

MEMBERS OF THE TAX COMMISSION

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Introduction

The Tax Commission's 2016 Annual Report is submitted to the Mayor and the City Council pursuant to Section 155 of the Charter of the City of New York.

This report contains information about the Tax Commission and its mission, functions, operations and resources, an overview of the agency's performance, and statistical profiles of its determinations during calendar year 2016. It also contains a statement of the Tax Commission's accomplishments and improvements and a summary of plans for 2017.

Mission & Functions

The Tax Commission is the City of New York's independent forum for administrative review of New York City Real Property Tax (RPT) assessments set by the Department of Finance. The Tax Commission's mission is to ensure that determinations of RPT assessment appeals are made effectively, fairly and efficiently. Annual property tax assessments are the basis for the RPT levy, the City's largest single source of revenue. There are over one million parcels of real property in the City generally identified by the borough, block and lot number on the tax maps maintained by the Department of Finance. Each year the Department of Finance sets tentative assessed values, which are reflected on the tentative assessment roll it publishes in January for the fiscal year beginning the following July 1. The Department of Finance also mails individual printed notices of the tentative assessed value to the owner (or designee) of each property on or about January 15.

Under state and local law, each property owner¹ has the right to an administrative review of the assessed value of its property. After the Department of Finance publishes the tentative assessment roll, an owner or other party with legal standing who believes the

¹ By law, certain other parties having an interest in the property who are adversely affected by the assessment, e.g., a tenant who pays the RPT on the property, can request a review of the assessment by the Tax Commission in lieu of the property owner.

property is incorrectly assessed may seek review by the Tax Commission by filing an application for correction.

History

The Tax Commission was created by New York State legislation in 1857. At its inception, the Tax Commission supervised the agency responsible for setting RPT assessments, formerly known as the Tax Department and later the Real Property Assessment Department. In 1968, the Department of Finance assumed the assessing function as part of a reorganization of City government. In 1984, the Department of Finance was given original jurisdiction to determine applications for exemption and the Tax Commission was given authority to review denials of exemptions, completing the separation of the assessment process from the formal assessment review function. Since then, the Tax Commission has served exclusively as an independent administrative review body. In 2007, the City Council amended the New York City Charter putting both the Tax Commission and the Tax Appeals Tribunal (the agency charged with administrative review of non-property tax notices issued by the Department of Finance) under the umbrella of the Office of Administrative Tax Appeals (L.L. 59 of 2007).

Structure & Resources

The City Charter provides that the Tax Commission consists of a President and six Commissioners appointed by the Mayor, with advice and consent of the City Council, to staggered, six-year terms. The President, as the head of the agency, serves full-time, while the six Commissioners serve part-time. Each member of the Tax Commission must have at least three years of business experience in real estate or real estate law. Additionally, the City Charter requires the Tax Commission to include at least one resident of each borough. The current President, Ellen E. Hoffman, was appointed effective August 4, 2015 to complete a six-year term ending January 6, 2020. As of March 1, 2017, there are two part-time Tax Commissioners whose terms end in January 2018, one holdover part-time Tax Commissioner whose term ended in January 2016 and three current vacancies. Efforts

to fill those positions are under way.

The Tax Commission has fully integrated the New York City Tax Appeals Tribunal professional staff into the process of reviewing Tax Commission applications. This enables the Tax Commission to manage the increased volume of applications without diminishing the quality of review.

For the 2016/17 tax year, the Office of Administrative Tax Appeals had a staff of 39 full-time employees plus three part-time Tax Commissioners and three additional part-time hearing officers, including a former Director of Appraisal & Hearings and two attorneys each with more than 20 years' experience in real property valuation at the Law Department or Department of Finance.² The Office of Administrative Tax Appeals' operating budget for 2016 was \$4,668,920. The Tax Commission's structure and its managerial personnel are presented in the organization chart attached.

The Administrative Review of Property Tax Assessment in New York City

State law divides all real property in the City into four classes for purposes of taxation. Class one includes one-, two- and three-family homes, most residentially-zoned vacant land outside Manhattan and certain condominiums of up to three stories.³ Class two consists of all primarily residential property not in class one. Utility company equipment is in class three. All other nonresidential property is in class four.

