

Exemption Administration Manual - Part 2

Multiple Dwellings

Section 4.07 - RPTL Section 421-j

**Capital Investment in Multiple Dwellings
for Certain Cities**

RPTL Section 421-j

Exemption Code(s): 44243

Year Originally Enacted: 2006

Related Statutes: None.

SUMMARY: To the extent allowed by local option, multiple dwellings that are located in certain cities and newly constructed, reconstructed, altered, or improved under certain conditions (see below) are partially exempt from city taxes, but are liable for county and school district taxes, county special ad valorem levies, and special assessments. The amount of the exemption is limited to a percentage of the increase in assessed value attributable to the new construction, reconstruction, alteration or improvement. The duration of the exemption is limited to 8 years. Qualified cities may limit the types of construction projects eligible for exemption and the percentages of exemption. (This exemption is currently applicable only upon adoption by the city of Niagara Falls (Niagara County)). The property receiving this exemption may not be simultaneously receiving any other property tax exemption.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or organization. If title to the property is transferred to someone other than the heirs or distributees of the owner, the exemption must cease.
2. **Property Location Requirements:** Property must be located in cities having a population of more than 55,000, but less than 56,000, as determined by the latest federal census. Based on the latest census, i.e., 2000, only Niagara Falls (Niagara County) currently satisfies this criterion.
3. **Property Use Requirements:** Property to be constructed, reconstructed, altered or improved must consist of at least four residential units, and each unit must be rented or owned as a cooperative or condominium. The value of the construction project must exceed \$15,000 per unit and must be of the type allowed exemption by the taxing jurisdiction (see Local Option below); the project may not be one of ordinary maintenance or repairs.
4. **Certification by State or Local Government:** None required.
5. **Required Construction Start Date or Other Time Requirement:** Construction, reconstruction, alteration, or improvement must have begun after the effective date of the local law allowing the exemption.

B. LOCAL OPTION: Yes, local taxing jurisdictions are allowed several choices:

1. **Exemption** - A city meeting the population requirements may choose whether or not to allow the exemption. The option to exempt must be exercised by the city through the adoption of a local law after a public hearing has been held.
2. **Percentage of Exemption** - A qualified city allowing the exemption may reduce the percentage of exemption allowed in each year by state law (see Calculation of Exemption below).
3. **Type of Improvement** - In its local law allowing this exemption, a qualified city may limit the forms of eligible construction, reconstruction, alteration, or improvement eligible. It may further limit exemption to improvements that would otherwise result in an increase in the assessed value of the property, but that consist of addition to or remodeling or modernization of an existing multiple residence structure to prevent physical deterioration or to comply with applicable building, sanitary, health, or fire codes.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
..

1. Amount	Yes	No exemption allowed	No exemption allowed	No exemption allowed
2. Duration	8 years*	No exemption allowed	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Tax	NA	Tax	Tax
b. City	Ex**	NA	NA	Tax
c. Town or Town Special District	Tax	NA	Tax	Tax
d. Village	Tax	NA	NA	Tax
e. School District	NA	Tax	NA	NA
	Ex-Exempt	Tax-Taxable	NA-Not Applicable	

* See Calculation of Exemption below.
 **If allowed by local option.

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

E. **CALCULATION OF EXEMPTION:**

- General Municipal and School District Taxes:** This exemption is for city taxes only. Unless reduced by local law, the following percentages of the increase in assessed value resulting from the new construction, reconstruction, alteration, or improvement should be applied:

Year of Exemption	Percentage of Exemption
1	100.0
2	87.5
3	75.0
4	62.5
5	50.0
6	37.5
7	25.0
8	12.5

Qualified cities may reduce the percentage of exemption for any year.

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

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

Code	Description of Alternative Codes Possible
44243	

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

NOTE: These codes 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):**

Form RP-421-j [Niagara Falls] (7/06) – Application for Capital Investment in Multiple Dwellings Real Property Tax Exemption for Certain Cities

See sample form and instructions following Exemption Profile.

H. **REPORTING REQUIREMENTS (Assessor):** None.

I. **SIMILAR EXEMPTIONS:**

<u>Subject</u>	<u>Statute</u>
First-time homebuyers of newly constructed homes	RPTL §457
Home improvements	RPTL §421-f
Multiple dwellings converted to owner-occupied residences in certain cities	RPTL §§421-h, 421-i, 421-j, 421-k
New multiple dwellings outside New York City	RPTL §421-c
Residential improvements in cities with population of less than 200,000 and more than 150,000	L.1986, Ch. 889
Residential investment in certain municipalities	RPTL §§485-h, 485-i, 485-j, 485-k, 485-l
Residential property improvements in certain cities	RPTL §485-j
Residential property improvements in certain towns	RPTL §485-l

Exemption Application Forms:

[RP-421-j \[Niagara Falls\]](#)

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

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

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