



ANSWERS TO THE MOST FREQUENTLY ASKED QUESTIONS ABOUT COOPERATIVE AND CONDOMINIUM TAX ABATEMENT

Eligibility for the Abatement

1. Who is eligible for the abatement?

If you own a co-op or condo unit and use it as your primary residence, you are eligible. Units owned by sponsors, corporations, partnerships, or by persons who own more than three dwelling units in the development are ineligible. If you own 3 or fewer units and none of them are your primary residence, then none of the units are eligible for the abatement. Units used for non-residential purposes are also ineligible.

2. I am a new owner and received the letter, which was addressed to the prior owner. Am I eligible to receive the abatement?

New owners must complete and submit the Primary Residence Verification form that was mailed to your unit by July 22nd in order to receive the abatement. Please make sure that information in the New Owner Name section of the form is filled out.

3. My unit is owned by a revocable trust. Am I eligible for the abatement?

In June an amendment to the law passed making revocable and irrevocable trusts eligible if the unit is the primary residence of a designated beneficiary of the trust, trustee or the holder of a life estate.

4. I am a designated beneficiary of a unit owned by a trust, but I do not live there. The unit is the primary residence of my child. Does that qualify the unit for the abatement?

No, the unit must be the primary residence of at least one designated beneficiary, trustee or the holder of a life estate in order for the unit to be eligible.

5. Who can apply?

Your cooperative and condominium board of directors or managing agents must file a Cooperative/Condominium Property Tax Application on behalf of the entire development.

6. When do I receive the abatement for the current tax year?

Finance credits the abatement on the July 1st Property Tax Bill, which are available online at nyc.gov/finance. Condo owners will see their July bill online. For cooperative developments, the managing agent receives a listing of benefits for each unit. Cooperative owners should contact their managing agents for information on when and how the benefit will be managed.

Each building's board of directors applies the reduction to eligible residential units.

7. My managing agent applied a special assessment to our cooperative and kept the tax abatement. Are they allowed to do so?

The Cooperative/Condominium Property Tax Abatement must be credited to each eligible unit. However, if the managing agent made an assessment to offset expenses, the co-op board is within its rights to reduce, or partially offset, the tax abatement for an eligible unit.

8. Why is my abatement different from my next-door neighbor who has the same number of shares?

Cooperative/Condominium Property Tax Abatements are calculated by using the final taxable amount, which includes exemptions. If your neighbor has exemptions that reduce the final taxable amount of their property, their abatement amount will be lower than yours.

9. Should my parking space or storage room be calculated as a residential unit?

No, the abatement is for dwelling units only.

10. Can I, as a co-op shareholder, request a check directly from Department of Finance?

Abatements are applied towards the Property Tax Bill for the entire cooperative development. Checks are not issued from the Department of Finance to owners or to managing agents or boards of directors. The managing agents or boards of directors will credit units according to the development's by-laws.

11. Do I have to report the abatement on my taxes?

Income taxes are different for each individual. Income tax questions should be submitted to an accountant for clarification.

Application for the Abatement

1. When to apply?

Applications must be filed by cooperative and condominium board of directors or their managing agents by February 15th. The benefits will begin on July 1st of the same year.

2. What date should be used as the unit's status date when entering information on the application?

All information on the application must reflect the unit's status as of January 5th prior to the start of the tax year. This is known as the taxable status date. For example, if the application is for tax year 2014/2015 which starts on July 1, 2014, the taxable status date would be January 5, 2014.

3. Who is responsible for a new unit owner filing?

The managing agent or board of directors is responsible for sending new owner information to Finance by completing the Co-op Tax Benefit Change Form. You must notify your managing agent or board of directors after purchasing the unit and provide them with the: new owner name(s), social security number(s) and/or employer identification numbers, purchase date, purchase amount, number of shares, type of unit (residential, commercial or parking) and primary residence status for all owners.

For Legislative Changes in Benefit Amounts, Calculations, and Phase Outs

1. Has my benefit amount changed because of the amended law?

The benefit amounts have increased for many property owners. Before the law changed, the abatement amount was 17.5% of the property taxes for all properties with an Average Assessed Value of more than \$15,000 and 25% for properties with an Average Assessed Value of \$15,000 or less.

The new law has changed the Average Assessed Value thresholds and benefit amounts as follows:

Average Assessed Value of Residential Units	Benefit Amount Per Year		
	2012/2013	2013/2014	2014/2015
\$50,000 or less	25.0%	26.5%	28.1%
\$50,001 - \$55,000	22.5%	23.8%	25.2%
\$55,001 - \$60,000	20.0%	21.2%	22.5%
\$60,001 and above	17.5%	17.5%	17.5%

If you are receiving an increased amount for 2012/2013, you or your co-op board will receive a credit on your July 2013 Property Tax Bill for the increased abatement amount. If the amount has decreased due to a phase out, you or your co-op board will receive a charge on your 2013/2014 Property Tax Bills.

2. How is the Average Assessed Value calculated?

The law bases the benefit amount on the Average Assessed Value of the residential units in the development.

Condos: Total the assessed values of each residential unit, then divide that figure by the number of residential units.

Co-ops: Determine the percentage of total shares that are residential, and then multiply the total assessed value by that percentage to get to the total assessed value for all residential units. That figure is then divided by the number of residential units.

3. This is my primary residence. Why am I being phased out?

Finance sent multiple notices to owners, boards and managing agents explaining that primary residents should complete a Primary Residence Verification Form. If you did not submit a form, contact 311 and a form will be sent to you. The form must be postmarked by July 22nd for the abatement to be applied to the 2012/2013 tax year.

4. Will I receive a notice if I am not eligible for the abatement?

Finance sent multiple notices to individual co-op and condo units that are no longer eligible for the abatement or are being phased out of the abatement. The notices also explain what to do if the unit owner thinks our records are incorrect. We have notified co-op boards of changes to abatement status in the revised Co-op Tax Benefit Letter.

5. I received a notice that my Cooperative/Condominium Property Tax Abatement is being phased out. What happens next?

If you are a non-resident owner who received the abatement in 2011/2012, Finance continued to apply the abatement for your unit into tax year 2012/2013. The new changes in the law have made your unit ineligible for the abatement in 2012/2013 because it was not your primary residence on January 5, 2012.

The law allows for your abatement to be reduced in stages over two years before it is completely removed. You or your co-op board will receive a charge of 50% of what was credited for 2012/2013.

Here is how the phase out will work:

Tax Year	Phase Out Abatement Amount	Phase Out Abatement Example	How You or Your Co-op Board Will See This on Your Bill
2011/2012	Full abatement applied	Example: You received 17.5% in 2011/2012	"Co-op/Condo Abatement"
2012/2013	50% of the 2012/2013 abatement percentage received before the amendment	8.75% (50% of 2011/2012)	A "Finance-Abatement Reversal Charge 2012/13" will appear on each of your 2013/2014 Property Tax Bills, because before the law changed you were credited 17.5%
2013/2014	25% of the 2012/2013 abatement percentage you received before the abatement was amended	4.375% (25% of 2011/2012) 0%	A new abatement amount will appear on your 2013/2014 Property Tax Bills as "Co-op/Condo Abatement"
2014/2015	0%		Abatement will no longer appear on your Property Tax Bill.