STAR Transition – What we know so far...

As part of the 2016-2017 New York State Budget, the STAR school property tax exemption is being transitioned to a new personal income tax (PIT) credit program. The legislation also allows those property owners eligible for the PIT credit to receive an accelerated payment directly from New York State.

The legislation itself and the information the assessment community is receiving from Albany on how the program is to be administered is a bit confusing. *Although it would be prudent to add that it is subject to change as more information becomes available*, this is what we understand so far...

If you had a STAR exemption on your property for the 2015-2016 school taxes, you may stay in the STAR program, Basic or Enhanced, as long as you continue to meet the eligibility requirements, and stay in your current home.

- Basic STAR exemptions do not require an annual application. After the initial application, there is no need to reapply unless something changes that may affect your eligibility.
- Enhanced STAR exemptions, as always, require either an annual application with the local assessor **or** enrollment in the Income Verification Program (IVP).
- If you are in the STAR exemption program, you may either keep your STAR school property tax exemption OR opt for the (PIT) credit/check program for future years. You can't have both.
- Once you opt out of the STAR exemption program, you cannot get back in.

If you purchased your home after March 2, 2015, you are **not** eligible for the STAR school property tax exemption, but you may register with New York State for the PIT credit/check program.

- If you applied with the local assessor for a STAR exemption, you will receive a letter with instructions for registering for the PIT credit/check program.
- Those who register prior to July 1st, and who meet the eligibility requirements (same as the requirements for the STAR exemption), the State intends to have checks mailed by the end of September.
- Those who register after July 1st will still get a check, but not by the end of September.
- Checks will be in the amount of the STAR savings you would have received on your school tax bill had you been eligible for the STAR exemption program.
- Once you are registered with New York State for the PIT credit/check program, you will not need to register again, unless your eligibility changes. The state will send your check automatically each year.
- ***The registration process will be through an on-line application OR by telephone. Details will be made available as soon as the procedures are finalized by New York State.***
- If you have a mortgage on your new home, and your taxes are paid through escrow, you may want to contact your escrow company to see how your mortgage payments are calculated (STAR exemption considered or not).

Going forward no new STAR exemptions will be granted. If you buy a new home and/or you are applying for a STAR exemption for the very first time, you will have to register with New York State for the PIT credit/check program.

Other property tax exemptions that you may be eligible for such as Veterans, Low Income Senior, Agriculture, etc will still be administered by the local assessor. This legislation does NOT affect any other property tax exemptions.

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