

The New York State Legislature recently approved legislation that amends the Cooperative/Condominium Abatement. The abatement gives eligible co-op and condo owners a reduction in their property taxes. For Tax Year 2012/13, we continued to apply the abatement as it had been before it was amended. Now that the amendment has been enacted into law, we will revise your 2012/13 tax bill.

Here is a description of the changes to the abatement:

1. PRIMARY RESIDENCE

To be eligible for the abatement, the unit must be your primary residence. If the unit is not your primary residence, your abatement will be phased out and completely removed by tax year 2014/15, which starts on July 1, 2014.

2. PRIMARY RESIDENCE AND NUMBER OF UNITS

If you own 4 or more units within the same building, none of the units are eligible for the abatement. If you own 3 or fewer units and one of those units is your primary residence, then all 3 units are eligible for the abatement. If you own 3 or fewer units and none of them are your primary residence, none of the units are eligible for the abatement and it will be phased out.

3. DWELLING UNITS

Parking spaces and storage units are not eligible. There is no phase-out period for these units, and the abatement will be removed for the 2012/13 tax year. You or your co-op board will receive a charge on your July 2013 Property Tax Bill for the abatement you received on your 2012/13 property tax bills before the law was changed.

4. BENEFIT AMOUNTS

The benefit amounts have increased for many property owners. Before the law changed, the abatement was 17.5% of the property taxes attributable to your unit 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.

If you are receiving an increased amount for 2012/13, you or your co-op board will receive a credit on your July 2013 Property Tax Bill for the increased abatement amount.

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%	26.5%	28.1%
\$50,001 - \$55,000	22.5%	23.8%	25.2%
\$55,001 - \$60,000	20%	21.2%	22.5%
\$60,001 and above	17.5%	17.5%	17.5%

5. CALCULATING ASSESSED VALUES

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

Condos: To get the average assessed value for condos we total the assessed values of each residential unit and then divide that figure by the number of residential units.

Co-ops: To get the average assessed value for co-ops we first determine the percentage of total shares that are residential. We 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.

6. PHASE OUTS

If you are a non-resident owner who received the abatement in 2011/12, Finance continued to apply the abatement for your unit into tax year 2012/13. The new changes in the law have made your unit ineligible for the abatement in 2012/13 because it was not your primary residence on January 5, 2012.

The law allows for your abatement to be reduced in stages, over 2 years, before it is completely removed. You or your co-op board will receive a charge of 50% of what was credited for 2012/13, on your July 2013 Property Tax Bill.

Here is how the phase out will work:

Phase Out Stages	Tax Year	Abatement Benefit Level	How You or Your Co-op Board Will See This on Your Bill
Stage 1	2012/13	50% of 2011/12 Benefit	On the July 1, 2012 bill, you received the abatement at the same benefit level as the 2011/12 benefit level. The law now reduced the benefit level to 50%. A one-time charge for the difference will appear on the July 2013 Property Tax Bill.
Stage 2	2013/14	25% of the 2011/12 Benefit	You or your board will see a reduced abatement amount for 2013/14 on your July 1, 2013 property tax bill.
Stage 3	2014/15	0%	The abatement will no longer appear on your property tax bill.