Exemption Administration Manual - Part 1
Residential - Other Than Multiple Dwellings

Section 4.01 - RPTL Section 467

Persons 65 Years of Age or Older	**RPTL Section 467**

Exemption Code(s): 4180_

Year Originally Enacted: 1966

Related Statutes: Banking L §6-h, Pub Hel L §2801, RPTL §§425, 455, 459-c, 467-c

SUMMARY: If allowed by local option, property that (1) is owned by persons 65 years of age or older, or by certain other persons described under Ownership Requirements below, whose income does not exceed the maximum established by local option, (2) is used exclusively for residential purposes, and (3) has been owned by at least one of its owners for a minimum of 12 consecutive months prior to application for exemption or for a period of time considered to be the equivalent of 12 consecutive months (see Required Construction Start Date or Other Time Requirement below) is partially exempt from general municipal taxes. Unless allowed by local option no exemption may be granted by a school district to property where a resident child attends a public elementary or secondary school. This exemption may not be granted to property currently receiving an exemption pursuant to RPTL §467-c. No exemption is allowed from special ad valorem levies or special assessments.

In addition, an owner of property that satisfies all of the exemption requirements except the income ceiling may be eligible for a reduced exemption from general municipal and school district taxes (see Calculation of Exemption below).

Lastly, an owner receiving this exemption is automatically qualified to receive the STAR exemption provided by RPTL §425.

A. ELIGIBILITY REQUIREMENTS

1. **<u>Ownership Requirements</u>**: Property must be owned by one or more persons each of whom is 65 years of age or older, unless the property (a) is owned by a husband and wife, or by siblings, one of whom is 65 years of age or older or (b) was owned by a husband or wife, one of whom was 65 years of age or older, was exempt under this statute prior to the death of the older spouse, is now owned by the surviving spouse, and that surviving spouse is at least 62 years of age. A sibling is defined as a brother or sister, whether related through whole blood, half blood, or adoption. For purposes of this senior citizens exemption, if the occupant of real property is a legal life tenant entitled for his or her life to its possession and use, or if the title to real property is held by a trustee or trustees, the property is eligible for a property tax exemption if the life tenant or all of the trustees or trust beneficiaries are otherwise qualified. However, regardless of ownership, this exemption may not be granted to property currently receiving an exemption pursuant to RPTL §467-c.

   To qualify for the base exemption (50% of assessed value), the combined incomes of the owners for the income tax year (January - December unless a different 12-month period is used for personal income tax filing purposes) immediately preceding the application for exemption must not be greater than the maximum income eligibility level specified by local law. Such maximum income levels may range from $3,000 to $29,000. If title to the property is solely in a husband's or wife's name, the incomes of both spouses must be combined to satisfy the income requirement, even if both do not reside on the property. If the owner is absent because of care received at a residential health care facility (defined by Public Health Law §2801), the income accruing to such owner is considered income only to the extent that it exceeds the amount paid by the owner, spouse or co-owner for care in the facility (see Property Use Requirements). An exception is made in the case of certain separated spouses: where a husband or wife, or ex-husband or ex-wife, is absent from the property as a result of divorce, legal separation, or abandonment, only the income of the spouse or ex-spouse residing on the property is to be considered in determining eligibility for exemption.

   Municipalities that have elected to allow the base exemption may amend such local law, ordinance, or resolution to increase the maximum income eligibility level in accordance with the sliding-scale provisions described under Calculation of Exemption below. Income <u>includes</u> social security and retirement benefits, interest, dividends, net capital gains (capital gains can only be offset by capital losses incurred in the same tax year), net rental income, net income from self-employment, salaries, and earnings, but <u>excludes</u> Supplemental Security Income, welfare payments, income from employment in the federal Foster Grandparents Program, returns of capital, gifts, inheritances, or payments made to individuals because of their status as victims of Nazi persecution. Income also excludes the proceeds of a reverse mortgage, as authorized under Section 6-h of the Banking Law, and Sections 280 and 280-a of the Real Property Law provided, however, that monies used to repay a reverse mortgage may not be deducted from income, and further provided that any interest or dividends realized from the investment of the reverse mortgage proceeds will be considered income. Income accruing to an owner confined in a residential health care facility is considered to be income only to the extent that it exceeds the amount paid by the confined owner, his spouse, or a co-owner for his care in the facility.

