\$ 229,677,616	419	419	\$ 203,410,464
RENTAL APTS	16,779	16,741	\$ 46,085,668,405	2,138	2,138	\$ 805,317,256	1,686	1,686	\$ 638,863,162
<b>TAX CLASS 3</b>	<b>108</b>	<b>107</b>	<b>\$ 4,286,396,337</b>	<b>1</b>	<b>1</b>	<b>\$ 6,975,000</b>	<b>1</b>	<b>1</b>	<b>\$ 6,975,000</b>
UTILITY PROPERTY	108	107	\$ 4,286,396,337	1	1	\$ 6,975,000	1	1	\$ 6,975,000
<b>TAX CLASS 4</b>	<b>26,698</b>	<b>43,713</b>	<b>\$ 119,134,374,494</b>	<b>2,798</b>	<b>5,070</b>	<b>\$ 2,869,665,282</b>	<b>2,140</b>	<b>3,853</b>	<b>\$ 2,535,470,755</b>
CONDOMINIUMS	3,260	20,562	\$ 22,049,528,091	456	2,728	\$ 766,418,591	324	2,037	\$ 666,593,377
OFFICES/LOFTS	3,901	3,865	\$ 59,745,691,664	374	374	\$ 1,040,745,429	296	296	\$ 920,344,135
STORES	9,009	8,847	\$ 13,331,864,400	1,109	1,109	\$ 299,548,154	867	867	\$ 253,569,024
INDUSTRIAL	3,817	3,804	\$ 4,792,578,860	268	268	\$ 34,649,315	200	200	\$ 23,264,680
HOTELS	856	840	\$ 8,127,773,144	122	122	\$ 256,591,526	98	98	\$ 232,184,864
VACANT LAND	1,099	1,090	\$ 1,012,370,815	66	66	\$ 40,766,131	41	41	\$ 26,754,096
OTHER	4,756	4,705	\$ 10,074,567,520	403	403	\$ 430,946,136	314	314	\$ 412,760,579
<b>TOTAL</b>	<b>57,993</b>	<b>241,518</b>	<b>\$ 230,382,985,021</b>	<b>7,052</b>	<b>32,322</b>	<b>\$ 4,559,155,386</b>	<b>5,469</b>	<b>26,625</b>	<b>\$ 3,941,009,680</b>

**NEW YORK CITY TAX COMMISSION 2021 ANNUAL REPORT**

**2021 ASSESSMENT APPEALS AND OUTCOMES – BY REDUCTION % RANGE**

<b>CURRENT YEAR OFFERS RECEIVED</b>				<b>CURRENT YEAR OFFERS ACCEPTED</b>		
<b>RANGE OF OFFER %</b>	<b>APPLICATIONS</b>	<b>TAX LOTS</b>	<b>COLLECTIVE AMOUNT OF OFFER</b>	<b>APPLICATIONS</b>	<b>TAX LOTS</b>	<b>COLLECTIVE AMOUNT OF REDUCTION</b>
UNDER 10%	3,498	20,867	\$ 1,587,562,607	2,588	16,829	\$ 1,312,297,470
10% - UNDER 20%	2,445	7,871	\$ 1,418,885,480	1,968	6,448	\$ 1,201,536,594
20% - UNDER 30%	752	2,723	\$ 937,247,267	619	2,572	\$ 870,784,289
30% - Above	357	861	\$ 615,460,032	294	776	\$ 556,391,327
<b>TOTAL</b>	<b>7,052</b>	<b>32,322</b>	<b>\$ 4,559,155,386</b>	<b>5,469</b>	<b>26,625</b>	<b>\$ 3,941,009,680</b>