Except for properties whose annual assessment increases are limited by law,⁴ the amount of a property's assessed value is a percentage, called the assessment ratio, of the property's market value. Each year, the Department of Finance calculates an individual assessment for every parcel of property and the assessment ratio for each of the four tax

² The Tax Commission also employs part-time college aids.

³ Certain other small condominiums also are included in Class 1.

⁴ All class one and certain small class two properties having ten or fewer units.

classes taking into consideration fluctuations in the real estate market, physical alterations and/or changes in taxable status. The current assessment ratio for class one property is 6%. The assessment ratio for classes two, three and four is 45%. A property's assessed value is a function of that property's tax class designation, market value, assessment ratio and eligibility for exemption.

The tentative assessment roll is subject to modifications until the final assessment roll is published by the Department of Finance on or about May 25th. Thereafter, the City Council sets the annual tax rates for the four tax classes in accordance with statutory requirements involving: the aggregate assessments in each of the four tax classes; the portion of the City's budget to be sustained by the total property tax levy; and the proportion of the total property tax levy to be borne by each of the four property tax classes. The tax imposed on each property for a fiscal year is the product of its assessed value (after exemptions) and the tax rate applicable to its tax class as adopted by the City Council.

In response to the filing of an application for correction of assessment, the Tax Commission may review the following claims: 1) misclassification, i.e., the property is assessed in the wrong tax class for its type and use under the four-class system; 2) excessiveness, including claims that the property did not receive all or a portion of a tax exemption; 3) inequality, i.e., the property's assessed value is set at a higher proportion of market value than that applied to all other properties in the same tax class; and 4) unlawfulness, including claims that the property did not receive a full exemption or the property otherwise was not subject to assessment by the Department of Finance. The RPT rates set by the City Council are *not* subject to Tax Commission review.

The typical application filed with the Tax Commission seeks a reduction in the amount of the property's assessed value. Challenges to the assessment ratio set by the Department of Finance are rarely raised before the Tax Commission because they require extensive data analysis and are best handled through court proceedings. Therefore, challenges to the assessed value for most properties are limited to disputes over the

assessed value as determined by the Department of Finance. Challenges based on eligibility for a full or partial exemption also are common. Applications can raise more than one type of claim.

The Tax Commission updates and prints application forms each year for use in the administrative review process. The specific forms required to be filed depend on the property's designated tax class and use, the amount of the assessment, and the nature of the claim(s) being made. Application forms, instructions, and summaries of applicable procedures may be obtained in person at the Tax Commission's office in Manhattan as well as at the Department of Finance Business Centers in each borough. Forms also are available on the Tax Commission's website at <http://www.nyc.gov/html/taxcomm> and will be mailed by the Tax Commission on request.

The application forms are designed to elicit information, including financial information, and documents necessary for the Tax Commission's proper determination of the claims raised in the application. By law, financial statements for income-producing properties having an assessed value of \$1 million or more must be accompanied by a certification by a certified public accountant that the accountant has reviewed the financial statement.

In 2016, the filing deadline for applications for review of assessments of properties in tax class one was March 15, 2016; the deadline for filing applications for review of assessments of all other properties was March 1, 2016. To be considered timely, an application must be *received* at the Tax Commission or a borough office of the Department of Finance by the applicable deadline. The Tax Commission has no authority to waive or extend the deadlines.⁵

⁵ However, if the Department of Finance issues a notice increasing the assessed value or reducing the amount of an exemption, the property owner can file an application for correction within 20 calendar days after the date of that notice even if the 20th day falls after the March 1 or March 15 deadline.

The applicant must complete the application according to the printed instructions and sign it with a certification, for property in tax class one, or sign it before a notary public, for property in tax classes two, three and four. All applicants who properly complete, sign and timely file the required application forms receive substantive review of their claims by the Tax Commission. To the extent resources allow, a personal hearing is granted if requested. When a hearing is not requested, or when resource allocations require it, an application may be determined on the papers (i.e. documented information) submitted. There is no difference in the thoroughness of the review on papers or after an in-person hearing. Though not required, about 97.3% of applicants were represented by a lawyer or a non-attorney professional in 2016 except for owners of class one properties, who represented themselves about 37% of the time.

