

Note: See also [TP-64](#), Notice to Taxpayers Requesting Information or Assistance from the Tax Department.

The publication you requested begins on page 2 below.

FAQs: NEW YORK STATE'S REAL PROPERTY TAX CREDIT FOR HOMEOWNERS AND RENTERS

For tax year 2010



The information presented is current as of this publication's print date. Visit our Web site at www.tax.ny.gov for up-to-date information.

NOTE: A Publication is an informational document that addresses a particular topic of interest to taxpayers. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in Department policies could affect the validity of the information contained in a publication. Publications are updated regularly and are accurate on the date issued.

Table of Contents	Page
General	5
What is the real property tax credit?	5
Is the real property tax credit refundable?	5
Who qualifies for the real property tax credit?	5
How to claim the credit.....	6
How do I claim the real property tax credit?	6
When can I claim the credit?	6
Who are household members for purposes of the real property tax credit?	7
What is my household gross income?.....	7
New York State additions	8
What is excluded from my household gross income?	10
What is considered a <i>residence</i> for purposes of the credit?.....	11
What are <i>real property taxes paid</i> for purposes of the credit?	11
What is <i>adjusted rent</i> ?	11
How much of my adjusted rent is considered real property taxes paid?	12
Consumer Bill of Rights Regarding Tax Preparers	12
Requirement to provide contact information	12
Exempt preparers	13
New York City tax preparers	13
Frequently asked questions and answers about New York State’s real property tax credit	14

THIS PAGE INTENTIONALLY LEFT BLANK

General

What is the real property tax credit?

The real property tax credit may be available to New York State residents who have household gross income of \$18,000 or less, and pay either real property taxes or rent for their residence(s). If all members of the household are under age 65, the credit can be as much as \$75. If at least one member of the household is age 65 or older, the credit can be as much as \$375.

Is the real property tax credit refundable?

New York State residents qualify for a refund of any real property tax credit in excess of their New York State tax liabilities. Residents who are not required to file New York State income tax returns may qualify for a refund of the full amount of the credit. Part-year residents and nonresidents of New York State do not qualify for this credit.

Who qualifies for the real property tax credit?

You may qualify to claim the real property tax credit if you meet certain conditions as either a homeowner or renter (see below). However, a claim for the real property tax credit cannot be made on behalf of a taxpayer who has died.

You qualify to claim the real property tax credit if you meet **all** of the following conditions for tax year 2010:

- The total household gross income of you **and** all members of your household was \$18,000 or less. (See pages 7 and 8 for the definition of *household gross income* and a list of the items that make up your household gross income.)
- You occupied the same New York State residence for six months or more in 2010.
- You were a New York State resident for all of 2010.
- You cannot be claimed as a dependent on someone else's federal income tax return for tax year 2010.
- Your residence was not completely exempt from real property taxes.
- The current market value of all real property you owned, such as houses, garages, and land, was \$85,000 or less.

Additionally, you must meet **all** the conditions listed under **either** *Homeowners* or *Renters* (see page 6).

Homeowners

- You or your spouse paid real property taxes.
- Any rent you received for nonresidential use of your residence was 20% or less of the total rent that you received.

Renters

- You or a member of your household paid rent for your residence.
- The average monthly rent you and other members of your household paid was \$450 or less, not counting charges for heat, gas, electricity, furnishings, or board.

How to claim the credit

How do I claim the real property tax credit?

To claim the real property tax credit, complete Form IT-214, *Claim for Real Property Tax Credit for Homeowners and Renters*.

If you are filing a New York State income tax return, you must attach the completed Form IT-214 to your return, either Form IT-150, *Resident Income Tax Return* (short form), or Form IT-201, *Resident Income Tax Return* (long form).

If you qualify to claim the real property tax credit, but are not required to file a New York State income tax return, you can file for a refund of the credit by using Form IT-214 only.

Only one credit is allowed per household. If more than one household member qualifies for the credit, you may divide the credit. Each member of your household who qualifies for the credit has to file a separate Form IT-214 showing only his or her share of the credit (see the instructions for Form IT-214). However, if you are married and filing a joint return, you must file a joint claim on Form IT-214.

When can I claim the credit?

If you are filing a New York State income tax return, attach Form IT-214 to your return. File your New York State return as soon as you can after January 1, 2011, but not later than April 18, 2011.

If you cannot meet the filing date, you may request an extension of time by filing Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*. The filing date for your income tax return and Form IT-214 will be automatically extended for six months if you file Form IT-370 on time and pay any tax owed with Form IT-370.