   Municipalities that have elected to allow the exemption may additionally amend such local law, ordinance, or resolution to exclude (1) all medical and prescription expenses which are not ordinance, or resolution to exclude (1) all medical and prescription expenses which are not reimbursed or paid by insurance, (2) veteran's disability compensation as defined in Title 38 of the United States Code, or (3) both (1) and (2) from the computation of an applicant's income.

NOTE: When the property is owned by one or more persons, some of whom qualify for this exemption and the others of whom qualify for the persons with disabilities and limited incomes exemption provided by RPTL §459-c, the owners have the option of choosing the more beneficial exemption. The owners may not be prohibited from taking one of these two exemptions solely because the owners qualify for more than one exemption.

2. **Property Location Requirements:** None.

3. **Property Use Requirements:** Property must be used exclusively for residential purposes. If only a portion of the property is used exclusively for residential purposes, only that portion is entitled to exemption; the remainder of the property is taxable. In addition, the property must be occupied as the legal residence of all the owners of the property; an owner who is absent from the property while receiving health-related care as an inpatient of a residential health care facility (defined by Public Health Law §2801 as a nursing home or other facility providing health-related services) is considered to remain a legal resident and occupant of the property, provided that during such confinement no one other than the spouse or co-owner of the confined owner occupies the property. Another exception is made in the case of husbands and wives separated by divorce, legal separation, or abandonment; an exemption may be granted even if only one of them lives on the property provided that, if an exemption was granted when both resided on the property, the person remaining on the property is at least 62 years of age. Unless allowed by local option, no exemption from school district taxes may be allowed if a child who attends public elementary or secondary school (Grades K-12) resides on the property (see B. Local Option).

4. **Certification by State or Local Government:** None required.

5. **Required Construction Start Date or Other Time Requirement:** Title to the property must have been vested in at least one of the owners for a minimum of 12 consecutive months prior to the application for exemption, unless

   a. the owner of the property held an exemption under RPTL §467 for his or her previous residence;

   b. the property was solely owned by a now deceased spouse and is now owned by the surviving spouse, in which case the surviving spouse is considered to have owned the property continuously from the original ownership date of the deceased spouse;

   c. the property was wholly or partially transferred between spouses, in which case the spouse to whom the property was transferred is considered to have owned the property continuously from the original ownership date of the transferring spouse;

   d. the property was acquired to replace property taken by eminent domain or other involuntary proceeding (other than a tax sale), in which case the two periods of ownership are combined and considered to be consecutive;

   e. the property was acquired to replace a previously sold residence within one year of such sale and both residences are within New York State, in which case the two periods of ownership are combined and considered to be consecutive;

   f. the property was reacquired by the former owner(s) within 9 months after its initial transfer and was receiving the senior citizens exemption as of the date of the initial transfer; or

   g. the property was acquired, within 9 months after the death of the former owner(s), solely by a person or persons who maintained the property as a primary residence at the time of death of the former owner(s) and the property was receiving the senior citizens exemption as of the former owner(s) death.

B. LOCAL OPTION:

Yes – Each county, city, town, village, and school district may choose (1) whether or not to allow the base (50%) exemption and (2) the amount of the maximum income exemption eligibility level (see Ownership Requirements above). The option to exempt must be exercised through adoption of a local law, ordinance, or resolution (after a public hearing). In addition, each county, city, town, village, and school district which has chosen to allow the base exemption may choose to permit an increase in the maximum income exemption eligibility level and a corresponding decrease in the percentage of exemption.

