

## What is STAR?

STAR is a New York State tax relief program that lowers your school property taxes. If your income is less than \$500,000, you're probably entitled to this generous benefit.

## Who is eligible?

To be eligible, you must own and live at your primary residence. There are two levels of benefits – Basic STAR and Enhanced STAR.

- **Basic STAR** - Total income must be \$500,000 or less, which is the combined income of:
  - a) all owners who live in the home, and
  - b) any owner's spouse who lives in the home
- **Enhanced STAR** - all owners must be 65 or older, except for spouses or siblings, and total income must be \$84,550 or less, which is the combined income of:
  - a) all owners, and
  - b) any owner's spouse who lives in the home.

## What is meant by primary residence?

Your primary residence is where you lived for most of the year. Not all of the owners must use the property as a primary residence, just the one applying for STAR. You can only have one primary residence.

## How much will I save?

STAR reduces the taxable value of your home before the school tax rate is applied. Basic STAR exempts the first \$30,000 of the full value of your home, so your tax savings is \$30,000 multiplied by the school tax rate. If you qualify for Enhanced STAR, the exemption amount increases. (The amount of the 2016-2017 Enhanced STAR exemption will be determined in October 2015. The example grid below uses the 2015-2016 amount of \$65,300.)

Example	Without STAR	Basic STAR	Enhanced STAR
Taxable value of home	\$300,000	\$270,000	\$234,700
School tax rate	\$35 per \$1000	\$35 per \$1000	\$35 per \$1000
Tax due	\$10,500	\$9,450	\$8,214.50

**Note:** The exemption amounts in your municipality may be adjusted due to several factors. However, this should not affect the amount of your STAR savings. You can find the exemption amounts in your municipality at: [www.tax.ny.gov/pit/property/star/ex\\_index.htm](http://www.tax.ny.gov/pit/property/star/ex_index.htm). In addition, your STAR savings is subject to the maximum limit established for your municipality. The maximum limit doesn't change the exemption amount, but may limit your actual STAR savings. To find your municipality's maximum limit, visit: [www.tax.ny.gov/pit/property/star/max\\_index.htm](http://www.tax.ny.gov/pit/property/star/max_index.htm).

## How do I apply for Basic STAR?

File an application with your assessor. STAR applications are available from your assessor's office or on our Web site at: [www.tax.ny.gov](http://www.tax.ny.gov). New York City residents should call the New York City Department of Finance at 311 or (212) 504-4080 or visit its Web site at: [www.nyc.gov/html/dof](http://www.nyc.gov/html/dof). Nassau County residents should visit its Web site at: [www.nassaucountyny.gov/agencies/Assessor/](http://www.nassaucountyny.gov/agencies/Assessor/).

## How do I apply for Enhanced STAR?

File an application with your assessor. You must show that the household income was no greater than \$84,550 in 2014. You may do this in one of two ways:

### Option 1 - Traditional method

Provide your assessor with your STAR application, a copy of your 2014 income tax return, and a copy of any other owner's 2014 tax return. You'll need to reapply each year to remain eligible.

### Option 2 - STAR Income Verification Program

Provide your assessor with your STAR application, a copy of your 2014 income tax return, and Form RP-425-IVP, *Optional Income Verification Program*, which authorizes the New York Tax Department to verify your income eligibility each year. With this option, you won't need to reapply each year. The Tax Department will determine your eligibility on your behalf.

## What is the deadline for applying?

You must mail or hand-deliver your application to the assessor's office by the taxable status date. In most municipalities, this date is March 1, but it varies in some cities or counties. If you choose to mail your application, the envelope must be postmarked on or before the taxable status date.

## How do I find the taxable status date?

Visit: <http://orpts.tax.ny.gov/MuniPro>. The Web site also provides assessor telephone numbers and additional information for your municipality. We recommend you check the taxable status date on the Web site and then confirm it by contacting your assessor.

