



School tax rebates for New York homeowners change in 2016-17

New York state offers a variety of property tax relief programs, but many changes are in store for 2016-17. New this year is the Property Tax Relief Credit, which will provide rebate checks to many homeowners during the next four years. The traditional School Tax Relief (STAR) program will also see changes in how new homeowners apply for and receive benefits. Another program, the Property Tax Freeze Credit, is at an end when it comes to school taxes.

GET STAR? YOU MAY BE ELIGIBLE FOR A... Property Tax Relief Credit



Under a new Property Tax Relief Credit, New York homeowners whose primary

residence is outside of New York City may be eligible to receive a rebate check from the state during a four-year period from 2016-2019.

In 2016, homeowners will be eligible for a \$130 rebate if they live in the commuter suburbs outside of New York City or a \$185 rebate in the rest of the state as long as they:

- Own a home that receives an exemption through the School Tax Relief (STAR) program;

- Have a gross income no greater than \$275,000; and
- Reside within a tax-cap compliant school district. For a school district to be considered tax-cap compliant, the district's tax levy must remain within its property tax levy limit.

Each property may only receive one Property Tax Relief Credit.

These guidelines will still apply in the remaining three years of the program, but the dollar amounts of the rebate will vary in 2017,

PROPERTY TAX FREEZE ENDS FOR SCHOOL TAXES



The Property Tax

Freeze was designed as a short-term (2014 to 2016) tax relief program that reimbursed qualifying New York homeowners for increases in local property taxes on their primary residences. For the year 2016, the tax freeze credit is available for local government taxes only. The credit is no longer available for school taxes.

The state Department of Taxation and Finance has indicated it may issue any remaining Property Tax Freeze amounts to homeowners in a single rebate check along with the Property Tax Relief Credit.

2018 and 2019 on a sliding scale based on income. The New York State Department of Taxation and Finance expects to issue the rebate checks by Oct. 31 each year.

Visit www.tax.ny.gov/pit/property/property-tax-relief.htm to learn more.



CHANGES AHEAD FOR THE... School Tax Relief (STAR) Program

Most homeowners are familiar with STAR, the School Tax Relief program. Basic STAR and Enhanced STAR exemptions have helped homeowners reduce what they owe on their school tax bills since the program was launched in 1998-99.

If you are currently receiving a STAR Exemption on your primary residence, you will continue to do so—there is no change. However, no new exemptions will be issued; new applicants will now receive a rebate check, under the new STAR Credit Program. Homeowners' STAR savings amounts remain the same whether they receive an exemption or a rebate check.

New STAR applicants

Anyone who is paying school taxes on a new home for the first time in 2016 must apply with the New York State Department of Taxation and Finance at www.tax.ny.gov/pit/property/star/register-for-star-credit.htm or by phone at (518) 457-2036 to participate in STAR.

New applicants who qualify for STAR will receive a rebate check rather than a property tax exemption:

- Those who met the annual STAR application deadline (July 1) can expect to receive a rebate check on or near Sept. 30, 2016.
- Those who missed the STAR application deadline will receive a rebate check at a later date.

New homeowners who qualify for a STAR credit will see on their school tax bills a statement that a STAR reimbursement check will be mailed to them upon issuance by the state Department of Taxation and Finance. (They will not see a STAR exemption amount.)

TWO TYPES OF STAR

BASIC STAR is available only on a homeowner's primary residence and only for households with a combined income of less than \$500,000. The income limit applies to the combined incomes of the owners and owners' spouses who reside at the property.

ENHANCED STAR assists homeowners age 65 and older with household incomes below a specific limit that is adjusted annually based on the rate of inflation (\$84,550 as of 2016). The income limit applies to all owners and any owner's spouse who resides at the property. Enhanced STAR is available on the homeowners' primary residences only.

NEW STAR APPLICATIONS

If you register for STAR for the first time or register a newly purchased home in 2016-17, the state Department of Taxation and Finance will automatically review your application to determine whether you are eligible for the Basic or Enhanced benefit amount of the new STAR credit.

Find more guidance on STAR:

NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE

www.tax.ny.gov/pit/property/star

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