Local legislation authorizing the base exemption may be amended or new legislation adopted to allow, for each $1,000 increase in income, a reduced exemption ranging from 45% to 35% of assessed value and, for each further $900 increase in income, a reduced exemption ranging from 30% to 20% of assessed value. Through further amendment or additional legislation, a local taxing jurisdiction may extend the exemption to two higher $900 increments of income, allowing corresponding exemptions of 15% and 10% of assessed value. Through yet an additional local amendment or legislation, the local taxing jurisdiction may extend the exemption to another $900 increment of income for a corresponding exemption of 5% of assessed value. The increased income levels apply automatically to municipalities that have enacted the sliding-scale provisions.

Municipalities that have elected to allow the exemption may additionally amend such local law, ordinance, or resolution to exclude (1) all medical and prescription expenses which are not reimbursed or paid by insurance, (2) veteran's disability compensation as defined in Title 38 of the United States Code, or (3) both (1) and (2) from the computation of an applicant's income.

School districts that have elected to allow the exemption may also adopt a separate resolution to allow the exemption on property where a resident child attends a public elementary or secondary school (Grades K-12). However, the school district resolution authorizing the exemption must provide that satisfactory proof is required that the child was not brought into the residence primarily for the purpose of attending a particular school within the district.

A local government may enact a law to allow that portion of a cooperative apartment corporation held by an otherwise eligible senior citizen tenant/stockholder to be eligible for an exemption from real property taxes. If allowed, the amount of the exemption must be determined by the assessor, based upon the proportion of the outstanding stock held by the eligible shareholder, and credited against the taxes charged to the corporation. Eligible stockholders would receive an adjustment to their monthly maintenance fees by the cooperative apartment corporation to reflect the benefit of the exemption. However, this exemption may not be granted to property currently receiving an exemption pursuant to RPTL §467-c.

Local governments outside New York City may, after a public hearing, enact a local law, ordinance, or resolution eliminating the annual filing requirement for senior citizens who have received the exemption on five consecutive completed assessment rolls (see Filing Requirements below). * Municipalities wishing to enact this option should do so by the same or a higher form of legislation than the original exemption statute; that is, if the exemption itself is granted pursuant to local law, a local law, not a resolution or ordinance, should be used. Municipal corporations may allow the exemption to otherwise eligible senior citizens who become 65 after taxable status date but on or before December 31 of the calendar year.

Similarly, any taxing jurisdiction allowing this exemption may additionally adopt a local law or ordinance to permit the filing of renewal applications after taxable status date.

Any local law or ordinance adopted by a taxing jurisdiction to allow exemption may be amended, or a local law or ordinance may be adopted, to permit late filing of exemption applications under certain conditions. Such law or ordinance may provide that an application for exemption may be accepted by the assessor after the appropriate taxable status date, but not later than the last date on which complaints of assessment may be filed, where failure to file a timely application resulted from (a) death of the applicant's spouse, child, parent, brother, or sister or (b) illness of the applicant or of the applicant's spouse, child, parent, brother, or sister, which actually prevented the applicant from filing on a timely basis, as certified by a licensed physician. The assessor must approve or deny such application as if it had been filed on or before taxable status date.

> Exception #1: Senior citizens who purchase property after taxable status date and who would have been otherwise eligible for an exemption had they owned the property on taxable status date, have 30 days after title acquisition to apply for an exemption, with no local option required. Generally, this will be a person who was entitled to the exemption on his or her former residence, but who sold that property, purchasing a replacement property after taxable date.
>
> Exception #2: Nassau County may adopt a local law or ordinance to accept applications for this exemption later than is usually required by law without penalty to the property owner.
>
> Exception #3: The New York City senior citizen application filing deadline is March 15th.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Up to 50% of assessed value	Up to 50% of assessed value	No exemption allowed	No exemption allowed
2. Duration	No limit	No limit	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex*	NA	Tax	Tax
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

* If allowed by local option.

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

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

   a. Percent of Exemption Based on Income Eligibility (I.E.).

   Base exemption - 50% of assessed value.

   Sliding-scale income/exemption options - % of assessed value exempt is determined according to the following schedule. (Each option must be explicitly adopted by local law, ordinance, or resolution.)

