New York State Real Property Tax Law, section 467, gives local governments and public school districts the option of granting a reduction on the amount of property taxes paid by qualifying senior citizens. This is accomplished by reducing the taxable value of residential property owned by seniors by 50%.

To qualify, seniors generally must be 65 years of age or older and meet certain income limitations and other requirements. For the 50% exemption, the law allows each county, city, town, village, or school district to set the maximum income limit at any figure between $3,000 and $29,000.

Localities have the further option of giving exemptions of less than 50% to seniors whose incomes are more than $29,000. Under this option, called the "sliding-scale" option, such owner can have a yearly income as high as $37,399.99 and get a 5% exemption in places that are using the maximum limit.

Please check with your local assessor, city/town clerk, or school district to determine which local options, if any, are in effect.

Q. Does the assessor automatically give the exemption when a taxpayer reaches 65 years of age?
A. No; this is not an automatic exemption. Certain qualifications must be met. You must timely file an initial application and annual renewal applications with the office of the assessor by "taxable status date." In most towns, this date is March 1, but check the deadline with your assessor to be sure. Nassau County has an option to accept applications later than is usually required by its January 2 taxable status date, and New York City has a filing deadline of March 15. Westchester County towns have either a May 1 or June 1 taxable status date; contact the assessor. Taxable status date in most villages that assess is January 1, but the village clerk should be consulted for variations. Some municipalities permit late filing in certain hardship situations or for exemption renewals, and/or the filing of affidavits in lieu of renewal applications after the exemption has been granted on five consecutive assessment rolls.

When qualifying applicants buy property after taxable status date, then the application may be submitted to the assessor within 30 days of the transfer. The assessor then has 30 days to decide whether the applicant would have qualified for the exemption if the applicant had title as of taxable status date.

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.

Q. Where can I get an application?
A. Applications are available at the assessor's office or from the ORPTS website www.tax.ny.gov. The initial application is form RP-467; instructions are RP-467-Ins. The annual renewal application is RP-467-Rnw. (Large print applications are also available.) The Affidavit for the city, town, or village is RP-467-aff/ctv. The affidavit form for a school district is RP-467-aff/s.

Q. What are the requirements to qualify for this exemption?
A. The requirements are based on age, owner-ship status, residency and occupancy, and income.

Q. What are the age requirements?
A. Each of the owners of the property must be 65 years of age or over, unless the owners are husband and wife, or are siblings (two or more individuals having at least one common parent), when one spouse or sibling must be 65 years or over. Age generally is determined as of the appropriate taxable status date. (Some municipalities allow the exemption where an otherwise eligible owner becomes 65 years of age after taxable status date but on or before December 31. Check with your assessor to determine if this option is in effect.)

The first time you apply for the exemption, you must give satisfactory proof of your age, such as a birth certificate or baptismal certificate. If these are not available, an affidavit of age from the Social Security Administration, hospital birth record, marriage record, passport, military record, immigration documents or other reliable records that show your age would be considered.

Q. What are the ownership requirements?
A. The applicant(s) must show they have owned the property for at least 12 consecutive months prior to the date of filing the application, unless the owner received a senior citizen exemption for his or her previous residence, in which case the 12-month requirement is considered satisfied.

In computing the 12-month period, the period of ownership is not interrupted by the following:

1. A transfer of title to one spouse from the other;
2. A transfer of title to a surviving spouse from a deceased spouse either by will or operation of law;
3. A transfer of title to the former owner(s), provided the reacquisition occurs within nine months after the initial transfer and the property was receiving the senior citizens' exemption as of such date;
4. A transfer of title solely to a person(s) who maintained the property as a primary residence at the time of death of the former owner(s), provided the transfer occurs within nine months after the death of the former owner(s) and the property was receiving the senior citizens' exemption as of such date.

The period of ownership of a prior residence may be considered where:

1. The property was sold by condemnation or other involuntary proceeding (except a tax sale) and another property has been acquired to replace the taken property;
2. The prior residence has been sold and a replacement purchase made within one year if both residences are within the State.

Q. How do I prove ownership and the length of time I have owned it?
A. Submit a certified copy of the deed, mortgage, or other instrument by which you became owner of the property.

Municipalities are authorized to grant the exemption to otherwise eligible senior citizens who own shares in residential cooperatives. If granted, they would receive adjustments to their monthly maintenance fees to reflect the benefit of that exemption.

Q. How is the exemption administered where the property is in a life estate or trust?
A. The life tenant is entitled to possession and use of the property for the duration of his or her life and is deemed the owner for all purposes, including taxation. The exemption also may be allowed if the property is in trust and all the trustees or all the beneficiaries qualify.