**NEW YORK CITY TAX COMMISSION 2021 ANNUAL REPORT**

**2021 ASSESSMENT APPEALS AND OUTCOMES - BY BOROUGH**

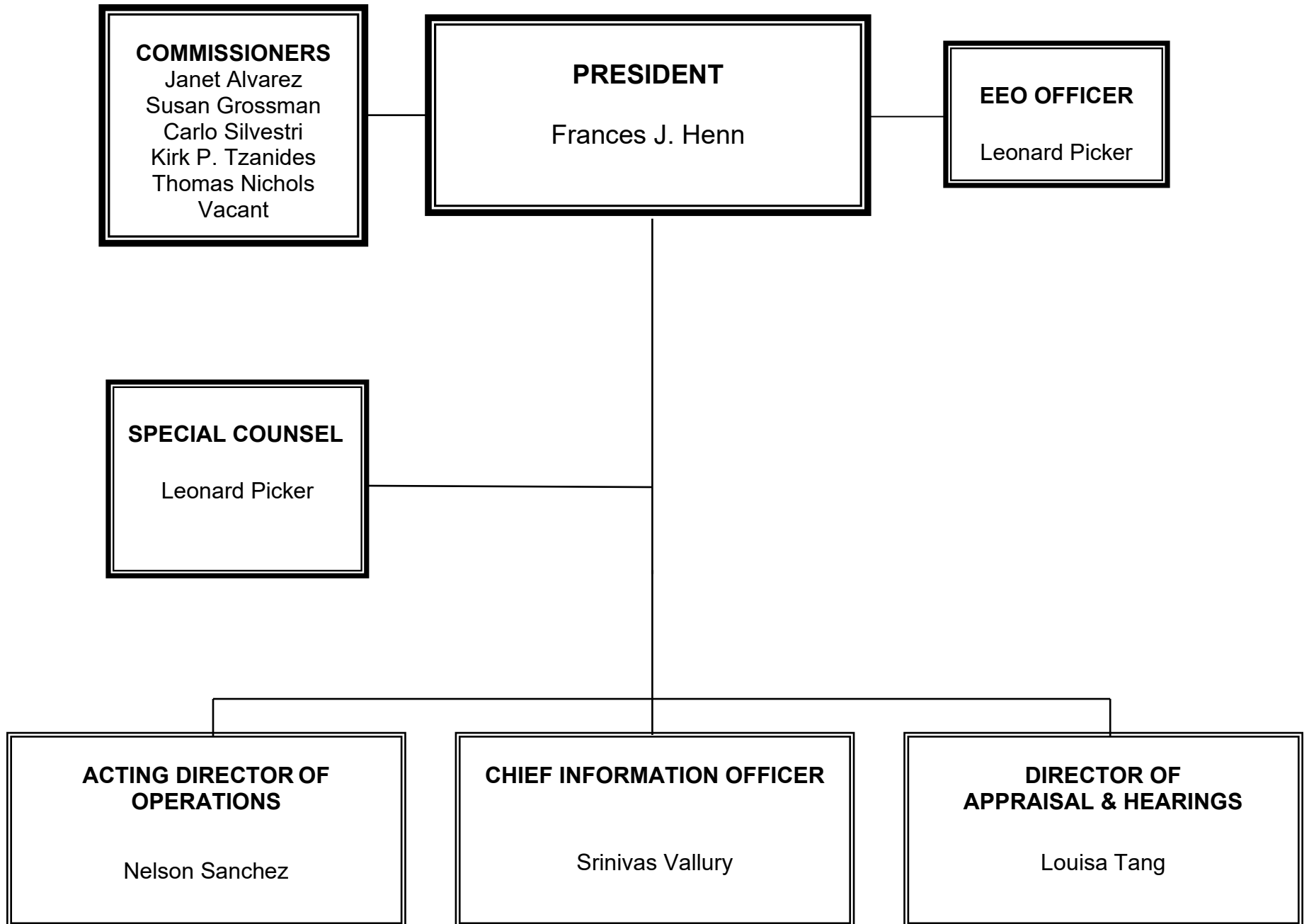
APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
BOROUGH	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
<b>BRONX</b>	6,885	20,591	\$ 9,037,491,368	407	657	\$ 102,586,948	313	550	\$ 89,254,436
<b>BROOKLYN</b>	14,678	46,066	\$ 24,263,459,302	1,346	4,399	\$ 424,328,932	1,039	3,382	\$ 365,455,724
<b>MANHATTAN</b>	22,944	135,709	\$ 171,944,925,051	3,928	24,590	\$ 3,572,728,658	3,094	20,452	\$ 3,089,780,256
<b>QUEENS</b>	11,798	35,772	\$ 22,815,137,805	1,196	2,496	\$ 391,954,830	892	2,105	\$ 337,613,487
<b>STATEN ISLAND</b>	1,688	3,380	\$ 2,321,971,495	175	180	\$ 67,556,018	131	136	\$ 58,905,777
<b>TOTAL</b>	<b>57,993</b>	<b>241,518</b>	<b>\$ 230,382,985,021</b>	<b>7,052</b>	<b>32,322</b>	<b>\$ 4,559,155,386</b>	<b>5,469</b>	<b>26,625</b>	<b>\$ 3,941,009,680</b>

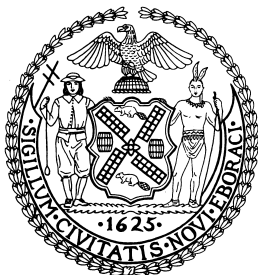
**NEW YORK CITY TAX COMMISSION 2021 ANNUAL REPORT**

**PROCEDURAL DELINEATION OF 2021 ASSESSMENT APPEALS**

	<b>APPLICATIONS</b>	<b>TAX LOTS</b>
<b>NOT ELIGIBLE FOR REVIEW</b>	<b>5,013</b>	<b>8,935</b>
LATE FILING	9	20
INCOMPLETE FILING	486	1,327
REQUIRED DEPT. OF FINANCE INCOME AND EXPENSE STATEMENT ("RPIE") NOT FILED, LATE OR IMPROPER	767	960
REQUIRED TAX COMMISSION INCOME AND EXPENSE FORM ("TCIE") NOT FILED, LATE OR IMPROPER	2,955	5,816
UNEXCUSED NON-APPEARANCE BY APPLICANT OR REPRESENTATIVE AT SCHEDULED HEARING	44	44
WITHDRAWN BY APPLICANT	488	174
OTHER	264	594
<b>ELIGIBLE FOR REVIEW</b>	<b>52,980</b>	<b>232,583</b>
REQUESTED IN PERSON HEARING	32,627	201,059
HEARINGS CONDUCTED BY TELEPHONE	231	231
REQUIRED FACTUAL SUBSTANTIATION NOT SUBMITTED	316	397
SUBSTANTIVE HEARING DECLINED AFTER APPLICATION FILED	18,628	29,324
REQUESTED REVIEW ON PAPERS	1,178	1,572
<b>TOTAL</b>	<b>57,993</b>	<b>241,518</b>

# THE TAX COMMISSION OF THE CITY OF NEW YORK 2021





CITY OF NEW YORK  
Eric Adams  
Mayor

TAX COMMISSION  
Frances J. Henn  
President