

Questions & Answers

S.T.A.R.



The School Property Tax Exemption

Senator
Hugh T. Farley
44th Senate District

- Q. I own more than one residential property. Can I receive the STAR exemption on all my residences?**
- A. No. The STAR exemption can be applied only to your **primary** residence.
- Q. What is meant by primary residence?**
- A. There is no 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 residency after the exemption has been granted to verify that the property remains your primary residence.
- Q. What if part of my property is used for other than residential purposes?**
- A. If the property is an eligible type of property, such as a one-, two-, or three-family home, and is the owner's primary residence, it may still be eligible to receive the exemption if the non-residential use is incidental. It is the responsibility of the local assessor to make this determination.
- Q. Do I receive a notice if I am denied the STAR exemption?**
- A. **Yes.** Assessors are required by law to notify applicants if their STAR application has been denied at least 10 days prior to the date for hearing complaints in relation to assessments.
- Q. Is there a deadline by which I must file the application?**
- A. Yes. However, deadlines vary across the state. It is important to contact your local property assessor for deadline information in your area.

Telephone numbers for your local assessor are available in the "Blue Pages" of your local phone book. You can also access information about your municipality and local assessor on the Office of Real Property Services (ORPS) web page at www.orps.state.ny.us.

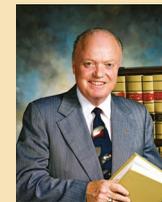
- Q. Where do I file the application?**
- A. With your local assessor. Do not file the application form with ORPS or any other state agency.
- Q. Do I have to prove my age?**
- A. Senior citizens applying for the Enhanced STAR must supply proof of age with their initial STAR application.
- Q. By what date must I turn 65 to receive the Enhanced STAR exemption?**
- A. You may apply for the Enhanced STAR in the year you turn 65. You do not have to wait until your birthday. 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.
- Q. Do I have to prove my income for Enhanced STAR?**
- A. Yes, if you have not already applied for the automatic income verification program. Remember, for property owned by more than one person, the combined annual income must be no greater than \$74,700.
- Q. I am a senior citizen whose income exceeds \$74,700. Can I still receive the Basic STAR exemption?**
- A. Of course. And like other Basic STAR recipients, as long as you've been receiving Basic STAR in previous years

on your home, you won't need to reapply unless you move.

- Q. What if I buy a new home?**
- A. Your STAR exemption is not transferred automatically. You will have to apply for the exemption on your new primary residence.
- Q. Where can I get more information about the STAR program?**
- A. Please contact your local property assessor. (See the Blue pages of your local phone book.) You also may contact the Director of Real Property Tax Services in your county. Information is also available from the Internet home page of the State Office of Real Property Services (ORPS) at www.orps.state.ny.us.

Information in this brochure has been provided by the Governor's Office and the New York State Office of Real Property Services (ORPS).

#151 11/09



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Q. What is STAR?

A. The School Tax Relief Program, or STAR, was sponsored by the New York State Senate to provide a partial exemption from school property taxes for New York State residents who own homes. Since it was enacted in 1997, STAR has saved homeowners more than \$30 billion. Now that STAR is fully implemented, more than three million homeowners will save nearly \$3.5 billion this year.

Q. Who benefits from the STAR program?

A. STAR benefits all of us by:

- ★ making home ownership more affordable for New York State residents;
- ★ helping senior citizens stay in their homes and their communities;
- ★ helping taxpayers better understand their property tax bills; and
- ★ reimbursing schools dollar for dollar to ensure quality education programs.

Q. How does STAR work?

A. There are two parts to the STAR program: **Basic STAR** is available to all New Yorkers who own and live in their one-, two- or three-family home, condominium, cooperative apartment, mobile home or farm home. Basic STAR works by exempting \$30,000 of the full value of a home from school taxes. New Yorkers are eligible for this exemption on their primary residence, *regardless* of income or age. **Enhanced STAR** is available to senior citizens (age 65 and older) who meet the income requirements. For qualifying seniors, Enhanced STAR exempts \$60,100 of the full value of their primary residence. For property owned by a husband and wife, or by siblings, only one of them must be at least 65 years of age to qualify for Enhanced STAR.

Q. What is the income requirement for Enhanced STAR?

A. **The Enhanced STAR plan for seniors automatically adjusts income limits based on the annual federal Social Security cost-of-living adjustment (COLA).** The current income limit is \$74,700, and it will continue to increase at the same rate as COLA. The STAR income eligibility limit will *never decrease*. If the annual Social Security COLA is ever a negative amount, the STAR COLA will remain at the previous year's level.

Q. How do I get my Enhanced STAR tax cut?

A. 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 and submit it to the

assessor along with a traditional STAR application and the necessary income tax return(s) by the application deadline.

Q. How do I get my Basic STAR tax cut?

A. You must file an application with your local assessor. The application has been made as simple as possible. Property owners who are granted the Basic STAR exemption 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.

Q. Where do I get the STAR application?

A. The application form, RP-425, is available from your local assessor. The address and telephone number of your local assessor can be found in the "Blue Pages" of your local phone book. The application can also be found on the Internet home page of the NYS Office of Real Property Services (ORPS) at www.orps.state.ny.us.

Q. Does the STAR exemption apply to all taxes on my property?

A. The STAR exemption applies only to **school district taxes**. It does not apply to other property taxes such as county, town or city.

Q. How will I know how much my STAR exemption is worth in tax dollars?

A. Along with unprecedented savings, the STAR program created a **Property Taxpayer's Bill of Rights** which aims to keep property owners more informed than ever about their taxes. As a key component of the STAR program, your school tax bill (or other "Bill of Rights" notice) clearly states the amount of the

STAR exemption and your tax savings.

Other information now included on your tax bill:

- ★ the market value of your property;
 - ★ the percent of market value used in assessing property in your community;
 - ★ the total tax levy and percent change from the prior year;
 - ★ how to challenge your assessment if you believe it is too high;
 - ★ the uniform percentage of value being used in the assessing unit; and
 - ★ the full value of each property.
- Property owners can also use this information to help decide whether their properties are being assessed fairly and correctly.

Q. If my mortgage is in an escrow account, when will I see my STAR tax reduction?

A. Mortgage institutions are required to reduce a homeowner's escrow account within one month of notification that the homeowner has received the STAR exemption. Mortgage institutions are not allowed to charge any additional fees for this adjustment.

Q. What types of properties are eligible for the STAR tax cuts?

A. STAR will reduce school property taxes on your primary residence only. To be eligible for either the Basic or Enhanced STAR tax cut, you must own and live in a one-, two-, or three-family home, condominium, mobile home, cooperative apartment, or farm home.