Starting in 2011, a fee of \$175 applies to applications for properties with an assessed value of \$2 million or more, equivalent to a market value of about \$4.45 million for properties in tax classes 2, 3 and 4 and over \$33 million for properties in tax class 1. The Tax Commission will not review an application if the fee is not paid. The fee does not apply if the applicant or representative waives review of the application before it is scheduled for a hearing.

In addition to providing property owners an independent forum for review of their property tax assessments, the Tax Commission helps the City maintain the integrity of the property tax assessment rolls, the sound and equitable allocation of the property tax burden, and promotes public confidence in government and the tax system. A fair and efficient review process is essential to reducing costly litigation of assessment disputes. Appropriate action by the Tax Commission resolves many claims that might be further contested through court proceedings under Article 7⁶ costing property owners and the City time and resources.

⁶ Article 7 is the provision of the New York Real Property Tax Law providing for judicial review of assessed values.

As a condition of accepting an offer of reduction from the Tax Commission, applicants must agree to discontinue all pending judicial proceedings for prior years. This benefits the City by eliminating thousands of pending Article 7 proceedings. Finally, to the extent the Tax Commission resolves applicants' claims prior to publication of the final annual assessment roll in May, RPT bills issued in July can be based on the corrected assessed values.

In sum, though it is a small agency in terms of staffing and expense budget allotments, the Tax Commission is an integral and essential component of the New York City RPT administration system.

Applications are heard and determined by one or more of the following acting as hearing officers: members of the Tax Commission Appraisal & Hearing Group (all of whom are experienced assessors by training), the President, part-time Tax Commissioners, or, as designated by the President, the Tax Commission Special Counsel, one of three part-time hearing officers,⁷ or an attorney in the Tax Appeals Tribunal who is a Tax Appeals Tribunal Commissioner, Administrative Law Judge, or the General Counsel. In 2016, teams of two hearing officers, including the President or a senior member of the Appraisal & Hearings Group, conducted hearings on applications involving properties with assessments of \$75 million or more, referred to generally as "high value" properties.

For applications involving utility properties, as provided by law upon request by the applicant, the entire Tax Commission (i.e., the President and all of the part-time Tax Commissioners) will convene and act on the application. Utility applicants also may choose to have a hearing before, and determination by, the President of the Tax Commission working with a member of the Appraisal & Hearings Group.

Applications involving exemption claims are heard and determined by attorneys in the Tax Commission or Tax Appeals Tribunal. The rest of the applications are divided into

⁷ See "Structure & Resources" at p. 2.

categories based on the property type and assessed value and then randomly assigned to a hearing officer by category taking into account the experience level of the hearing officer.

A personal hearing gives the applicant, or its designated representative, an opportunity to present the facts specific to the property in question and to advocate for the relief sought. A substantial majority of applicants request an in-person hearing. The duration of a hearing may be a few minutes in straightforward cases, up to an hour in particularly complex or unique cases.

The Tax Commission conducts hearings at its offices in Manhattan, as well as in the Bronx, Brooklyn, Queens and Staten Island offices located within the premises of the Department of Finance's Property Division. If a hearing is not requested by the applicant, the application is determined on the papers submitted.

In preparation for the hearing, the hearing officer reviews the current year's application, financial or other information submitted, applications submitted in past years and any other relevant information. At the hearing, the applicant or representative is expected to be prepared to explain any anomalies in the application and accompanying documents, especially discrepancies between the current year's application and prior applications filed. At the applicant's request, the Tax Commission will receive sworn oral testimony by the owner (or another person with relevant knowledge) in support of the claims made on the application. Formal rules of evidence do not apply and no recording or transcript of any testimony is made, except for hearings on applications relating to nonprofit exemptions, which are recorded although not transcribed.

By case law, the assessment set by the Department of Finance is presumed to be correct. The burden is on the applicant to offer substantial evidence to overcome the presumption and then to prove by a preponderance of the evidence that the assessment should be reduced or otherwise corrected. The Department of Finance is permitted to appear at hearings or may offer written submissions in defense of assessments under review. For the past several years, representatives of the Department of Finance have

attended a number of hearings, requested copies of various documents and submitted information and documents supporting the original assessment. Applicants, or their representatives, will receive copies of any information submitted by the Department of Finance. Attendance at hearings gives the Department of Finance the opportunity to gain additional information about a specific property that may aid in assessing that property for the following year, with a goal of reducing or eliminating the need for Tax Commission review in the following year.

