



# Property Tax Freeze

April 24, 2014

New York State Department of Taxation and Finance  
Office of Real Property Tax Services

# Overview

- Freezes property taxes on the primary residences of homeowners with income at or less than \$500,000 in local governments and school districts that stay within property tax cap.
- Effective for school districts starting with 2014-15 school year.
- Effective for cities, towns, villages, counties and special districts in fiscal years beginning in 2015.
- To receive the tax credit in the second year, school districts and local governments must stay within tax cap and develop plans for sharing or consolidating services that will achieve savings for taxpayers.

# Timing of Freeze Credits

- Homeowners will receive credit by check:
  - Fall 2014 (school only)
  - Fall 2015 (all taxing purposes)
  - Fall 2016 (all taxing purposes but school)

# Eligibility for Credit - First Fiscal Year\*

- Taxpayer's primary residence have a STAR exemption; and
- Taxing jurisdiction must have a tax cap compliant budget and must certify this to DTF and OSC by the 21<sup>st</sup> day of the fiscal year. Deadline for most school districts is July 21, 2014 and deadline for most local governments is January 21, 2015.

\* Fiscal year beginning 2014 for schools and fiscal year beginning 2015 for all other taxing purposes

# Eligibility for Credit - Second Fiscal Year\*

- Taxpayer's primary residence have a STAR exemption; and
- Taxing jurisdiction must have a tax cap compliant budget and must have a State approved efficiency plan that will achieve savings for taxpayers. These plans are due to DOB by June 1, 2015.

\* Fiscal year beginning 2015 for schools and fiscal year beginning 2016 for all other taxing purposes

# Calculation of Credit - First Fiscal Year

- The credit is equal to the greater of:
  - Increase in taxes for homeowner (excluding unit/usage charges, increases due to new construction, removal or reduction of exemptions and in localities conducting reassessments the increase in assessed value that exceeds the typical increase in the locality).
  - The prior year taxes for the homeowner for the taxing purpose multiplied by the allowable levy growth factor. For school districts this year the allowable levy growth factor is 1.46%.

# Calculation of Credit - Second Fiscal Year

- The credit will equal the two-year increase in taxes if the taxing jurisdiction met the eligibility requirements for both years.

# Timing of Tax Levies and Freeze Checks

<b>Sep 2013</b>	School Tax
<b>Jan 2014</b>	Town/City/County/Special District Tax
<b>June 2014</b>	Village Tax
<b>Sep 2014</b>	School Tax
<b>Oct 2014</b>	State issues 2014 school freeze credit – reflects increase in school taxes from 2013 to 2014
<b>Jan 2015</b>	Town/City/County/Special District Tax
<b>June 2015</b>	Village Tax
<b>Sep 2015</b>	School Tax
<b>Oct 2015</b>	State issues combined 2015 freeze credit – increase in school taxes from 2013 to 2015 plus increase in town/city/county/village special district taxes from 2014 to 2015
<b>Jan 2016</b>	Town/City/County/Special District Tax
<b>June 2016</b>	Village Tax
<b>Oct 2016</b>	State issues 2016 freeze credit - increase in town/city/county/village/special district taxes from 2014 to 2016



# Special Provisions for Co-ops / Mobile Homes

- The credit for co-ops will be 60% of the average credit for the taxing jurisdiction.
- The credit for mobile homes that are not separately assessed will be 25% of the average credit for the taxing jurisdiction.

# Submission of Data Files

- Local governments are required to submit to DTF the data files that are used to create tax rolls and tax bills.
- This month DTF will request the data files used to compute 2013 school tax bills and 2014 city, town, village, county and special district tax bills.
- Future tax data files are due to DTF no later than 10 days after the annexation of the warrant.