

Why does the amount of my STAR exemption change from one year to the next?

STAR exemptions originally were equivalent to \$30,000 for Basic and \$50,000 for Enhanced STAR. The program exempted the appropriate amount from the full/market value of a home for school tax purposes. The exempt amounts for some downstate counties were adjusted upwards to account for higher home values and taxes in those areas.

After nearly a decade, the amounts of the exemptions vary due to several factors, including whether the municipality has reassessed its property, the level of assessment of the individual municipality, and other aspects set forth in state law. In addition to changes in the exempt amount, the amount of STAR savings may vary based on the amount of taxes being collected by the given school district.

The details of the STAR exemption formula are available from the STAR homepage:
www.orps.state.ny.us/star

Does STAR apply to all taxes on my property?

No. The STAR exemption applies only to school district taxes. It does not apply to property taxes for other purposes, such as county, town or city (except in Buffalo, New York City, Rochester, Syracuse and Yonkers, where schools are funded through city property taxes).

Is STAR available on my vacation residence?

STAR will reduce school property taxes on your primary residence only. There is no one single factor that determines whether a property is your primary residence, but factors such as voting, vehicle registrations, and length of time spent each year on the property may be relevant. Your local assessor may ask you to provide proof of residency with the application. In addition, the assessor may occasionally request proof of residence after the exemption has been granted, to verify that the property remains your primary residence.

How does STAR work for cooperative apartments and manufactured homes in manufactured home parks?

Persons living in either of these types of properties first must file a STAR application with their local assessor, just like any STAR applicant. Assessors must provide a breakdown of the exemptions to the cooperative manager or park owner so that proper amounts may be credited to the appropriate parties.

What if I buy a new home?

Your STAR tax exemption is not transferred automatically. You need to apply for the exemption on your new primary residence by the deadline.

What if part of my property is used for other than residential purposes?

In the case of a mixed-use property where the property is used partially as the owner's primary residence and partially for some other use, the portion of the property used as a residence would be eligible for STAR. It is the responsibility of your local assessor(s) to make this determination.

I currently receive the low-income senior citizen exemption. Can I receive the STAR benefits and still keep my other exemption?

Yes. STAR requires that assessors apply the existing exemption and any other applicable exemption to the property's assessed value before applying the STAR exemption. This will result in greater tax savings for eligible homeowners. In addition, low-income senior citizen homeowners who receive the existing Senior Citizen exemption automatically qualify for the Enhanced STAR exemption. As a result, they need only to file and qualify for the Senior Citizen exemption, and they will receive both that exemption and the Enhanced STAR exemption. The initial application form RP-467 (which is also available in large print) can be downloaded at: www.orps.state.ny.us. (click on "Forms and Publications").

How is STAR administered where property is in a trust?

The ownership of property is split when it is placed in trust: the trustee is the legal owner; the beneficiary is the beneficial owner. However, for STAR purposes, the trust beneficiary is treated as the owner. Thus, if senior citizens create a trust and convey their home to their children as trustees, and the seniors remain in the home as the beneficiaries of the trust, then, for STAR purposes, the owners of the home are the seniors, not their children. Therefore, the seniors would be able to get the STAR benefits.

How is STAR administered where property is in a life estate?

The life tenant is deemed to own the property; so STAR eligibility is based on the life tenant's qualifications. A life estate generally is created by a deed. Often ownership is transferred to another party with life estate use reserved for the prior owner(s) or another party. In other cases, a life estate is expressly granted by one party to another. In either case, in the eyes of the law, as long as the holder of the life estate is alive, he or she "owns" the property.

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STAR

School Property Tax Exemption

Questions & Answers



What is STAR?

STAR is New York State's School Tax Relief Program that includes a school property tax rebate program and a partial property tax exemption from school taxes. All New Yorkers who own and live in their home - whether it's a condominium, cooperative apartment, manufactured home, farm dwelling, apartment building or mixed-use property - are eligible for the STAR exemption on their primary residence.

For more information about the STAR rebate program, please visit the website of the State Department of Taxation and Finance at www.nystax.gov or call 1877-6-STAR-NY (1-877-678-2769).

This pamphlet contains information about the STAR property tax exemption.

There are two parts to the STAR property tax exemption:

- The **Basic STAR** exemption is available for owner-occupied, primary residences regardless of the owners' ages or incomes. Basic STAR works by exempting the first \$30,000 of the full value of a home from school taxes.
- The **Enhanced STAR** exemption is available for the primary residences of senior citizens (age 65 and older) with yearly household incomes not exceeding the statewide standard. (The definition of "income" for this purpose is provided later in this pamphlet.) For qualifying senior citizens, the Enhanced STAR program works by exempting the first \$60,100 of the full value of their home from school property taxes (2010-2011 school year). For property owned by a husband and wife, or by siblings, only one of them must be at least 65 years of age as of December 31 of the year in which the exemption will begin to qualify for the Enhanced exemption. Their combined annual income, however, must not exceed the STAR income standard.