In making a determination on an application, the hearing officer considers all relevant information and documents presented, along with any information from the Department of Finance and any facts of which the Tax Commission properly may take administrative notice. The accepted methodologies for valuing real estate, as well as those set by law, use sales of comparable properties, income generated by the property or the cost of reproducing the property. To aid in determining the market values of properties, the Tax Commission staff does market research and monitoring, and compiles reference materials that are supplemented and updated regularly. The Tax Commission also reviews documents and articles regarding the real estate industry such as recent sales and leasing activity reports and maintains in its files materials relevant to specific properties. Finally, Tax Commission assessors perform exterior and/or interior field inspections of subject properties when necessary, or make referrals to the Department of Finance for inspection.

In addition to considering claims relating to a property's current year assessment, the Tax Commission also is authorized by law to review the assessment for the most recent preceding year provided a valid court proceeding is pending. In unusual cases, the assessment for an earlier year within the most recent five years may be reviewed, again provided a valid court proceeding is pending. Proper filing of a Tax Commission application is a prerequisite to judicial review of an assessment, and timely filing of an Article 7 petition is a prerequisite to Tax Commission review of a prior year's assessment.

If the Tax Commission concludes that there is adequate proof of an error, it offers relief in the form of an assessment reduction, class change or exemption as appropriate. The Tax Commission cannot raise the assessed value or reduce the amount of an exemption.

The Tax Commission mails a notice of its determination to the applicant or its designated representative. An offer to reduce or otherwise adjust an assessment is implemented only if the applicant or authorized representative properly executes and returns the Tax Commission's standard written agreement within the specified time. Acceptance of any offer is subject to specified terms and conditions, which include the discontinuance of all judicial proceedings pending with respect to assessments for prior years and an agreement not to file an Article 7 proceeding for the current year covered by the offer.⁸

All offers of reduction are subject to review and approval by the President of the Tax Commission. The Tax Commission also has an internal quality control auditing process. A number of applications for which the hearing officer has proposed an offer of reduction are systematically identified using predetermined criteria as well as a stratified random sample. Selected applications are subject to reexamination and a revised determination may be made. On occasion, an offer is withdrawn. The Tax Commission will explain to applicants or their representatives the basis for any withdrawal of an offer.

If the applicant accepts a Tax Commission offer of relief before publication of the final assessment roll, the revised assessed value is reflected on the final annual assessment roll and on the corresponding tax bills subsequently mailed by the Department of Finance for the fiscal year beginning July 1. Offers of reduction for current-year assessments accepted after the roll becomes final, as well as all accepted offers of relief for prior-year assessments, are implemented by remission. In those situations, the Department of Finance

⁸ Statistics on prior years' petitions closed in connection with Tax Commission offers of reduction are provided under "Operations & Performance" at p. 11.

recalculates the property's tax liability based on the assessment as corrected by the Tax Commission, and issues a RPT refund and/or credit to the affected taxpayer.

If a Tax Commission offer of relief is not accepted, is not accepted by the applicable deadline, or the offer is withdrawn or an acceptance agreement revoked as part of the quality control auditing process, the assessment at issue is confirmed.

Applicants may seek judicial review of assessments confirmed by the Tax Commission by filing an Article 7 petition in the New York State Supreme Court in the appropriate county by October 24 and serving the petition on the Tax Commission. State law does not require the court to give any deference to the Tax Commission's administrative determination. An optional special small claims procedure (SCARP) is available for owner-occupied one, two and three-family homes. The Tax Commission provides all applicants with information on how to initiate an Article 7 or SCARP proceeding.

The Tax Commission accepts service of process of petitions for judicial review. The City's Corporation Counsel represents the Tax Commission in these proceedings. The Tax Commission and the Tax and Bankruptcy Division of the New York City Corporation Counsel's office maintain ongoing communications to foster efficiency, fairness and to pursue the best interests of the City. The Tax Commission maintains records of all judicial proceedings relating to property tax assessments from commencement to disposition and updates that file twice a year.

Operations & Performance

Assessment Review. In 2016, the Tax Commission received 54,065 applications, covering 204,743 separately assessed tax lots, having an aggregate assessed value of \$208,394,303,366. This represents a more than 24% increase in the number of applications since 2008.

