

Exemption for persons with disabilities and limited incomes

Local governments and school districts may lower the property tax of qualified disabled homeowners by providing a partial exemption for their legal residence.

This exemption provides a reduction of up to 50% in the assessed value of the residence of qualified disabled person(s). Those municipalities that opt to offer the exemption also set an income limit. The income limit may be as low as \$3,000 and as high as \$50,000.

Localities have the further option of giving sliding scale exemptions of less than 50 percent to persons with disabilities whose incomes are more than \$50,000. Under this option, qualifying persons may receive a 5% exemption if their income is below \$58,400.

Check with your local assessor for the income limits in your community.

Note: If your property receives the senior citizens exemption, it cannot also receive this exemption. If you qualify for both exemptions, you can choose the more beneficial option.

Eligibility Requirements

To qualify, you must own the property, have certain documented evidence of a disability, and meet other income and residency requirements.

Disability

To qualify, you must have a physical or mental impairment—not due to current use of alcohol or illegal drugs—that substantially limits your ability to engage in one or more major life activities, such as:

- caring for one's self,
- performing manual tasks,
- walking,
- seeing,
- hearing,
- speaking,
- breathing,
- learning, or
- working.

In addition, you must provide proof of your disability by submitting one of the of following:

- an award letter from the Social Security Administration certifying your eligibility to receive Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI)

- an award letter from the Railroad Retirement Board certifying your eligibility to receive railroad retirement disability benefits
- a certificate from the State Commission for the Blind stating that you are legally blind
- an award letter from the United States Postal Service stating you are certified to receive a United States Postal Service disability pension
- an award letter from the United States Department of Veterans Affairs stating that you are entitled to a veterans disability pension

Ownership

Generally, all owners of the property must have a qualified disability as described above, unless the property is owned by husband and wife or by siblings. In those cases, only one person needs to have a disability.

If the property is held under a life estate, 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 purposes of taxation. The exemption also may be allowed if the property is in trust and all the trustees (beneficiaries) qualify.

Municipalities may offer the exemption to qualified persons who are tenant-stockholders of a cooperative apartment. The exemption would be credited by the cooperative apartment against the amount of taxes owed by the tenant-stockholder.

Income

You cannot receive the exemption if your income, or the combined income of all the owners, exceeds the maximum income limit set by the locality.

If you are married, the income of your spouse must be included in the total unless your 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 your assessor to determine what the locally-applicable income limits are.

Your income is based on the last income tax year preceding the filing of your application, except that if you have not yet filed your income tax return for that year by the date your application is filed, your income will be based on the second-to-last income tax year preceding the filing of your application.

If any owner or the spouse of any owner filed a federal or New York State income tax return for the applicable income tax year, you should include a copy of each return with the application.

Income **includes** the following:

- Social Security benefits
- salary and earnings, including net income from self-employment

- retirement benefits
- interest
- dividends
- rental income (including amounts claimed as depreciation for income tax purposes)
- gain from the sale or exchange of a capital asset (minus any loss from the sale or exchange of a capital asset occurring in the same income tax year)

The following are **not considered income**:

- moneys received pursuant to the federal Foster Grandparent Program
- a return of capital
- gifts and inheritances

Municipalities may allow applicants to subtract all medical and prescription drug expenses that are not reimbursed or paid for by insurance from their income.

If an owner is an inpatient in a residential health care facility, only income exceeding the amount paid by them, a spouse, or sibling to the facility for care is considered in determining eligibility. Proof from the facility of the amount paid must be submitted with the exemption application.

Residency

The property must be the legal residence of the disabled person(s) and be occupied by them. The only exception is if the owner is absent while receiving health services as an inpatient of a residential health care facility. A residential health care facility is defined as a nursing home or other facility that provides 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. If a portion of the property is used for other purposes, the exemption will apply only to the portion used exclusively for residential purposes.

School-age children

If any child, including the child of tenants or lease holders, lives on the property and attends any public school, in most cases, no exemption from school taxes may be granted. However, a school district may elect to provide an exemption if satisfactory proof is provided that the child was not brought into the residence to attend a school within the district.

Applying for the exemption

To receive the exemption an initial application must be filed with your municipality's assessor on Form RP-459-c. To continue receiving the exemption, Form RP-459-c-Rnw must be filed each year thereafter. Proof of the disability must be provided each year unless proof has previously been submitted showing that the disability is permanent.

Application deadline

The application generally must be filed in the local assessor's office on or before the appropriate taxable status date. This date in most towns is March 1. In Nassau County, it is January 2. Westchester County towns have either a May 1 or June 1 taxable status date; contact the assessor. In cities, such date is determined from charter provisions. In New York City, applications for this exemption must be filed on or before March 15. The date in most assessing villages is January 1, but the village clerk should be consulted for variations.

Questions?

Contact your assessor's office.