Q. What are the income requirements and what is considered income?

A. The exemption cannot be granted if the income of the owner, or the combined income of all the owners, exceeds the maximum income limit set by the locality. If the owner is married, the income of the spouse must be included in the total unless the 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. You should contact the assessor to determine what the income limits are.

Income is to be reported on the basis of the latest preceding "income tax year" prior to the date of application. This usually is the preceding calendar year.

Income includes all Social Security payments, salary and wages including bonuses), interest (including nontaxable interest on state or local bonds), total dividends, net earning from farming, rentals, business or profession (including amounts claimed as depreciation for income tax purposes), income from estates or trusts, gains from sales or exchanges, the total amount received from governmental or private retirement or pension plans, annuity payments (excluding amounts representing a return of capital), alimony or support money, unemployment insurance payments, disability payments, workers compensation, etc.

Income does **not** include Supplemental Security Income, welfare payments, gifts, inheritances, payments received as participants in the Federal Foster Grandparents Program, or a return of capital.

If an owner is an inpatient in a residential health care facility, the owner's other income is not considered income in determining exemption eligibility if it does not exceed the amount paid by such owner, spouse or co-owner for care at the facility. Proof from the facility of the amount paid for an owner's care must be submitted with the application.

Q. Must proof of income be submitted with application?

A. Yes. If a Federal or New York State income tax return(s) was filed for any of the owners of the property or their spouses for the preceding year, copies of such return(s) should be submitted with their application. You may also be required to submit statements of payments made by the Social Security Administration, bank statements, rent receipts or other documents to substantiate your statement of income.

Q. If my residence is a mobile home located on land that is leased from another person, may I qualify for the exemption?

A. Yes, on the mobile home only.

Q. If the property has other partial exemptions, such as that granted the property of veterans and clergy, will this property be eligible for this exemption?

A. Yes. The senior citizen exemption will be computed after all other partial exemptions have been deducted.

Q. Can the exemption be granted for school taxes if a child resides on the property and attends any public school in the district or in another school district?

A. No. However, if a child residing on the property attends a private or parochial school, the exemption may be granted.

Q. Once a municipality has established a partial exemption for the senior citizen, will it be permanent?

A. No. The local law permitting the exemption may be changed in a subsequent year.

Q. Are there other programs available to aid low-income senior citizens with regard to real property taxes or rents?

A. Yes. There are separate, local-option laws providing for subsidies for persons 62 years of age or older who reside in rent-controlled, rent-stabilized, or Mitchell-Lama housing. Your county Office for the Aging can provide assistance.

Another law provides for real property tax credit for persons whose real property taxes or rents are high in relation to their income. This law, referred to as the circuit breaker program, is administered by the New York State Department of Taxation and Finance.

There also is a law that makes it possible for persons aged 60 or older to keep their houses by paying their property taxes with bank loans obtained through "reverse mortgages." Banks are permitted to make the loans for past, present and future property tax bills owed on the owner's principal residence.

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Q&A

Senior Citizens' Exemption

PARTIAL EXEMPTION FROM PROPERTY TAXES IN NEW YORK STATE

New York State law gives local governments and public school districts the option of granting a reduction on the amount of property taxes paid by qualifying senior citizens. This is accomplished by reducing the assessed value of residential property owned by seniors by 50%.

To qualify, seniors must be 65 years of age or older and meet certain income limitations and other requirements. For the 50% exemption, the law allows each county, city, town, village or school district to set the maximum income limit at any figure between $3,000 and $17,500.

Localities have the further option of granting an exemption of less than 50% to senior citizens whose incomes exceed the local income limit by less than $1,000 in three income ranges or $900 in four other income ranges.

For example, in a community that has taken this "sliding-scale" option and has adopted the $17,500 income maximum, an eligible resident whose income is more than $17,500 but less than $18,500, is entitled to a 45% exemption.

If the income range is $18,500 to $19,499.99, the exemption is 40%; $19,500 to $20,499.99, 35%; $20,500 to $21,399.99, 30%; $21,400 to $22,299.99, 25%; $22,300 to $23,199.99, 20%; $23,200 to $24,099.99, 15%; and $24,100 to $24,999.99, 10%.

Communities that adopt the sliding scale have an option of limiting it to the ranges from 45% through 20% or, if they choose, allowing the scale to continue down to the 15% and 10% levels.

Please check with your local assessor or the clerks of the local governments and school district to determine which local options, if any, are in effect.

The State law that authorizes the exemption is section 467 of the Real Property Tax Law.

