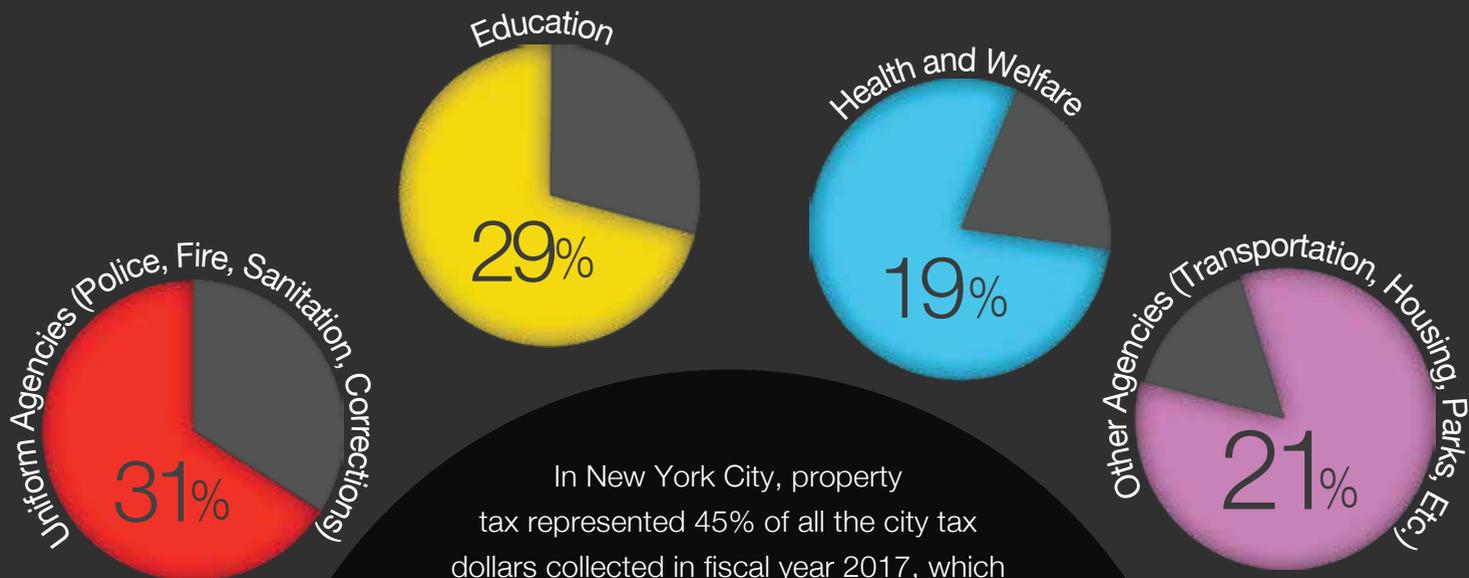


**NYC RESIDENTIAL**  
property taxes

class one

one  
two  
three  
family  
homes

# WHERE DO YOUR tax dollars go?



In New York City, property tax represented 45% of all the city tax dollars collected in fiscal year 2017, which ended on June 30, 2017. This chart shows how all city tax dollars were spent.

# how we calculate your property tax bill

1  
step

## DETERMINE MARKET VALUE

We value your home using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood.

2  
step

## DETERMINE ASSESSED VALUE

A property's assessed value is a percentage of its market value and is used, with the adjustments described below, to determine the property's annual tax bill. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.

3  
step

## APPLY EXEMPTIONS ON FILE

The City of New York offers tax breaks known as exemptions to seniors, veterans, clergy members, people with disabilities, and other homeowners. If you qualify for any of these exemptions, we subtract these amounts from your property's assessed value to determine its taxable value. (Visit [www.nyc.gov/ownerexemption](http://www.nyc.gov/ownerexemption) to find out which tax breaks you might qualify for.)

4  
step

## PROPERTY TAX BILL

We calculate the amount you owe in property taxes by applying the city's tax rate for class 1 properties, a percentage set each year by the city council based, in part, on state law requirements, to your taxable value. If your property receives a type of tax break known as an abatement, we subtract it from your bill to reduce the total amount that you owe.

example

Single-family home. Owner receives STAR school tax exemption, Solar Roof abatement	
Market Value	\$714,000
Assessment percentage (in this case, 6% of market value)	x .06
Assessed Value	\$42,840
minus STAR exemption	- \$2,000
Taxable Value	\$40,840
Tax rate (set each year by city council—currently 20.385%)	x .20385
Property tax before abatements	\$8,325
minus Solar Roof abatement	- \$396
<b>TOTAL PROPERTY TAX DUE</b>	<b>\$7,929</b>

## Market Value — Valuing Your Property

The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood. Similar properties are those that are close in size, style, and age to yours.