In 2016, the Tax Commission provided substantive hearings on 27,934 applications.⁹ The Tax Commission took remedial actions in 2016 that, in the aggregate, granted \$5,044,560,285¹⁰ in assessment reductions, yielding approximately \$571,440,000 in tax relief. In conjunction with its disposition of 2016 applications, the Tax Commission also obtained discontinuances of 15,406 pending judicial review proceedings claiming errors in assessments for prior years.

In 2016, the Law Department settled approximately 497 Article 7 proceedings resulting in about \$391 million in assessment reductions. In recent years, the courts, after trial, have issued few judgments disposing of Article 7 proceedings. In 2016, there were 56 Article 7 petitions taken to trial and decided by the courts, granting about \$185,000 in assessment reductions. The Tax Commission's administrative review has been, and continues to be, the most effective means of resolving the pending judicial proceedings contesting billions of dollars in assessments.

In connection with performing its core function of ruling on annual applications for correction of assessment, the Tax Commission has to undertake substantial preparatory and support work including:

- Annually reviewing, updating and refining application forms along with associated instructions and informational summaries
- Outreach to the public and information sessions on the application process
- Intake of applications and stratified sorting of forms and documents
- Creating, maintaining and tracking case files and records, which are used throughout the office during the course of the review process
- Calendaring applications for hearing, which requires matching hearing officers' schedules with those of representatives, and grouping applications by various characteristics, including property type and representative

⁹ This figure includes applications where the applicant requested that the application be reviewed without a personal hearing. An additional 17,462 applications eligible to be heard did not receive a substantive review because the applicant or representative either declined substantive review or failed to provide requested information at or after the hearing.

¹⁰ This figure includes accepted offers of reduction for the 2016/17 tax year (\$4,227,934,286) and for the prior tax year \$816,625,999).

- Extensive data processing to ensure Tax Commission data on properties is current and correct and any determinations by the Tax Commission are properly reflected in the assessment roll
- Performing legal, appraisal and factual research and analyses
- Rendering determinations
- Generating and mailing disposition notices
- Communicating with the Department of Finance and the Law Department
- Auditing determinations
- Compiling and analyzing performance statistics
- Closing discontinued petitions
- Responding to customer inquiries throughout the year

Nonprofit Exemptions. The Department of Finance sends notices requesting renewal of property tax exemptions to not-for-profit organizations requiring them to provide updated information to establish continued eligibility for exemption. This can result in the Department of Finance reducing or removing an exemption. These matters required additional outreach to those claiming exemption, in-person hearings and extensive documentation of the exempt status of the organizations and use of the premises. Many of these organizations are not represented and do not have professional staff so the Office of Administrative Tax Appeals spends a considerable amount of time explaining the requirements for exemption and how to present the facts needed to prove their claim. In 2016, the Tax Commission received 188 applications protesting the denial or reduction of exemptions.

Personal Exemptions. In 2016, the Tax Commission received 498 applications for review of denials of personal exemptions including STAR, Enhanced STAR, Senior Citizen, Disabled, Veteran and Clergy exemptions. Of those, 124 were for the 15/16 tax year and 374 were for the 16/17 tax year. The Tax Commission resolved all 124 of the 15/16 applications. The Tax Commission also resolved 191 of the applications for the 16/17 tax year, which continue to be received by the Tax Commission as of the beginning of 2017. Changes to the administration of the STAR and Enhanced STAR programs effective for new applicants for the 16/17 tax year have affected the number of applications

received for that year and should result in fewer applications relating to STAR exemptions in the future.

FOIL. The Tax Commission receives hundreds of requests under the Freedom of Information Law each year. Some requests relate to individual properties; some requests are for large volumes of data to be provided in electronic form. We are advised by the Law Department that FOIL requires the Tax Commission to put data into a format requested if possible, even if it is not maintained by the Tax Commission in that format. Depending on the nature of the request, either Tax Commission IT staff must take time to compile the data requested and convert it into the desired format, or other staff must manually locate, review and make hard copies of requested material from the paper files. FOIL compliance requires adherence to statutory deadlines so that the necessary staff must be pulled from other tasks. FOIL does not permit full compensation for the time of staff or the cost of data processing done by agency staff; we can charge \$0.25 per page for copying. In 2016, the Office of Administrative Tax Appeals received 175 FOIL requests.