If you file a New York State resident income tax return without claiming the real property tax credit and later determine that you qualify to claim the credit, you may still be able to claim the credit by filing Form IT-214. You have until April 15, 2014, to file Form IT-214 for tax year 2010.

If you are not required to file a New York State income tax return, you can file Form IT-214 for tax year 2010 after January 1, 2011, but no later than April 15, 2014.

Note: For tax years 2007, 2008, and 2009, you can still either amend a previous claim for the real property tax credit or file an original claim. The deadlines for previous years are as follows:

Year	Last date to file
2007	April 15, 2011
2008	April 16, 2012
2009	April 15, 2013

Who are household members for purposes of the real property tax credit?

Household members include all who share your residence and its furnishings, facilities, and accommodations, whether those household members are related to you or not. However, tenants, subtenants, roomers, or boarders are not members of your household, unless they are related to you in one of the following ways:

- a son, a daughter, or a descendant of either;
- a stepson or stepdaughter;
- a brother, sister, stepbrother, or stepsister;
- a father, mother, or an ancestor of either;
- a stepfather or stepmother;
- a niece or nephew;
- an aunt or uncle; or
- a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law.

No one can be a member of more than one household at one time.

What is my household gross income?

Household gross income is the total of the following items of income that you and all members of your household received during 2010:

- Federal adjusted gross income (even if you do not have to file a federal return, you must compute this amount and include it in *household gross income*).
- New York State additions to federal adjusted gross income (see *New York State additions* below).
- Support money, including foster care support payments.
- Income earned abroad exempted by section 911 of the Internal Revenue Code (IRC).
- Supplemental security income (SSI) payments to the extent not included in federal adjusted gross income.
- Nontaxable interest received from New York State, its agencies, instrumentalities, public corporations, or political subdivisions.
- Workers' compensation.
- The gross amount of loss-of-time insurance (for example, an accident or health insurance policy and disability benefits received under a no-fault automobile policy).
- Cash public assistance and relief (for example, cash grants to clients, emergency aid to adults, value of food vouchers received by clients, etc.). Do not include amounts received from the Home Energy Assistance Program (HEAP) or medical assistance for the needy.
- Nontaxable strike benefits.
- The gross amount of pensions and annuities, including railroad retirement benefits to the extent not included in federal adjusted gross income.
- All payments received under the Social Security Act and veterans disability pensions, less any Medicare premiums deducted from your benefit, reported on federal Form SSA-1099, *Social Security Benefit Statement*.

**New York State
additions**

Certain items of income not included in federal adjusted gross income must be added to federal adjusted gross income to compute *household gross income* (for a complete list of New York State additions, see the instructions for Form IT-201).

Some of the more common additions are:

- **Other states' bond interest** – Interest income on obligations of other states (or political subdivisions of those states) that was received or credited in 2010, but was not included in your federal adjusted gross income. This includes interest income on state and local bonds (but not those of New York State or of local governments within the state), interest and dividend income from tax-exempt bond mutual funds, and tax-exempt money market funds that invest in obligations of states other than New York.
- **Interest on federal bonds** – Interest or dividend income received by or credited to you in 2010 on bonds or securities of any United States authority, commission, or instrumentality that federal laws exempt from federal income tax but not from state tax.
- **State income taxes** – State, local, and foreign income taxes, including unincorporated business taxes, deducted in computing federal adjusted gross income for tax year 2010.
- **Interest expense** – Interest expense on loans used to buy bonds and securities whose interest is exempt from New York State tax, if the interest expense was deducted when computing federal adjusted gross income for tax year 2010.
- **Public employees 414(h) retirement contributions** – The amount of 414(h) retirement contributions for 2010, if any, shown on your federal Form W-2, *Wage and Tax Statement*, if you are:
 - a Tier 3, Tier 4, or Tier 5 member of the New York State and Local Retirement Systems which include the New York State Employees' Retirement System and the New York State Police and Fire Retirement System; or
 - a Tier 3, Tier 4, or Tier 5 member of the New York State Teachers' Retirement System; or
 - an employee of the State or City University of New York who belongs to the Optional Retirement Program; or
 - a member of any tier of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund, or the New York City Fire Department Pension Fund; or
 - a member of the Manhattan and Bronx Surface Transit Operating Authority (MABSTOA) Pension Plan.

- **NYC flexible benefits program** – The amount for 2010, shown on your federal Form W-2, *Wage and Tax Statement*, that was deducted from your salary under a flexible benefits program established on behalf of the employees by New York City or certain other New York City public employers.

