



NEW YORK STATE SENATOR  
Terrence Murphy

## Senator Murphy to NYS Department of Taxation and Finance: Fix Falling Star Program

TERRENCE MURPHY September 18, 2017

| ISSUE: **TAXES, STAR (SCHOOL TAX RELIEF PROGRAM), TAX RELIEF**



Albany NY - Homeowners are getting tired of hearing "The check is in the mail." Many participants in the STAR Property Tax Credit program have been waiting for over a year for their checks. Senator Terrence Murphy's office continues to be inundated with phone calls from consumers looking for money that is rightfully due to them.

In February, as Chairman of the Senate Committee on Investigations and Government Operations, Senator Murphy requested that the **New York State Department of Taxation and Finance**, overseers of the STAR program, initiate a comprehensive review to provide the necessary resources and support mechanisms to ensure major issues with the program are

solved and do not reoccur.

Part of the problem is that the New York State Department of Taxation and Finance has experienced difficulty making the transition to the tax credit. Seniors living on fixed incomes relying on the Enhanced STAR payment checks in order to pay for exorbitant school taxes have not been getting them within the time frames established by the tax department. Many seniors were also sent rebates for a basic STAR payment rather than the Enhanced STAR.

"If the postal service can track a package at each step why can't the Department of Taxation and Finance? Homeowners, especially seniors, call my office every day saying they are still waiting for their checks. As a result, some homeowners had to borrow money to pay their school taxes because they have not received their rebate checks," said Senator Murphy. "There needs to be a more transparent and efficient method for explaining the process, tracking and delivering of these payments. While I understand the complexities associated with administering a program of this magnitude, the delays in mailing out payments should not subject homeowners to adverse consequences regarding their state and federal taxes."

"Our residents, particularly seniors living on fixed incomes, have been forced to pay their school taxes while still waiting for months until their STAR checks arrive. Some have not gotten the full amount due to them, which has caused further hardship," said Mt. Pleasant Town Supervisor Carl Fulgenzi. "Town assessors need to be better informed by the Tax Department about changes to the program, how to register, and when payments are scheduled to be mailed out."

North Salem Town Supervisor Warren Lucas said, "People are treated differently by the STAR program. For some, money goes directly to school, others get checks. There are levels of STAR, some that require income validation and if it was not for our Assessors continued attempts to work with our seniors some would forget to send their tax returns in and would lose the exemption. By the way, the State already has all of the tax returns. For new seniors in our municipalities, Assessors have no information about them as it is kept at the State level and therefore they cannot help them. Many will end up not filing properly and likely lose the exemption."

"We have found that some of our residents, who had the STAR exemption at the inception of the program (1998), have moved from the homes they raised their families and downsized to

a smaller home or a condominium within the town," explained Kim Penner, Assessor for Yorktown. "They have a difficult time understanding why they now need to register with the State to receive a check. If the new STAR program had been implemented for the 2017 Assessment Roll throughout the State, there may have not been as many confused homeowners. To add to this confusion, if a senior citizen is eligible for the "Senior 467 Exemption", they not only have to file for this exemption in the Assessor's Office, but also have to register with NYS for the STAR Enhanced."

Senator Murphy reached out to assessors in his district as well as the President of the New York State Assessors' Association about the problems associated with the transition to tax credit, particularly pertaining to seniors buying new homes. Many seniors voiced their dissatisfaction with the process of registering for property exemptions and that they no longer had the option to file for Enhanced Star with their local assessor. Seniors who were not computer literate or did not own a computer now faced the daunting task of filing online. The Department of Taxation and Finance attempted to address homeowners' concerns by setting up a hotline, but the number was not toll free and callers found themselves frustrated by long waiting periods.

Senator Murphy has called for more frequent communication between local assessors and the NYS Department of Taxation and Finance to ensure that taxpayers register correctly, resolve program issues, and receive their payments on a timely basis.

In response, the tax department recently announced that it has improved its system, and has begun working more closely with local assessors. They also stated they were confident all the checks would be sent out on time. The department improved its online reporting system and has a new online tool to tell residents when the STAR checks are expected to be issued in an area.