How do I get the Basic STAR exemption?

You must file an application with your local assessor. STAR applications are available from your assessor's office or on the internet at: www.orps.state.ny.us (large print forms are also available). New York City residents should call the New York City Department of Finance (www.nyc.gov/html/dof) at 311 or (212) 504-4080.

Property owners who are granted the Basic STAR exemption generally will not need to reapply in subsequent years because the Basic STAR exemption is granted regardless of income. However, Basic STAR recipients will need to notify their assessor if their primary residence changes.

How do I get the Enhanced STAR exemption?

You must file an application with your local assessor. Senior citizens applying for the Enhanced STAR exemption must demonstrate that the combined income of all of the owners of the property, and of any owner's spouse who resides on the premises, is no greater than the income standard for the applicable income tax year. You may do this in one of two ways:

Option 1: Traditional method

Submit a copy of your income tax return(s) for the appropriate income tax year to the assessor with your STAR application by the application deadline each year.

Option 2: STAR Income Verification Program

Supply your Social Security Number(s) and authorize the New York State Department of Taxation and Finance to verify your income eligibility each year. If you choose this option, you do not need to submit an application and copy of your tax return(s) to the assessor every year. To choose this option, in the initial year you must complete form RP-425-IVP (also available in large print) and submit it to the assessor along with a traditional STAR application and the necessary income tax return(s) by the application deadline.

Is there a deadline by which I must file the application form?

STAR applications must either be received in the assessor's office or be postmarked by Taxable Status Date. While Taxable Status Date is March 1 in most municipalities, it varies for some cities and in some counties. When Taxable Status Date falls on a Saturday, Sunday or public holiday, the deadline for filing exemption applications is extended until the next business day.

To find Taxable Status Date (and other assessment calendar dates), assessor telephone numbers and additional information for your municipality, visit www.orps.state.ny.us/munipro.

Generally, the STAR Program is locally administered by city and town assessors. When checking the deadline for filing STAR and other exemption applications, it is important that you check the Taxable Status Date for the assessing unit with which you are filing the application. While the dates online are correct based on the best available information, you are encouraged you to confirm Taxable Status Date for your municipality with your assessor.

What is the definition of income for the Enhanced STAR exemption?

Income is based on the applicants' second prior year's income tax return. For instance, on the 2009 assessment roll, income was based on the 2007 income tax return. The combined income of all of the owners and of any owner's spouse who resides on the premises may not exceed the STAR income standard (maximum) for the applicable income tax year. Income is defined as federal "adjusted gross income" [AGI] as reported on the applicants' federal or State income tax return, less the "taxable amount" of total distributions from individual retirement accounts or individual retirement annuities both of which are commonly known as "IRAs". A cost of living adjustment (COLA) is made annually to the STAR income standard; contact your for the current income standard.

Are senior citizens required to prove their age?

Yes, but only with the initial application for STAR benefits. The law requires satisfactory proof of age, such as a birth certificate or baptismal certificate. If those documents are unavailable, a hospital birth record, an affidavit of age from the Social Security Administration, marriage record, passport, military record, immigration documents or other reliable records that prove age are acceptable. Remember, for property owned by a husband and wife, or by siblings, only one of them has to be at least 65 years old as of December 31 of the year in which the exemption will begin.

Can the Enhanced exemption be granted to nursing home residents who own their homes?

Yes, provided that no one other than the co-owner(s) or spouse resides on the premises.

Can a surviving spouse who is not 65 years old continue to receive the Enhanced exemption?

A surviving spouse can retain an existing Enhanced STAR exemption provided that she or he is at least 62 years old as of December 31 of the year in which the exemption will continue. Otherwise, the individual may receive the Basic STAR exemption.

How will I know my STAR application has been approved?

Assessors are required to notify applicants if their STAR application has been denied. If you mail your application to the assessor, it is suggested that you send it by registered mail, return receipt requested. If you hand-deliver it, it is suggested that you request a receipt. In either case, retain a copy of your application for your records. When the tentative assessment roll is made available to the public, it is good practice to check to ensure that you will be receiving the appropriate STAR exemption.

How will I know how much STAR is saving me in tax dollars?

As part of the STAR program, you will receive a school property tax bill or other notice that will clearly state the amount of the STAR exemption and your tax savings.