### PROPERTY TAX CLASSES

Properties in New York City are divided into four classes, each valued and assessed differently under the law. Tax class 1 includes one- to three-unit residential properties. For information about how market values are determined for class 2, 3, and 4 properties, visit [www.nyc.gov/propertytaxes](http://www.nyc.gov/propertytaxes).



One- to three-unit residential properties



Utility company equipment and special franchise property



Residential property with more than 3 units including cooperatives & condominiums



All other real property, including office buildings, factories, stores, hotels and lofts

# 2 steps

## Assessed Value — Assessing Your Property

Your home’s assessed value is a percentage of its market value. State law limits how much the assessed value of a class 1 property in New York City can increase. Your assessed value cannot rise more than 6% in one year or 20% over five years, no matter how quickly the market value of your home increases, unless you make a physical change to the property, such as an addition or renovation. Due to these caps, most class 1 properties are assessed at less than 6%.

As a result of the caps, you may find that your assessed value continues to increase even as your market value decreases. That is because it can take years for the assessed value to “catch up” to the market value. The table below shows an example of a property whose assessed value increased even as the market value decreased.

### Why has your property’s assessed value changed?

Your assessed value can change for a number of reasons:

- Your property's market value has changed.
- You made a physical change to the home, such as an addition or renovation, and these physical changes are not subject to the annual or five-year caps on increases to your assessed value for that year.
- You lost a tax exemption or abatement, or its value was reduced.
- Your assessed value is catching up to prior changes in market value, as in the table below.

EXAMPLE OF A 1-3 FAMILY HOME	YEAR 1	YEAR 2	YEAR 3
Market Value	100,000	150,000	140,000
Assessed Value if increases were not capped	6,000	9,000	8,400
Assessed Value with Caps on Increases	6,000	6,360	6,741



## Exemptions — Reducing Your Property Tax

The City of New York offers tax breaks known as exemptions to seniors, veterans, clergy members, people with disabilities, and others. If you are granted an exemption, it is subtracted from the assessed value of your home, reducing your taxable value. (An exemption differs from an abatement, a type of tax break that reduces your tax due after the tax has been calculated.) Your June property tax bill shows the exemptions you will receive for the tax year beginning July 1.

### Finding the Right Exemption(s) for You

	STAR (School Tax Relief) Basic STAR*	Enhanced STAR*	Senior Citizen Homeowners' Exemption (SCHE)	Disabled Homeowners' Exemption (DHE)
ELIGIBILITY	Available to owners of houses, co-ops, and condos with less than \$500k annual adjusted gross income.	Available to owners 65+ with annual income less than \$86k.	Available to owners 65+ with annual income of \$58,399 or less.	Available to owners with disabilities and annual income of \$58,399 or less.
BENEFIT	Tax savings: approximately \$300/year.	Tax savings: approximately \$600/year.	Reduces assessed value up to 50%.	Reduces assessed value up to 50%.
TO APPLY	Visit <a href="http://www.tax.ny.gov">www.tax.ny.gov</a> or call (518) 457-2036.	Visit <a href="http://www.tax.ny.gov">www.tax.ny.gov</a> or call (518) 457-2036.	Complete an application, available at <a href="http://www.nyc.gov/sche">www.nyc.gov/sche</a> .	Complete an application, available at <a href="http://www.nyc.gov/dhe">www.nyc.gov/dhe</a> .
DEADLINE	March 15	March 15	March 15**	March 15**

\* In 2016, STAR was changed by state law from a property tax exemption to an income tax credit. Current recipients of the STAR property tax exemption can continue to receive it. New applicants must apply to the state for the credit. If you are eligible, you will receive the credit in the form of a check. The dollar value of the credit will generally be the same as the property tax exemption.

\*\* The tax year 2017-18 deadline for SCHE and DHE is January 16, 2018.

# What's the difference between the two reductions?

## Exemptions

An exemption reduces your assessed value before your taxes are calculated.

## Abatements

An abatement reduces your taxes after they've already been calculated.

Please visit [nyc.gov/finance](http://nyc.gov/finance) for the most up-to-date information about exemptions.