   OPTION 1:

Annual Income			% of Exemption
more than M	but less than	M + 1,000	45
M + 1,000 or more	but less than	M + 2,000	40
M + 2,000 or more	but less than	M + 3,000	35
M + 3,000 or more	but less than	M + 3,900	30
M + 3,900 or more	but less than	M + 4,800	25
M + 4,800 or more	but less than	M + 5,700	20

   OPTION 2:(This option consists of Option 1 plus two additional income/exemption categories.)

Annual Income			% of Exemption
M + 5,700 or more	but less than	M + 6,600	15
M + 6,600 or more	but less than	M + 7,500	10

   OPTION 3: (This option consists of Option 2 plus one additional income/exemption category.)

Annual Income			% of Exemption
M + 7,500 or more	but less than	M + 8,400	5

   where M equals the maximum income eligibility level for the base (50%)exemption

   Any such exemptions allowed by local option must be computed after all other partial exemptions, except the School Tax Relief (STAR) exemption, have been subtracted from the assessed value of the property.

   b. Exemption for Eligible Tenant/Shareholders of Cooperative Apartment Corporations

   Exemption = Assessed Value x (n/N) x (I.E.)
   where n = number of shares owned by eligible senior citizens
   N = total number of corporation shares
   I.E. = percent of exemption due to income eligibility determined in (a) above.

   c. Exemption Credit for Eligible Senior Citizens Purchasing Real Property After Levy of Taxes

   Exemption Credit = Assessed Value x (d/365) x I.E. x Tax Rate

   where d = number of days remaining in fiscal year after transfer of real property title

   I.E. = percent of exemption due to income eligibility determined in (a) above.

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

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

Code	Description of Alternative Codes Possible
4180_	

Assessment Roll Section(s): Taxable (RPS 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. For coding of such property, see the Exemption Profile for the statute that applies.

G. FILING REQUIREMENTS (Owner or Occupant of Property):

1. Form RP-467 (9/09) - Application for Partial Tax Exemption for Real Property of Senior Citizens

   Note: If allowed by local option, exemption may be allowed to otherwise eligible senior citizens who became 65 after taxable status date but on or before December 31 of the calendar year. However, the applicant is still required to file the application for exemption on or before taxable status date.

   > Exception #1: Senior citizens who purchase property after taxable status date and who would have been otherwise eligible for an exemption had they owned the property on taxable status date, have 30 days after title acquisition to apply for an exemption, with no local option required. Generally, this will be a person who was entitled to the exemption on his or her former residence, but who sold that property, purchasing a replacement property after taxable date.
   >
   > Exception #2: Nassau County may adopt a local law or ordinance to accept applications for this exemption later than is usually required by law without penalty to the property owner.
   >
   > Exception #3: The New York City senior citizen application filing deadline is March 15th.

2. Form RP-467-Rnw (9/09) - Renewal Application for Partial Tax Exemption for Real Property of Senior Citizens

   Note: If allowed by local option, the filing of renewal applications may be permitted after taxable status date. Additionally, if allowed by local option outside New York City, rather than file a renewal form each year, a senior citizen who has received the exemption on five consecutive completed assessment rolls is required, upon payment of taxes, to submit a sworn affidavit (see #3 below) stating that he or she continues to be eligible for exemption. Failure to do so requires termination of the exemption. In New York City a renewal application must be filed every two years from the date the exemption was granted.

3. Form RP-467-aff/ctv (9/08) - Affidavit of Continued Eligibility for County/City/Town/Village Partial Tax Exemption for Real Property of Senior Citizens

   Form RP-467-aff/s (7/05) - Affidavit of Continued Eligibility for School Partial Tax Exemption for Real Property of Senior Citizens

4. Form RP-467-TPN (8/07) - Request for Mailing of Notice to a Third Party Regarding Senior Citizens Exemption

   An owner eligible for this exemption may designate an adult third party to receive a notice from the assessor to assist the senior citizen in fulfilling the eligibility requirements concerning this exemption. This form must be submitted to the assessor of the assessing unit in which the senior citizen resides no later than 60 days prior to the assessing unit's taxable status date.