These public employers include:

- the City University of New York,
 - New York City Health and Hospitals Corporation,
 - New York City Transit Authority,
 - New York City Housing Authority,
 - New York City Off-Track Betting Corporation,
 - New York City Rehabilitation Mortgage Insurance Corporation,
 - New York City Board of Education,
 - New York City School Construction Authority,
 - Manhattan and Bronx Surface Transit Operating Authority, and
 - Staten Island Rapid Transit Authority.
- **NYC health insurance and welfare benefit fund** – The amount shown on your 2010 federal Form W-2, *Wage and Tax Statement*, that was deducted from your salary for health insurance and the welfare benefit fund surcharge, for career pension plan members of the New York City Employees' Retirement System or the New York City Board of Education Retirement System.

What is excluded from my household gross income?

Household gross income does **not** include food stamps, medicare, medicaid, scholarships, grants, surplus food, or other relief in kind. It also does not include payments made to veterans under the Federal Veterans' Dioxin and Radiation Exposure Compensation Standards Act due to exposure to herbicides containing dioxin (agent orange) or pursuant to certain agent orange product liability litigation.

Further, *household gross income* does not include payments made to individuals because of their status as victims of Nazi persecution as defined in federal Public Law 103-286.

What is considered a residence for purposes of the credit?

A *residence* is a dwelling that you own or rent and includes up to **one acre** of land around it. The residence must be located in New York State. If the residence is on more than one acre of land, only the amount of real property taxes or rent paid that applies to the residence and **only one acre** around it may be used to figure the credit. (Contact your local assessor for help in determining the amount of rent or real property tax paid for the one acre surrounding your residence.)

Each residence within a multiple dwelling unit may qualify.

A condominium, a cooperative, or a rental unit within a single dwelling is a residence.

A trailer or mobile home that is used only for residential purposes is also a residence if the trailer or mobile home is assessed for real property tax purposes, even if you do not directly pay the taxes on the home (for example, the owner of the park where your home is located pays the taxes on it).

What are *real property taxes paid* for purposes of the credit?

Real property taxes paid are all current, prior, and prepaid real property taxes, special ad valorem levies, and assessments levied and paid on a residence owned or previously owned by a qualified taxpayer (or spouse, if the spouse occupied the residence for at least six months), during the tax year. You may elect to include real property taxes that are exempted from tax under section 467 (for persons 65 and older) of the Real Property Tax Law. Veterans' or STAR tax exemptions do **not** qualify. If you do not know this amount, contact your local assessor.

Real property taxes paid also include any real estate taxes allowed (or that would be allowed if the taxpayer had filed returns on a cash basis) as a deduction for tenant-stockholders in a cooperative housing corporation under section 216 of the Internal Revenue Code.

If any part of the residence was owned by someone who was not a member of your household, include only the real property taxes paid that apply to the part you and other qualified members of your household own.

If your residence is part of a larger unit, include only the amount of real property taxes paid that can reasonably be applied to your residence.

If you owned and occupied more than one residence during the tax year, add together the prorated part of real property taxes paid for the period you occupied each residence.

What is *adjusted rent*?

Adjusted rent is the rent paid after subtracting any charges for heat, gas, electricity, furnishings, and board. If these charges are not separately stated, complete step 4 on Form IT-214 to compute the amount of

adjusted rent. Include only rent that was paid by you and members of your household. Do not include any rent paid for the residence by someone other than a member of your household. Do not include any subsidized part of your rental charge when computing adjusted rent.

If you move from one rented residence to another rented residence, you must first compute the adjusted rent for each residence, and then add the total adjusted rent for all rented residences.

How much of my adjusted rent is considered real property taxes paid?

Only 25% of your adjusted rent is considered real property taxes paid for purposes of claiming the credit.

Consumer Bill of Rights Regarding Tax Preparers

Taxpayers who use the services of paid tax preparers are entitled to protection from unfair treatment. While most tax preparers act within the law and treat their clients fairly, there are some that don't.

All tax preparers are subject to certain requirements concerning refund anticipation loans (RALs) and refund anticipation checks (RACs). Tax preparers are prohibited from advertising RALs as refunds (for example, advertising a RAL as an *instant refund*). Additionally, any advertisement by a tax preparer that mentions RALs must state conspicuously that a RAL is in fact a loan and that a fee or interest will be charged by the lending institution. The lending institution must be identified in the advertisement. In addition, **before** a taxpayer enters into a RAL or an agreement for a RAC, the tax preparer facilitating the loan must provide a disclosure statement to the taxpayer in writing.

The Tax Department produces and makes available to tax preparers an informational flier providing certain information for consumers about their rights regarding tax preparers. The flier is Publication 135, *Consumer Bill of Rights Regarding Tax Preparers*, and it is available on the Tax Department Web site.