Veterans Exemption	Disabled Crime Victim and Good Samaritan Exemption	Clergy Exemption	
Available to certain veterans, spouses/widow(er)s of veterans, and Gold Star parents.	Crime victims and those injured trying to prevent crime or assist a victim. Civilians only. Owner must have modified home to accommodate disability.	Certain members of the clergy or their unremarried surviving spouses.	ELIGIBILITY
Level of benefit varies.	Compensation for cost of renovations to accommodate disability.	Reduces assessed value of home by \$1,500. Tax savings: approximately \$256/year	BENEFIT
Complete an application, available at <a href="http://www.nyc.gov/ownerexemption">www.nyc.gov/ownerexemption</a>	Complete an application, available at <a href="http://www.nyc.gov/ownerexemption">www.nyc.gov/ownerexemption</a>	Complete an application, available at <a href="http://www.nyc.gov/ownerexemption">www.nyc.gov/ownerexemption</a>	TO APPLY
March 15	March 15	March 15	DEADLINE

# 4 steps

## Your Annual Property Tax Bill — Class 1

Your annual class 1 property tax bill will look like this:

**NYC Department of Finance** Statement Details  
November 17, 2017  
MAPROOWNER  
112 45th St  
11219-5026  
Page 2

Billing Summary	Activity Date	Due Date	Amount
Outstanding charges including interest and payments			\$0.00
Finance-Property Tax			\$1,661.09
Adopted Tax Rate	01/01/2018		\$66.26
<b>Total amount due</b>			<b>\$1,747.35</b>

Tax Year Charges Remaining	Activity Date	Due Date	Amount
Finance-Property Tax			\$1,661.09
Adopted Tax Rate	04/01/2018		\$66.26
<b>Total tax year charges remaining</b>			<b>\$1,747.35</b>

**If you want to pay everything you owe by January 2, 2018 please pay \$3,488.76**  
If you pay everything you owe by January 2, 2018, you would save: \$5.94

**How We Calculated Your Property Tax For July 1, 2017 Through June 30, 2018**

	Tax rate		
Tax class 1 - Small Home, Less Than 4 Families	19.9910%		
Original tax rate billed June 2017	20.3850%		
New tax rate			
Estimated market value	\$647,000	Billable assessed value	\$35,107
Tax before exemptions and abatements		New Tax rate	20.3850%
Basic STAR - School Tax Relief			
Tax before abatements			\$7,167
Annual property tax			\$6,858

\*\* This is your NYS STAR tax savings. It cannot increase more than 2% a year. For more information, please visit us at [nyc.gov/finance](http://nyc.gov/finance) or contact 311.



### Market Value

The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood. Similar properties are those that are close in size, style, and age to yours.



### Assessed Value

A property's assessed value is a percentage of its market value. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.



### Exemption Value

The reduction in your assessed value as a result of any exemptions you receive.



### Taxes Before Abatements

The taxable value of your home before any abatements are applied.



### Tax Rate

The rate at which New York City taxes your property class. This percentage is set by the city council each year (based, in part, on state law requirements) and is subject to change. The tax rate for class 1 properties is 20.385% in tax year 2017-18.



### Annual Property Tax

If you have any abatements, they are applied and subtracted from the amount of your taxes to determine your final property tax bill.

## Review of How We Calculate Your Property Tax

**ANNUAL PROPERTY TAX = {(ASSESSED VALUE MINUS EXEMPTIONS) (X) TAX RATE} MINUS ABATEMENTS**

- 1** days **MARKET VALUE:**  
\$647,000
- 2** days **ASSESSED VALUE:** Market Value X level of assessment (6%) or capped assessed value (in this case, \$35,107)
- 3** days **EXEMPTIONS:** Assessed Value – Exemptions = Taxable Value  
\$35,107 - \$1,470 = \$33,637
- 4** days **ANNUAL PROPERTY TAX:** Taxable Value X Tax Rate\* - Abatements  
\$33,637 X 20.3850% = \$6,858

*\*Tax rate for 2017/18 tax year; rates for individual tax classes can vary from year to year.*

# paying your property tax bill

Property tax bills are mailed quarterly for homes with an assessed value of \$250,000 or less, and semiannually for homes assessed at more than \$250,000. Quarterly bills are due on July 1, October 1, January 1, and April 1; your bill will generally be mailed a month before its due date. Semiannual bills are mailed a month before their January 1 and July 1 due dates.

Once you receive your bill, review it carefully to ensure that you understand not only how much you owe, but where that amount comes from. Refer to this booklet as a guide, and learn more at [www.nyc.gov/finance](http://www.nyc.gov/finance), where you can also view your property tax bill at any time.

## HOW TO PAY

Follow the instructions on your bill or visit [www.nyc.gov/payonline](http://www.nyc.gov/payonline) to learn about the payment options—electronic, postal mail, or in person—available to you.