Q. What are the residency and occupancy requirements?
A. The property must be the "legal residence" of, and must be occupied by, all of the owners of the property unless:

1. a non-resident owner, who is the spouse or former spouse of the resident owner, is absent from the residence due to divorce, legal separation, or abandonment, or
2. an owner is absent from the property while receiving health-related services as an in-patient of a residential health care facility, provided that during this period no one other than the spouse or co-owner of the absent co-owner occupies the property. A residential health care facility is a nursing home or other facility that provides or offers lodging, board and physical care including, but not limited to, the recording of health information, dietary supervision and supervised hygienic services.

The property must be used exclusively for residential purposes. However, if a portion of the property is used for other than residential purposes, the exemption will apply only to the portion used exclusively for residential purposes.

Q. What are the income requirements and what is considered income?
A. The exemption cannot be granted if the income of the owner, or the combined income of all the owners, exceeds the maximum income limit set by the locality. If the owner is married, the income of the spouse must be included in the total unless the spouse is absent from the residence due to a legal separation or abandonment. The income of a non-resident former spouse, who retains an ownership interest after the divorce, is not included. If the "sliding-scale" option is in effect, you must meet that income limitation; contact the assessor to determine what the income limits are.

Income is to be reported on the basis of the latest preceding "income tax year" prior to the date of application. This usually is the preceding calendar year.

Income includes:

- all Social Security payments, salary and wages (including bonuses),
- interest (including nontaxable interest on state or local bonds),
- total dividends, net earning from farming, rentals, business or profession (including amounts claimed as depreciation for income tax purposes),
- income from estates or trusts,
- gains from sales or exchanges,
- the total amount received from governmental or private retirement or pension plans,
- annuity payments (excluding amounts representing a return of capital),
- alimony,
- unemployment insurance payments,
- disability payments,
- workers compensation, etc.

Income does not include:

- Supplemental Security Income,
- welfare payments,
- gifts, inheritances,
- payments received as participants in the Federal Foster Grandparents Program,
- a return of capital, or
- reparation payments received by Holocaust survivors.

Municipalities have the option to permit applicants to subtract from their incomes all medical and prescription drug expenses that are not reimbursed or paid by insurance, as well as veterans' disability payments.

If an owner is an inpatient in a residential health care facility, the owner's other income is not considered income in determining exemption eligibility if it does not exceed the amount paid by such owner, spouse or co-owner for care at the facility. Proof from the facility of the amount paid for an owner's care must be submitted with the application.

Q. Should income associated with individual retirement accounts (IRAs) be included?

A. ORPTS Opinion of Counsel Vol. 8 Number 22 (available online) states that, for purposes of the Senior Citizens' Exemption, contributions to an IRA are not deductible; earnings on IRAs should be considered as income; and distributions from IRAs should not be treated as income.

Q. Does income include the proceeds of a reverse mortgage?

A. The proceeds of a reverse mortgage should not be considered income for purposes of this exemption. However, when such proceeds are invested, any interest or dividends from such investment should be considered as income. Also, monies used to repay a reverse mortgage may not be deducted from income.

Q. Must proof of income be submitted with the application?

A. Yes. If a Federal or New York State income tax return(s) was filed for any of the owners of the property or their spouses for the preceding year, copies of such return(s) should be submitted with their application. You may also be required to submit statements of payments made by the Social Security Administration, bank statements, rent receipts or other documents to substantiate your statement of income.

Q. Do manufactured homes on leased land qualify for the exemption?

A. Yes, on the manufactured home only. If it is located in a manufactured home park, you are entitled to a reduction in rent for the amount of the taxes paid.

Q. Can the exemption be granted for school taxes if a child resides on the property and attends any public school in the district or in another school district?

A. Yes, if a child residing on the property attends a private or parochial school, or if such child attends public school and the local school district has adopted a resolution to permit a school tax exemption for otherwise eligible residential property. 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.

Q. If I receive the Senior Citizens' exemption, am I also eligible for the STAR exemption?

A. Yes. The application for the senior citizen exemption also will serve as your application for the "Enhanced" School Tax Relief (STAR) exemption; no separate STAR application is needed. If granted the senior citizens' exemption, you will qualify for and will receive the Enhanced STAR exemption as well. If you fail to qualify for the senior citizens' exemption, but your application demonstrates that you qualify for the Enhanced STAR exemption, your property will receive that exemption. If not, you may be required to submit additional documentation, including the STAR application (RP-425 - which is also available in large print).

Q. If the property has other partial exemptions (such as veterans or clergy), will it be eligible for this exemption?

A. Yes. The senior citizen exemption is computed after all other partial exemptions have been deducted, with one exception-the STAR exemption is always is deducted last, in order to maximize the benefit to the taxpayer.

State of New York
Andrew M. Cuomo, Governor

NYS Department of Taxation and Finance
Office of Real Property Tax Services
W.A. Harriman State Campus
Albany, NY 12227
Phone: 518-591-5232
www.tax.ny.gov

Senior Citizens' Exemption

Questions & Answers

Partial Exemption from Property Taxes in New York State

New York State Department of
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Office of Real Property Tax Services

Publication 1091 (9/11) ***January 2011***