NYS BOARD OF REAL PROPERTY SERVICES

INSTRUCTIONS FOR THE APPLICATION FOR THE PARTIAL REAL PROPERTY TAX EXEMPTION FOR SENIOR CITIZENS EXEMPTION (AND FOR ENHANCED SCHOOL TAX RELIEF [STAR] EXEMPTION)

The Law

Section 467 of the Real Property Tax Law gives local governments and public school districts the option of granting a reduction in the amount of property taxes paid by qualifying senior citizens. To qualify, seniors generally must be 65 years of age or older and meet certain income limitations and other requirements.

For the basic 50 percent exemption, the law allows each county, city, town, village or school district to set the maximum income limit at any figure between $3,000 and $29,000. Localities have the further option of giving exemptions of less than 50 percent to seniors whose incomes are more than $29,000. Under the "sliding-scale" options, a qualifying senior can have a yearly income as high as $34,699.99 and get a 20 percent exemption, or, if the municipality chooses, an income of $36,499.99 and get a 10 percent exemption or an income of $37,399.99 and get a 5 percent exemption in places where they are granting the maximum limits. Please check with your local assessor or the clerks of the local governments and school districts involved to determine which local options, if any, are in effect.

If you qualify for the senior citizens exemption, you will automatically qualify for the enhanced School Tax Relief [STAR] Exemption (Real Property Tax Law, sec.425(4)) as well; no separate STAR application will be required. In that case, after the senior citizens exemption has been applied, a substantial portion (in some cases, all) of the remaining assessed value of your property will be exempted for school tax purposes under STAR.

If you apply for both the senior citizens exemption and the enhanced STAR exemption on application form RP-467, and the assessor finds that you do not qualify for the senior citizens exemption, you may still receive the enhanced STAR exemption if your application demonstrates that you meet the eligibility requirements for the enhanced STAR exemption. If not, you may be required to submit additional documentation including the STAR application (RP-425).

Note that property may not receive an exemption both under this law and the persons with disabilities and limited incomes exemption (Real Property Tax Law, sec. 459-c) for the same municipal tax purpose. However, where one or more owners qualify for exemption under this section, and the other owner qualifies for exemption under section 459-c, the owners may choose the more beneficial exemption.

Where to File the Application

The application form (RP-467), should be filed with the city, town or village assessor for partial exemption from city, town and village property taxes. For partial exemption from county or school district taxes, or from village taxes in villages that do not assess property, the application should be filed with the city or town assessor who prepares the assessment roll used for county, school, or village taxes. However, in Nassau County, applications for exemption from county, town or school taxes should be filed with the Nassau County Department of Assessment. In Tompkins County, applications for exemption from county, city, town, village or school district taxes should be filed with the Tompkins County Division of Assessment.

Notification

If you submit a self-addressed, prepaid envelope with your application for exemption, the assessor must, within three days of the completion and filing of the tentative assessment roll, notify you of the approval or denial of your application. If a second self-addressed, prepaid envelope is submitted, the assessor must also notify you of the receipt of your application.

Deadline for filing

The application generally must be filed in the assessor's office on or before the appropriate taxable status date, which, in most towns, is March 1. In Nassau County, taxable status date is January 2, but that county is authorized to establish a later filing date. Contact the county to obtain that date. Westchester County towns have either a May 1 or June 1 taxable status date; contact the assessor. In cities, such date is determined from charter provisions. In New York City, taxable status date is January 5, but applications for this exemption may be filed on or before March 15. Taxable status date for most villages that assess is January 1, but the village clerk should be consulted for variations. Municipalities may choose to permit applications to be filed as late as the date the board of assessment review meets to hear assessment complaints, where certain hardship situations exist.

When a person, who otherwise qualifies for the exemption, purchases property after taxable status date but prior to tax levy, he or she may file the RP-467 within 30 days of the transfer.

The assessor then has 30 days to make a decision as to whether the applicant would have qualified for the exemption had he or she had title as of taxable status date. If the assessor decides that the applicant would have so qualified, and the assessor makes the determination prior to the filing of the tentative assessment roll, the assessor will change the roll accordingly. Within 10 days of filing that roll, the assessor is obligated to notify the applicant of the approval or denial of the application for exemption and of that person's right to appeal to the board of assessment review.