Tax preparers (except those listed as *Exempt preparers* below and tax preparers who prepare tax returns within New York City) are required under the General Business Law (Article 24-C) to provide you with contact information and a copy of Publication 135, *Consumer Bill of Rights Regarding Tax Preparers*.

Requirement to provide contact information

Tax preparers are required to provide each of their customers with a receipt containing an address and phone number at which the preparer can be contacted throughout the year. If the actual person who prepared the return is an employee, partner, or shareholder of an entity (business), the general address and phone number of the business should be on the receipt.

Exempt preparers

The following tax preparers are exempt from the requirements to provide you with contact information and a copy of Publication 135:

- an employee or officer of a business enterprise who is preparing the tax returns of that business enterprise;
- a fiduciary, and the employees of the fiduciary, who advise or assist in the preparation of income tax returns on behalf of the fiduciary estate, the testator, trustee, grantor, or beneficiaries;
- an attorney who advises or assists in the preparation of tax returns in the practice of law, and his or her employees;
- a certified public accountant (CPA) licensed under the New York State education law or licensed by one or more of the states or jurisdictions of the United States, and his or her employees;
- a public accountant licensed under the New York State education law and his or her employees;
- an employee of a governmental unit, agency, or instrumentality who advises or assists in the preparation of income tax returns in the performance of his or her duties; and
- an agent enrolled to practice before the Internal Revenue Service (IRS).

New York City tax preparers

Tax preparers operating within New York City are not subject to the provisions of Article 24-C of the General Business Law for tax returns actually prepared within the city. Instead, Subchapter 8 of Chapter 4 of Title 20 of the Administrative Code of the City of New York provides rules that apply specifically to tax preparers operating in New York City.

For more information on New York City's consumer bill of rights regarding tax preparers, visit the New York City Department of Consumer Affairs Web site (www.nyc.gov/consumers) or dial 311 (212-NEW-YORK if you are outside New York City).

Frequently asked questions and answers about New York State's real property tax credit

- 1) **Q:** In 2010, I changed my New York residence to another location within New York State. Do I still qualify for the credit?
- A:** Yes. If you occupied the same residence for at least six months during 2010 and meet the other conditions, you can claim the credit.
- 2) **Q:** I own a mobile home (trailer) located in a trailer park. I pay rent to the landlord that owns the trailer park. I pay no real property taxes. Am I considered an owner or a renter?
- A:** For the purposes of claiming the credit, you are a renter.
- 3) **Q:** If I live in a home for senior citizens or a public housing project, do I qualify for the real property tax credit?
- A:** Generally, residents of homes for senior citizens and public housing projects do not qualify for this credit because these facilities are completely exempt from paying real property taxes. If you reside in a home for senior citizens or a public housing project, you should ask the management of your housing facility if your residence is completely exempt from paying real property taxes. If you are a resident of a home for senior citizens or a public housing project, do not file Form IT-214 unless you attach a statement explaining how your household qualifies for the credit.
- 4) **Q:** Do I qualify for the real property tax credit if I live in a nursing home?
- A:** Generally, residents of nursing homes do not qualify for this credit because the nursing home is considered one household (the residents share common living facilities), and the residents' combined income and rent expenses usually exceed the income level of \$18,000 and the average monthly rent of \$450. If you are a resident of a nursing home, do not file Form IT-214 unless you attach a statement explaining how your household qualifies for the credit.
- 5) **Q:** Each month my social security benefits are reduced by a deduction for optional medicare insurance. Do I include the gross amount of my social security benefits in my household gross income?
- A:** No. Include only the actual amount of all social security benefits received when determining your household gross income.
- 6) **Q:** My mother was a member of my household during 2010. Do I include her income when I total my household gross income?
- A:** Yes. When you claim this credit, you have to include in the computation of household gross income all the income as described in this publication that you and all members of your household received during 2010. For the definition of *household members* and *household gross income*, see page 7.

