

Administration of the STAR credit: common questions

Q. A homeowner applied for the senior citizens exemption and provided a copy of her 2016 income tax return with her application. She received a combined property tax freeze and relief credit check, and a STAR credit check in 2016. Should assessors treat the checks as income when determining her eligibility for the senior citizens exemption? New

A. The freeze, relief and STAR checks should not be considered income for purposes of the senior citizens exemption. Those checks are issued to reduce the property tax liability of qualifying owners. A property owner's property tax liability is not taken into consideration when determining his or her income for purposes of the senior citizens exemption, so any change in that liability resulting from the issuance of a freeze, relief, or STAR check should likewise be disregarded when determining when the property owner is eligible for that exemption.

Q. Several years ago, a property owner executed a deed that transferred his home to his son while retaining a life estate on the home. The property has been receiving a STAR exemption all along. May the son apply for the STAR exemption once his father passes away, or will he be required to register for the STAR credit? New

A. Due to the life estate, the son will not be considered the owner of the property for property tax purposes until his father passes away. Once this happens, the son will become the owner, but he will not be eligible to apply for a STAR exemption because he did not hold title on the 2015 STAR application deadline. To receive a STAR benefit, the son should register for the STAR credit

Q. If a homeowner buys and moves into a home in January 2017, is he or she eligible for the 2016 STAR credit?

A. No. You become eligible for the STAR credit in the tax year in which you bought the property. The property owner you mention would be eligible for the STAR credit in 2017, assuming he or she meets all other criteria.

Q. A person is living in a house while purchasing it under a land contract. Can that person register for the STAR credit?

A. A person who is living in and purchasing the real property via a land contract (called a "vendee in possession under executor contract of sale" in legal terminology) is deemed the owner for taxation purposes. He or she should register online, list the purchase/vendee as the owner, and then send a brief explanation along with a copy of the confirmation page and the contract to us at:

NYS DEPARTMENT OF TAXATION AND FINANCE - ORPTS
ATTN: STAR RESOLUTION UNIT
WA HARRIMAN CAMPUS
BUILDING 8A
ALBANY, NY 12227

Q. We have a property owner in my town who was mistakenly identified as a new owner this year. Their exemption was removed, they received a notice about the STAR credit, and they registered. However, they would prefer to remain in the exemption program. Can they cash the check this year and go back to the exemption next year?

A. We have heard of cases like this where, by changing from Basic to Enhanced STAR or putting their property in a life estate, a property owner inadvertently identified as a new homeowner. If the property owner received the STAR exemption in 2015 based on their application, and should have received the STAR exemption in 2016 but was put in the credit program by mistake, they can receive the STAR exemption in 2017. The assessor will need to notify us of these situations so that we don't send the homeowner a STAR credit check in 2017. Please email orpts.star@tax.ny.gov with these cases.

Q. Why does ORPTS still make a Basic STAR application available online?

A. In light of the STAR credit for new homeowners, this is a good question. There are still limited cases where the Basic STAR application is necessary.

- The property owner wishes to restore a STAR exemption that was received during the 2015-2016 school year, but that was subsequently discontinued due to failure to meet the income standard.
- A new deed is filed by a property owner due to:
 - divorce
 - surrender of interests by a co-owner
 - survivorship

- trusts
- life estates

Q. In regard to mixed use properties, will the Tax Department check the percentage of the property used for residential purposes before issuing the STAR credit?

A. Yes. Where we are unable to determine whether the residential portion of the property exceeds the STAR exemption amount, we will contact the assessor.

Q. A property owner bought their home after the [2015 STAR application deadline](#). I sent them a letter this June advising them to register for the STAR credit, but their name does not appear on the STAR Credit Eligible Report. Should I leave the exemption on that property?

A. Generally, no. If they bought their home after the [2015 STAR application deadline](#), they are not eligible for the exemption*. They may not appear on the report for one of the following reasons:

1. They never registered
2. They registered but are not eligible for the credit
3. They registered after July 1
4. We are still processing the registration data

*Properties that have transferred, and had a STAR exemption on the 2016 roll for the prior owner are entitled to keep the exemption for the 2016-17 school levy year, but need to [register for the STAR credit](#) to receive a STAR benefit in future years (see [Scenario 1-How to handle new STAR applications](#)).

Q. If a family purchases a property after taxable status date, and the prior owner was receiving the STAR exemption, should the new homeowners register for STAR with New York State right away?

A. Yes. Regardless of whether the new homeowners register or not, they will receive the STAR exemption on their school tax bill this fall- however, next year they won't receive the exemption. They should register with New York State as soon as possible to ensure they receive the STAR credit for next year.

Q. Can new property owners who move into a partially built property after this year's taxable status date (generally March 1) register for the STAR credit for this year if the property was unoccupied as of the taxable status date and already received a partial assessment?

A. Yes. If eligible, new property owners will receive a STAR credit not to exceed the amount of taxes levied based on the partial assessment. (The new property owners must register with the Tax Department to receive the credit.)

Q. How will the Tax Department determine if someone registering for the STAR credit receives a Basic or Enhanced STAR credit savings amount?

A. The Tax Department will:

1. use a homeowner's income tax data to confirm the date of birth and income information that the homeowner provided during the registration process; then
2. based on that information, issue the STAR credit equivalent to the Basic or Enhanced STAR savings amount, whichever is applicable.

Q. Can a new property owner receive the Enhanced STAR credit if they are eligible for the credit, but did not apply for the Enhanced STAR exemption by the taxable status date?

A. Yes. To receive the credit, the new property owner should register with the Tax Department. The department will review all registrations regardless of exemption application status.

Resources

- [Answer Center: STAR program](#) ↗
- [STAR program](#)
- [2016 amendments to STAR](#)
- [STAR information for local officials](#)
- [Property tax and assessment administration](#)

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