   See sample forms and instructions following Exemption Profile.

H. REPORTING REQUIREMENTS (Assessor):

1. A notice is to be sent to the designated third party of a senior citizen owner or owners at least 30 days prior to each ensuing taxable status date. No such notice need be sent in the first year if the assessor did not receive the request for designation of a third party at least 60 days before the applicable taxable status date. The notice should read substantially as follows:

   > "On behalf of (identify the senior citizen owner or owners), you are advised that his, her, or their renewal application for the senior citizens exemption must be filed with the assessor no later than (enter date). You are encouraged to remind him, her, or them of that fact, and to offer assistance if needed, although you are under no legal obligation to do so. Your cooperation and assistance are greatly appreciated."

2. A notice is to be sent to the designated third party of a senior citizen owner or owners whenever the assessor sends a notice to the owner regarding the possible removal of the senior citizens'

the assessor sends a notice to the owner regarding the possible removal of the senior citizens exemption. This notice should read substantially as follows:

> "On behalf of (identify the senior citizen owner or owners), you are advised that his, her, or their senior citizens exemption is at risk of being removed. You are encouraged to make sure that he, she or they are aware of that fact, and to offer assistance if needed, although you are under no legal obligation to do so. Your cooperation and assistance are greatly appreciated."

3. Form RP-467-Dnl (10/03) - Notice of Denial of Application for Partial Tax Exemption of Senior Citizens

   For applicants who purchased property after taxable status date but prior to the levy of taxes, the assessor is to notify applicants by mail regarding approval or denial of an exemption, the exempt amount, if any, and the applicants' right to appeal:

   a. if the assessor's determination is made prior to filing of the tentative roll, within ten days of the filing;

   b. if the assessor's determination is made after filing of the tentative roll, the assessor is to petition the board of assessment review to correct the tentative or final roll according to correction of errors procedures, and notify the applicant within ten days of the petition. (If, for any reason, the exemption is not entered on the final assessment roll, the assessor is to petition the board of assessment review to correct the final roll. If the exemption is not entered on the tax roll for the year immediately following the fiscal year during which the transfer occurred, the assessor determines the tax exemption credit and notifies the appropriate municipal corporation.)

   For applicants who purchased property after the levy of taxes, notice is to be mailed within 30 days of receipt of application, to the board of assessment review and to the applicants regarding the exempt amount, if any, and the right of the owner to an appeal.

   If a final exemption is determined after the appeal procedure, the assessor calculates the pro rata tax credit (see section E.1.c. above, "Calculation of Exemptions") and notifies the applicant and appropriate municipal corporations. (If, for any reason, credit is not properly extended against the tax roll for the fiscal year immediately following the year of transfer, the assessor is to notify the appropriate municipal corporation.)

   See sample form following Exemption Profile.

---

4. **SIMILAR EXEMPTIONS:**

Subject	Statute
Certain living quarters constructed to be occupied by a senior citizen or disabled individual	RPTL §467-d
Rent-controlled and rent-regulated property occupied by senior citizens	RPTL §467-b
Rent-controlled property occupied by senior citizens in New York City	RPTL §467-c

---

Exemption Application Forms:

RP-467	RP-467 LP (Large Print)
RP-467-Ins	RP-467-Ins LP(Large Print)
RP-467-tpn	RP-467-tpn LP(Large Print)
RP-467-Rnw	RP-467-Rnw LP(Large Print)
RP-467-aff/ctv	RP-467-aff/ctv LP(Large Print)
RP-467-aff/s	RP-467-aff/s LP (Large Print)
RP-467-Dnl	RP-467-Dnl LP (Large Print)

Q&A Senior Citizens' Exemption

Questions and Answers Pertaining to the Partial Tax Exemption on Real Property of Senior Citizens

---

* For the purposes of this provision, "five consecutive assessment rolls" includes any years when the exemption was granted to a property owned by a husband and/or wife while both resided on the property.