If the assessor's determination is made after the filing of the tentative assessment roll, the assessor must petition the board of assessment review to correct the tentative or final roll in the manner provided in title 3 of Article 5 of the RPTL, the so-called correction of errors procedures. Within 10 days of petitioning the board of assessment review, the assessor is required to notify the applicant of the approval or denial of the exemption and of the applicant's right to administrative and judicial review of that determination. If a determination to exempt property is not entered on the tax roll for the year immediately following the fiscal year during which the transfer occurred, the assessor must notify the municipal corporations which would proceed as is discussed below.

Otherwise qualifying senior citizens, who purchase property after the levy of taxes, may apply to the assessor within 30 days of their acquisition of title. The assessor is required to notify the applicant and the board of assessment review, by first class mail, of his or her decision and of the applicant's right to review of that decision. If a complaint is filed, the board of assessment review is required to meet to hear it and determine the exemption amount.

After the exemption amount is determined, the assessor must compute pro rata tax credits by multiplying the exemption amount by the appropriate tax rates by the fraction of each fiscal year remaining after the date of acquisition. The assessor must then notify the applicant and the appropriate municipal corporations.

Tax collectors and receivers are required to apply these credits to the taxes owed on the seniors' property in those next fiscal years. Where such tax credits are not properly extended against the tax roll for the fiscal year immediately following the year of transfer, the assessor is to notify the municipal corporation and the credit would then be applied on the next succeeding roll.

Renewal Application

An annual renewal application (RP-467-Rnw) must be timely filed in the assessor's office to continue the exemption. Although some assessing units may allow renewal applications to be filed after taxable status date, you should file the renewal application on or before such date. Some municipalities permit the filing of affidavits (RP-467-aff/ctv for a city, town or village, RP-467-aff/s for a school district) in lieu of renewal applications after the exemption has been granted on five consecutive assessment rolls.

The following numbers correspond to the numbers on the initial application form.

1,2. If the title to the property is in more than one name, each of the names must be set forth. The deed, mortgage or other proof of title should be examined to ascertain the name of the owner or owners. If the property is owned by more than one person, all owners must qualify for the exemption.

Note that if a person holds a life estate in the property, that person is the legal owner of the property. If the property is held in trust, the exemption may be allowed if the beneficiary of the trust qualifies. Answer all questions on the basis of the beneficiary's qualifications for the exemption. Attach a copy of the trust or other proof of such trustee-beneficiary relationship.

Municipalities which offer the senior citizens exemption may also offer it to otherwise qualifying senior citizens who are tenant-stockholders of a cooperative apartment corporation. The percentage of exemption to which the senior citizen is entitled will be applied to the percentage of the total assessed value of the entire parcel that represents the tenant-stockholder's percentage of ownership of the stock of the corporation.

3. Location of the property should conform to its description on the latest assessment roll. Contact your assessor for assistance in furnishing this description.

4. Each of the owners of the property must be 65 years of age or over, except that, where the owners are husband and wife, or are siblings, only one spouse or sibling need be 65 years or over. Age is determined as of the appropriate taxable status date. (Some municipalities may allow the exemption where an otherwise eligible owner becomes 65 years of age after taxable status date but on or before December 31. Check with your assessor to determine if this option is in effect.)

Where an exemption had been in effect on property owned by a married couple, to retain eligibility, a surviving widow or widower must have been 62 years of age or over when the spouse died. Similarly, where the exemption was granted to a married couple and the older spouse leaves the property due to divorce, legal separation or abandonment, the exemption is retained if the remaining owner is at least 62 years of age.

Satisfactory proof of age must be furnished. Proof of age may consist of a birth certificate or baptismal certificate. In the absence of such documents, a hospital birth record, Social Security Administration affidavit of age, voter's registration record, insurance record, census record, marriage record, passport, military record, immigration document, etc., would be considered. Once proof of age has been submitted, it will not have to be submitted in future years unless specifically requested.

5. In order to qualify for the senior citizens exemption, the applicant must show either that (1) his or her previous residence was granted the exemption, or (2) that title has been vested in the owner or all of the owners for at least 12 consecutive months prior to the date of filing the application. In computing the 12-month period, the following information is important.

The period of ownership is not interrupted by:

- A transfer of title to one spouse from the other.
- A transfer of title to a surviving spouse from a deceased spouse either by will or operation of law.