## How will I know my STAR application has been approved?

Your assessor will notify you only if your application is denied. Your main responsibility is to ensure your application is received by the assessor's office. If you're mailing your application, send it registered mail/return receipt requested. If you're hand-delivering it, ask for a receipt. You can confirm you'll be receiving the STAR exemption by checking the tentative assessment roll when it's made available to the public. The assessment roll will indicate next to your property the type and amount of your exemption. Tentative assessment rolls usually come out on May 1.

## How will I know how much STAR is saving me in tax dollars?

You will receive a school property tax bill or other notice that will clearly state the amount of the STAR exemption and your tax savings.

## Does STAR apply to all taxes on my property?

No. STAR applies only to school district taxes. It doesn't apply to other property taxes such as county, town, or city (except in Buffalo, New York City, Rochester, Syracuse, and Yonkers, where schools are funded through city property taxes).

## What types of properties are eligible for STAR?

STAR applies to any residential property used as a primary residence, including houses, condominiums, cooperative apartments, mobile homes, and farm houses.

STAR also applies to mixed-use properties such as apartment buildings, but only for the portion owned and used as a primary residence.

## How does the exemption work for mixed-use properties?

For mixed-use properties, you must be the owner and live on the premises. For example, you own an apartment building and serve as the landlord, but you also live in one of the apartments. The full exemption will be applied to the apportioned value of your apartment, not the entire building.

## How does the exemption work for cooperative apartments and mobile homes in a mobile home park?

File your application with your assessor. The assessor will provide a breakdown of the exemptions to the cooperative manager or park owner, who will then pass the tax savings onto you.

## What if I buy a new home?

You must reapply for STAR every time your primary residence changes. There's no requirement for length of ownership. You only need to own the home by the time you apply.

## Is STAR available on my vacation residence?

No. The STAR benefit cannot be used for more than one property. Only your primary residence is eligible for STAR.

## Can the Enhanced Exemption be granted to nursing home residents who own their homes?

Yes, provided that no one other than a co-owner or spouse lives on the premises.

## How is income defined for STAR purposes?

STAR relies on the information reported on your 2014 income tax return. Income is defined as the amount reported as federal *adjusted gross income* (AGI) less the *taxable amount* of IRA distributions. The instructions on the STAR application will indicate which lines on the tax return these amounts are taken from. You may send either your federal or state income tax return.

## What if I wasn't required to file a federal and state tax return for 2014?

Before filing your application, contact your assessor to find out what information needs to be sent to satisfy the income requirement.

## For Enhanced STAR, how is age defined?

For the 2016-2017 school year, you and all other owners must be at least 65 years old as of December 31, 2016. However, if you co-own the property with your spouse or any siblings, only one of you needs to meet this requirement.

## Can a surviving spouse who is not 65 years old continue to receive Enhanced STAR?

Yes, but only if the surviving spouse is at least 62 years old as of December 31, 2016, and all other requirements are met. Otherwise, the surviving spouse may only receive the Basic STAR.

## If I qualify for the low-income senior citizen exemption, am I also eligible for Enhanced Star?

Yes. Your senior citizen exemption automatically qualifies you for Enhanced Star. You will only need to apply for the Senior Citizens' Exemption to receive both that exemption and the Enhanced STAR. You can download the initial application Form RP-467, *Application for partial tax exemption for real property of senior citizens (and for enhanced school tax relief [star] exemption)*, at: [www.tax.ny.gov](http://www.tax.ny.gov).

## How is STAR administered where property is in a trust?

The STAR applies only to the beneficiaries of the trust, not any of the trustees. For example, you create a trust and convey your home to your children as trustees, and you and your spouse remain in the home as beneficiaries of the trust. For STAR purposes, you're the owners of the home, not your children, which entitles you to the STAR benefit.

## How is STAR administered where property is in a life estate?

The STAR applies to the life tenant. The life tenant is the person who owns and benefits from the property for the duration of his or her life. The initial application Form RP-467 is available at: [www.tax.ny.gov](http://www.tax.ny.gov).



# STAR

New York State's

## School Tax Relief Program

(Updated for the 2016-2017 school year)