Q. Where there is a property tax exemption in a municipality, does the assessor automatically give a taxpayer the exemption when he or she reaches 65 years of age?

A. No. This is not an automatic exemption. Certain qualifications must be met. You must timely file the first application and annual renewal applications with the office of the assessor by "taxable status date." In most towns, this date is March 1, but check the deadline with your assessor to be sure. Some municipalities permit late filing in certain hardship situations and/or the filing of affidavits in lieu of renewal applications after the exemption has been granted on five consecutive assessment rolls.

Q. Where does the property owner get an application and what are the forms?

A. You may obtain an application at the assessor's office. The first application is form EA-467. The annual renewal application is EA-467RNW. The Affidavit for for the city, town or village is EA-467 AFF/CTV. The affidavit form for a school district is EA-467 AFF/S.

Q. What are the requirements to qualify to be eligible for this exemption?

A. The requirements are based on age, ownership status, residency and occupancy requirements and income.

Q. What are the age requirements?

A. Each of the owners of the property must be 65 years of age or over, except that, where the owners are husband and wife, or are siblings (two or more individuals having at least one common parent), one spouse or sibling must be 65 years or over. Age is determined as of the appropriate taxable status date. (Some municipalities may allow the exemption where an otherwise eligible owner becomes 65 years of age after taxable status date but on or before December 31. Check with your assessor to determine if this option is in effect.)

Q. Do I have to prove my age?

A. Yes. The first time you apply for the exemption you must give satisfactory proof of your age. The proof should be attached to the application, if possible. It is preferred that you submit a birth certificate or baptismal certificate. If these are not available, an affidavit of age from the Social Security Administration, hospital birth record, marriage record, passport, military record, immigration documents or other reliable records that show your age would be considered.

Q. What are the ownership requirements?

A. In order to qualify for the partial exemption, the applicant or applicants must show they have owned the property for at least 24 consecutive months prior to the date of filing the application, unless the owner received a senior citizen exemption for his or her previous residence, in which case the 24-month requirement is considered satisfied.

In computing the 24-month period, the period of ownership is not interrupted by the following circumstances:

1. A transfer of title to one spouse from the other;

2. A transfer of title to a surviving spouse from a deceased spouse either by will or operation of law;

3. A transfer of title to the former owner(s), provided the reacquisition occurs within nine months after the initial transfer and the property was receiving the senior citizens' exemption as of such date;

4. A transfer of title solely to a person(s) who maintained the property as a primary residence at the time of death of the former owner(s), provided the transfer occurs within nine months after the death of the former owner(s) and the property was receiving the senior citizens' exemption as of such date.

The period of ownership of a prior residence may be considered where:

1. The property was sold by condemnation or other involuntary proceeding (except a tax sale) and another property has been acquired to replace the taken property;

2. The prior residence has been sold and a replacement purchase made within one year if both residences are within the State.

Q. Do I have to prove that I own the property and the length of time I have owned it?

A. Yes. You may prove ownership by submitting a certified copy of the deed, mortgage or other instrument by which you became owner of the property.

Q. Would an otherwise qualified person, who by deed reserved a life estate and granted a remainder interest in the property to a near relative, remain eligible to receive the exemption?

A. Yes. The holder of a life estate is entitled to possession and use of the property for the duration of his or her life and is deemed to be the owner for all purposes, including taxation. The rights of the relative, in this example, with respect to ownership of the property, do not come into being until the death of the life tenant.

Q. May the exemption be granted if the property has been placed in a trust?

A. It depends. Generally, when property has been placed in a trust, the trustees are considered the legal owners of the property. Thus, property held in trust will be eligible for the senior citizen exemption only if all of the trustees meet the eligibility requirements. An exception to this rule applies where the original owner or owners of the property reserved a life estate when transferring it to the trust. In such a case, the original owners would remain the legal owners of the property for the remainder of their lives, and so the conveyance to the trust would not affect its exempt status.

Q. What are the residency and occupancy requirements?

A. The property must be the "legal residence" of, and must be occupied by, all of the owners of the property unless: (1) a non-resident owner, who is the spouse or former spouse of the resident owner, is absent from the residence due to divorce, legal separation, or abandonment, or (2) an owner is absent from the property while receiving health-related services as an in-patient of a residential health care facility. A residential health care facility is a nursing home or other facility that provides or offers lodging, board and physical care including, but not limited to, the recording of health information, dietary supervision and supervised hygienic services.

The property for which the exemption is sought also must be used exclusively for residential purposes. However, if a portion of the property is used for other than residential purposes, the exemption will apply only to the portion used exclusively for residential purposes.