- 7) **Q:** My friend was a member of my household for part of 2010. Do I include her income in my household gross income?
- A:** Yes, but include in your computation only the income that she received while a member of your household.
- 8) **Q:** I rented a residence for part of the year and owned a residence for the rest of the year. How do I figure the amount of real property taxes paid?
- A:** Add 25% of the adjusted rent paid (for the number of months you rented) to the prorated part of the real property taxes paid (for the number of months you owned your residence).
- 9) **Q:** More than one member of my household qualifies for the credit. How much can each of us claim?
- A:** If more than one member of your household is filing Form IT-214, you may divide the credit equally among all filers. However, you may also divide the credit any way you want, as long as each qualified member agrees to the division. Each qualified member must file a Form IT-214 showing only his or her share of the credit. Unless you divide the credit equally, each qualified member of the household must attach a copy of the division agreement to his or her Form IT-214.
- 10) **Q:** My father is 68 and lives with me and my family in a home we own. Does this qualify my household for a higher credit limitation for those 65 or older?
- A:** If you are a homeowner and qualify to claim the credit, either you or your spouse must be age 65 or older in order to qualify for the higher credit limitation. Your household does not qualify for the higher credit limitation based on the age of a household member who is age 65 or older.
- 11) **Q:** My father, who was over 65, lived with me and my family in a home we rent. My father lived with us for seven months in 2010 before he died. Does this qualify my household for a higher credit limitation for those 65 and older?
- A:** If your father was a member of your household for at least six months during the year (see the definition of *household members* on page 7), then your household qualifies for the higher limitation. You must include your father's income for the period that he was a member of the household in computing your household gross income. The combined household gross income of all household members must be \$18,000 or less in order to qualify for the credit. You must divide the total credit equally among all the qualified household members (including the deceased person), and you can only claim your portion of the credit on your Form IT-214. You cannot claim your father's portion of the credit on his behalf. (You cannot file a claim for the credit on behalf of a deceased individual).
- 12) **Q:** Part of the rent for my residence is paid by my son who does not live with me. Can I include this in the amount of rent I paid during the tax year?
- A:** No. Include only the rent paid by you and members of your household.

- 13) Q:** I own property consisting of my home and 10 acres of land around it. Can I include all the real property taxes I paid during the year when I figure my credit?
- A:** No. Include only the amount of real property taxes paid that apply to the residence and one acre of land around it. Your local assessor should be able to assist you in determining the portion of real property tax attributed to the residence and the one acre of land around it.
- 14) Q:** I am 67 and have a real property tax exemption. Can I include the amount exempted as part of the real property taxes I paid during the year?
- A:** Yes. You can elect to include in real property taxes paid any additional real property taxes that are exempted from tax under section 467 of the Real Property Tax Law (the local exemption for persons 65 or older). However, you cannot include the additional taxes you would have paid had you not qualified for the veterans' or STAR tax exemption. If you do not know the amount exempted under section 467, please contact your local assessor. If you choose to include the exempted amount, your credit, before limitation, will be only 25% (instead of 50%) of your eligible real property taxes. You may want to figure your credit both ways to see which results in the greater credit.
- 15) Q:** My wife and I are filing jointly for the credit on Form IT-214. Do we have to divide the credit equally?
- A:** You cannot divide the credit on a jointly filed return claim form. However, married taxpayers who file separate income tax returns can divide the credit any way they want. They must each attach a copy of their division agreement to their Form IT-214.
- 16) Q:** Can I claim the real property tax credit for a taxpayer who died?
- A:** No. A claim cannot be made for a taxpayer who died before filing an income tax return or Form IT-214.
- 17) Q:** I did not know the real property tax credit was available. I now realize I was eligible to file Form IT-214 for 2007, 2008, and 2009. I did not have to file New York State income tax returns for those years. Is it too late for me to claim the credit?
- A:** You may still be able to receive a refund for past years. The table below shows if there is still time to file Form IT-214:

Year	Last date to file
2007	April 15, 2011
2008	April 16, 2012
2009	April 15, 2013

If you can still claim the credit, complete and file Form IT-214 (for the year or years that you were eligible) as soon as you can, but before the *Last date to file* shown above.

18) **Q:** If any part of my claim for the real property tax credit is refundable, can I have it directly deposited to my bank account?

A: Yes. If you are **not required** to file a personal income tax return and you are filing Form IT-214 as a separate claim; complete lines 34a, 34b, and 34c of Form IT-214 to have the refundable part of a claim for real property tax credit directly deposited into your bank account. If you are filing Form IT-214 with your personal income tax return, you need only complete the direct deposit lines on the income tax return you are filing to have the refundable part of your claim directly deposited to your bank account.

New York State Tax Department

Online Services

**Create an Online Services
account and log in to:**

- make payments,
- file certain returns,
- view account information,
and more.

Access is available 24 hours a day, 7 days
a week (except for scheduled maintenance).

www.tax.ny.gov

THIS PAGE INTENTIONALLY LEFT BLANK

Need help?



Internet access: www.tax.ny.gov

Get answers to your questions; check your refund status; check your estimated tax account; download forms and publications; get tax updates and other information.



Telephone assistance is available from 8:30 A.M. to 4:30 P.M. (eastern time), Monday through Friday.

Refund status: (518) 457-5149
(Automated service for refund status is available 24 hours a day, 7 days a week.)

Personal Income Tax Information Center: (518) 457-5181

To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at (518) 485-5082. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.