The period of ownership of a prior residence may be considered where:

- There was a taking of the property by condemnation or other involuntary proceeding (except a tax sale) and another property has been acquired to replace the taken property.
- The prior residence has been sold and a replacement purchase made within one year if both residences are within the State.

6. The applicant must provide proof of ownership of the particular property upon which the exemption is sought. Such proof might consist of a copy of the deed by which title was acquired by the applicant or a copy of a mortgage agreement or other document indicating that title is vested in the applicant. Once this proof has been submitted, it will not have to be submitted in future years unless specifically requested by the assessor.

7,8. The property must be the "legal residence" of, and must be occupied by, all owners of the property unless: (1) a non-resident owner, who is the spouse or former spouse of the resident owner, is absent from the residence due to divorce, legal separation, or abandonment, or (2) an owner is absent from the property while receiving health related services as an inpatient of a residential health care facility and the property is not occupied by anyone other than the spouse or co-owner of such owner. A residential health care facility is a nursing home or other facility that provides or offers lodging, board and physical care including, but not limited to, the recording of health information, dietary supervision and supervised hygienic services.

The property for which the exemption is sought also must be used exclusively for residential purposes. However, if a portion of the property is used for other than residential purposes, the senior citizens exemption will apply only to the portion used exclusively for residential purposes.

9. The exemption cannot be granted if the income of the owner, or the combined income of all the owners, exceeds the maximum income limit set by the locality. If the owner is married, the income of the spouse must be included in the total unless the spouse is absent from the residence due to a legal separation or abandonment. The income of a non-resident former spouse, who retains an ownership interest, is not included. You should contact the assessor to determine the locally applicable income limits.

Income is to be reported on the basis of the latest preceding "income tax year" prior to the date of application. This usually is the preceding calendar year.

Income includes:

- all Social Security payments
- salary and wages (including bonuses)
- interest (including nontaxable interest on state or local bonds), total dividends
- net earnings from farming, rentals, business or profession (including amounts claimed as depreciation for income tax purposes)
- income from estates or trusts
- gains from sales and exchanges
- the total amount received from governmental or private retirement or pension plans
- annuity payments (excluding amounts representing a return of capital)
- alimony or support money
- unemployment insurance payments, disability payments, workers' compensation, etc.

Income does **not** include:

- Supplemental Security Income
- reparation payments made to individuals because of their status as victims of Nazi persecution
- moneys received pursuant to the Federal Foster Grandparent Program
- welfare payments
- proceeds of a reverse mortgage (but any interest or dividends realized from the investment of such proceeds are income)
- gifts, inheritances or a return of capital.

10. If an owner is an inpatient in a residential health care facility, the owner's other income is not considered income in determining exemption eligibility if it does not exceed the amount paid by such owner, spouse or co-owner for care at the facility. Proof from the facility of the amount paid for an owner's care must be submitted with the application.

11. At local option, municipalities may permit applicants to deduct from their incomes all medical and prescription drug expenses which are not reimbursed or paid by insurance. Check with the assessor to determine if this option is locally available. If so, complete line 11on the application. Proof of the expenses and reimbursement, if any, must be submitted with the application.

12. At local option, municipalities may permit applicants to deduct from their incomes veterans disability compensation payments. Check with the assessor to determine if this option is in effect. If so, complete line 12. Attach proof of receipt of the amount being deducted.

13. If the owner, any of the owners, or the spouse of any of the owners filed a federal or New York State income tax return for the preceding calendar year, a copy of the return must be submitted with the application. If you do not have a copy of the Federal income tax return, it may be obtained from the District Office of Internal Revenue Service in which the return is filed. A copy of the New York State income tax return may be obtained from:

New York State Department of Taxation and Finance
Income Tax Bureau
State Campus
Albany, New York 12227

Since it may take a considerable length of time to obtain copies of such returns, your application for exemption may be filed pending submission to the assessor of the copy of the income tax return when it is received.

14. If any child, including a child of tenants or lease holders, resides on the property for which an exemption from school taxes is sought, and such child attends any public school (grades K-12), no exemption from school taxes may be granted unless the school district in which the property is located has adopted a resolution to permit a school tax exemption for otherwise eligible residential property where children attending public school reside. The child may not have been brought into the residence in whole or in substantial part for the purpose of attending a particular school within the school district.