## BANKS AND MORTGAGE SERVICING COMPANIES

If you pay your property taxes through a bank or mortgage servicing company, you will not receive a property tax bill from the Department of Finance unless you are responsible for other charges, such as sidewalk and emergency repairs.

# notice of property value

## AN ANNUAL NOTICE WITH DETAILS ABOUT YOUR PROPERTY

One of the most important documents you will receive from the Department of Finance is the Notice of Property Value, or NOPV. Mailed to you each January, the NOPV will tell you our determination of your property's market and assessed values. (See page 3 for an explanation of how these numbers help us determine your property tax.)

In addition to your market and assessed values, the NOPV will list your current exemptions, though it may not include the exemptions you will receive in the next tax year.

The NOPV is not a bill and does not require payment. You'll want to keep the notice on file and refer to it throughout the year.

Here is an example of an NOPV for a class 1 property:



### Market Value

The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood.



### Effective Market Value

Your property's effective market value is its assessed value, before exemptions, divided by 6%. For the Tax Commission to lower your assessment, you must prove that your property's value is less than its effective market value.



### Assessed Value

A property's assessed value is a percentage of its market value. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.

**NOTICE OF PROPERTY VALUE**

#00000000000000000000#

IMA PROPOWNER  
123 45TH ST  
BROOKLYN NY 00000-0000

January 15, 2016

OWNER NAME  
IMA PROPOWNER

PROPERTY ADDRESS  
123 45 STREET

BOROUGH                      BLOCK      LOT  
BROOKLYN                      0000      00

TAX CLASS: 1 (Primarily one to three unit residential property)

BUILDING CLASS: B1 (Two-family dwelling)

UNITS: 2 residential

**THIS IS NOT A BILL.** This notice gives you information about how the New York City Department of Finance values your property.

**Property Assessment**

	Current Tax Year July 1, 2015 - June 30, 2016	Change	Upcoming Tax Year July 1, 2016 - June 30, 2017
Market Value ●	\$970,000	-\$33,000	\$937,000
Assessment Percentage	6%	--	6%
Assessed Value ●	\$34,160	+\$260	\$34,420
Effective Market Value ●	--	--	\$573,666
Exemption Value ●	\$1,580	-\$30	\$1,550
Taxable Value ●	\$32,580	+\$290	\$32,870

Exemption: BASIC STAR



**Exemption Value**

The reduction in assessed value as a result of the exemptions you receive.



**Taxable Value**

Your assessed value minus your exemption value. The taxable value is the amount on which you are taxed.



**Property Description**

Basic property information: ownership, description, classification, and BBL.

**Property Identification: BBL**

Every property in New York City has a unique identifier known as a borough-block-lot number, or BBL. The BBL acts as your account number with the Department of Finance and will appear on nearly every notice or statement you receive from us. Be sure to have your BBL on hand when you contact DOF—it will help us resolve your issue more quickly.

**The Borough number is always first:**

- 1 = Manhattan                      3 = Brooklyn                      5 = Staten Island
- 2 = Bronx                              4 = Queens

**The Block number is second**

It can be up to 5 digits.

**The Lot number is last**

It can be up to 4 digits.

## APPEALING THE ASSESSED VALUE ON YOUR

# notice of property value

If you believe that we have set your assessed value too high, you have the right to appeal to the New York City Tax Commission, an independent city agency that has the authority to change your property's assessment value, tax class, and exemptions. For the Tax Commission to lower your assessment, you must prove that your property's value is less than its effective market value—its assessed value before exemptions divided by 6%.

To file an appeal, please visit the Tax Commission at [www.nyc.gov/html/taxcomm](http://www.nyc.gov/html/taxcomm) and download the 2018 TC108 and TC108INS forms. Printed forms also are available at DOF Business Centers and at the Tax Commission's office at One Centre Street, Room 2400, New York, NY. (To enter One Centre Street, you will need a photo ID.) The deadline to submit an appeal for a class 1 property is March 15. This means that the Tax Commission must receive your appeal by March 15—mailing your appeal on that date is not sufficient.

If you disagree with the Tax Commission's determination, you may file a Small Claims Assessment Review Petition (SCARP) with the New York State Supreme Court. SCARP petitions are available on the NY State Office of Court Administration's website, [www.nycourts.gov](http://www.nycourts.gov), and must be filed by October 25. You cannot file a SCARP if you do not file an appeal with the Tax Commission for the current tax year beginning July 1.

