

Exemption Administration Manual - Part 2

Multiple Dwellings

Section 4.07 - RPTL Section 421-c

New Multiple Dwellings outside New York City

RPTL Section 421-c

Exemption Code(s): 4881

Year Originally Enacted: 1980

Related Statutes: None

SUMMARY: If allowed by local option, new multiple dwellings outside New York City that are located in municipalities which require rent regulation under the Emergency Tenant Protection Act of 1974 are partially exempt from taxation, but liable for special ad valorem levies and special assessments, provided that (1) the property is not exempt from taxation under any other law, (2) construction takes place on land that is vacant, predominantly vacant, underutilized, or improved with a nonconforming use, and (3) the initial regulated rents charged upon initial occupancy are at least 15% less than the rents prevailing for comparable newly constructed residential units in the same area or any comparable area.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or organization.
2. **Property Location Requirements:** Property must be located outside New York City in a municipality that requires rent regulation under the Emergency Tenant Protection Act of 1974.
3. **Property Use Requirements:**
 - a. Construction must take place on land that is vacant, predominantly vacant, underutilized, or improved with a nonconforming use.
 - b. Initial regulated rents charged upon initial occupancy must be at least 15% less than the rents prevailing for comparable newly constructed residential units in the same area or any comparable area.
 - c. Rents are subject to control under the Emergency Tenant Protection Act for a period of 10 years or for the period during which the act is in effect, whichever is shorter. This period may be extended if rent-regulation provisions other than those contained in RPTL '421-c become applicable.
4. **Certification by State or Local Government:** The local rent guidelines board must annually certify the owner's eligibility for exemption. The certificate of eligibility must accompany the application for exemption that the owner files with the assessor (see Filing Requirements below).
5. **Required Construction Start Date or Other Time Requirement:** None.

- B. **LOCAL OPTION:** Yes – Each city, town, and village in which the property is located may choose whether or not to allow the exemption. The option must be exercised through adoption of a resolution.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Tax	Special Assessments
1. Amount	Yes*	Yes*	No exemption allowed	No exemption allowed
2. Duration	Construction period plus 10 years	Construction period plus 10 years	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County	Ex**	NA	Tax	Tax

Special Districts				
b. City	Ex**	NA	NA	Tax
c. Town or Town Special District	Ex**	NA	Tax	Tax
d. Village	Ex**	NA	NA	Tax
e. School District	NA	Ex**	NA	NA
	Ex-Exempt	Tax-Taxable	NA-Not Applicable	

* In the third year following completion of the project, the amount of assessed value eligible for exemption drops from 100% to 80% and thereafter decreases every two years by 20%. In addition, the owner is annually liable for the amount of taxes payable in the tax year preceding the start of construction.

** If allowed by local option.

D. **PAYMENTS IN LIEU OF TAXES:** None required.

E. **CALCULATION OF EXEMPTION:**

1. **General Municipal and School District Taxes:**

The following percentages of assessed value are eligible for exemption:

During construction period:	100%
After completion of construction:	
Years 1 and 2	100%
Years 3 and 4	80%
Years 5 and 6	60%
Years 7 and 8	40%
Years 9 and 10	20%

While not affecting the calculation of exempt value for assessment roll purposes, there is one more limitation on the exemption. The owner is annually liable for the amount of taxes payable in the tax year preceding the start of construction.

2. **Special Ad Valorem Levies and Special Assessments:** No exemption allowed.

F. **CODING OF EXEMPTION ON ASSESSMENT ROLL:**

Code	Description of Alternative Codes Possible
4881	

Assessment Roll Section(s): Taxable (ARLM Section 1).

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below.

G. **FILING REQUIREMENTS (Owner or Occupant of Property):** None.

H. **REPORTING REQUIREMENTS (Assessor):** Assessor must annually certify to the collecting officer the amount of taxes to be abated.

I. **SIMILAR EXEMPTIONS:** See [Chart IA](#) and [Chart IB](#).

| [Top of Page](#) | | [Table of Contents](#) | | [Next Page](#) |

| [Assessors' Manual](#) | | [ORPS Home Page](#) |

Please send general questions or comments to [Jerome McCall](#)

[All Contents Copyright © NYSORPS 1999](#)