## Other Corrections

If there is a factual error on your NOPV (for example, the description of your property is incorrect), please report it to the Department of Finance by filing a "request to update" form, available at [www.nyc.gov/finance](http://www.nyc.gov/finance), between January 15 and March 15. If you disagree with the estimated market value on your NOPV, you can file a "request to review" form available at [www.nyc.gov/finance](http://www.nyc.gov/finance) between January 15 and March 15. (But remember that filing either of these forms with DOF is not a substitute for appealing your assessed value with the Tax Commission.)

## your year in

DOF mails out your Notice of Property Value.

**JANUARY 16:** the deadline to apply for tax exemptions for senior citizens and people with disabilities for tax year 2017-18.

**MARCH 15:** the deadline to dispute your property's value with the NYC Tax Commission.  
**MARCH 15:** the deadline to apply for tax exemptions.

DOF releases the final assessment roll and generates property tax bills for the tax year beginning July 1.

You receive your first property tax bill for the new tax year.

JAN

FEB

MAR

APRIL

MAY

JUNE

# resources

## Office of the Tax Payer Advocate

If you have made a reasonable effort to resolve a tax issue with the Department of Finance but feel that you have not received a satisfactory response, the Office of the Taxpayer Advocate can help.

For assistance from the Office of the Taxpayer Advocate, visit [www.nyc.gov/taxpayeradvocate](http://www.nyc.gov/taxpayeradvocate) and complete form DOF-911, "Request for Help from the Office of the Taxpayer Advocate." You may also contact the Office of the Taxpayer Advocate directly:

**Email:** [DOFTaxpayerAdvocate@finance.nyc.gov](mailto:DOFTaxpayerAdvocate@finance.nyc.gov)

**Call:** (212) 312-1800

**Fax:** (646) 500-6907 or (212) 312-6598

**Mail:** NYC Office of the Taxpayer Advocate, 253 Broadway, 6th Floor, New York, NY 10007

## The NYC Tax Commission

The New York City Tax Commission is an independent agency that has the authority to change your property's assessed value, tax class, and exemptions.

All appeal forms are available at the Tax Commission's website, [www.nyc.gov/html/taxcomm](http://www.nyc.gov/html/taxcomm), and can also be requested from 311.

You may call the Tax Commission at (212) 669-4410 or e-mail them at [tcinfo@nyc.gov](mailto:tcinfo@nyc.gov).

# property taxes

A new tax year starts; you're taxed at the previous year's tax rate, if the rate for the new tax year has not been adopted by June 6.

The city council votes on the tax rates and the mayor signs off on them. Frequently, because of policy decisions to modify the tax levy class share distribution, the tax rates are not finalized until November. Because we're almost halfway through the tax year from when these rates apply, your taxes for the first part of the year are re-calculated at the new rate.

JULY

AUG

SEPT

OCT

NOV

DEC

# glossary

**Abatement:** The City of New York offers tax breaks known as abatements that are applied after your tax amount due has been calculated.

**Assessed Value:** A property's assessed value is a percentage of its market value. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.

**Assessment Ratio:** Assessment Ratio (or Assessment Percentage/Level of Assessment): Your assessed value is based on a percentage of your market value; this percentage is known as your assessment ratio. Your "target" ratio, which is also the maximum ratio of assessed-to-market value that can be imposed, depends on your tax class. The target assessment ratio for class 1 properties is 6%.

**Effective Market Value:** Your property's effective market value is its assessed value, before exemptions, divided by 6%. For the Tax Commission to lower your assessment, you must prove that your property's value is less than its effective market value.

**Exemption:** The City of New York offers tax breaks known as exemptions to seniors, veterans, clergy members, people with disabilities, and others. If you are granted an exemption, it is subtracted from the assessed value of your home, reducing your taxable value. (An exemption differs from an abatement, a type of tax break that reduces your tax due after it has been calculated.)

**Market Value:** The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood. Similar properties are those that are close in size, style, and age to yours. This market value is for tax purposes only.

# glossary

**Tax Classes:** Properties in New York City are divided into four classes, each treated differently under the law.

**Class 1:** One-to three-unit, predominantly residential properties. Also includes certain vacant land and certain types of condominiums.

**Class 2:** Residential property with 3+ units, including condos and co-ops

**Class 3:** Utility company equipment and special franchise property

**Class 4:** All other real property, including office buildings, factories, stores, hotels, and lofts

**Tax Rate:** The rate at which New York City taxes your property class. This percentage is set by the city council each year and is subject to change.

**Taxable Value:** Your assessed value minus your exemption value. The taxable value is the amount on which you are taxed.