Planned or Implemented Improvements or Modifications

The Tax Commission continued to expand its use of technology for information gathering including appropriate use of the Internet. Property sales prices, leasing activity, income and expense data and demographic information publicly available is used to aid in determining property values for specific properties and in establishing internal guidelines.¹¹ In addition, members of the Appraisal & Hearings Group continue to perform inspections and field visits to enhance their knowledge of neighborhoods and the use of specific properties.

The Tax Commission continued its emphasis on the efficient delivery of service to applicants in 2016 by:

¹¹ Guidelines published by the Department of Finance also are used.

- In cooperation with representatives, allowing additional time for representatives to screen their cases and decline hearings on those matters for which merits review is not requested. This resulted in fewer non-meritorious cases being scheduled and allowed hearing officers to focus on those cases requiring their attention.
- In response to requests by property owners' representatives, holding hearings on certain condominium properties earlier in the season so that determinations can be made and assessments corrected prior to the issuance of the first RPT bill. This reduced the substantial time and effort required of the Department of Finance, representatives and property owners in obtaining refunds for individual condominium unit owners.
- Continuing to work with various professional and industry organizations on the practices, procedures and policies employed in the annual assessment review process.
- Speaking at programs and events hosted by professional, industry and community organizations to explain the assessment review process.
- Joining with the Department of Finance at a series of outreach programs following mailing of the notices of property value at which property owners can receive information, forms and guidance on filing applications for correction with the Tax Commission. Twelve such sessions were held in 2016, at least two in each borough during the day and in the evening.
- Joining with the Department of Finance in a briefing session for staff of City Council representatives to assist them in answering constituents' questions about their Notice of Property Value and the opportunity to appeal to the Tax Commission.
- Joining with the Department of Finance in two briefing sessions for staff of the City's 3-1-1 telephone system to enable them to directly answer basic inquiries, which will give callers information more quickly and allow Tax Commission staff to focus on answering more complex questions on the assessment review process.
- Adding to the Tax Commission website a tool allowing users to translate much of the posted information into over 90 languages.
- Providing the opportunity for taxpayers to have hearings in the Bronx, Brooklyn, Queens and Staten Island borough offices of the Tax Commission located within the Department of Finance's Property Division offices. All applicants appearing on their own behalf can opt for a hearing in the borough where they live *or* where the subject

property is located. Applicants and representatives also can request that a hearing be held at the Tax Commission's offices in Manhattan.

- Conducting a three-hour program on January 28, 2016 on policies and practices for representatives who regularly appear at the Tax Commission to inform them about the agency's rules of practice, changes introduced in 2016, the agency's requirements of professional conduct and integrity, and other information to help them avoid common mistakes that prevent their clients' applications from being considered on the merits. Over 130 people attended the briefing including representatives filing most of the applications received in 2016.

In 2017, Tax Commission plans include:

- Transition to electronic recordkeeping for Tax Commission records, comprising six years of applications and accompanying documentation for tens of thousands of properties. Currently, all Tax Commission application files are in paper form and occupy over 100 filing cabinets. Our document retention schedule provides that Tax Commission files are retained on site for six years and thereafter destroyed. Electronic recordkeeping would:
 - Enable quick document access by Tax Commission staff
 - Eliminate misplacement of paper files
 - Allow for simultaneous use of files by multiple staff members
 - Permit electronic retrieval of documents for FOIL compliance
 - Enable data capture from scanned documents
 - Prevent the loss of documents due to fire or other catastrophic event through the use of cloud data storage
- Improving the effectiveness of outreach and information briefings for taxpayers and staff of public officials interested in learning more about the assessment system and protest process and to provide additional information for those coming before the Tax Commission.
- Continuing to improve the quality and the efficiency of the annual assessment review hearings and determinations; expand quality control procedures to protect against potential corruption and ensure consistency and accuracy of determinations; and increase transparency in the assessment review process.

- Working with the Department of Finance to identify issues in the assessment and exemption application process with a view toward achieving the correct assessment and exemption without the need for Tax Commission review.
- Continuing to participate in the development of the Department of Finance computerized property tax system (PTS), which will replace the current Tax Commission computer systems, which are integrated with those of the Department of Finance.
- Applying the resources available to maximize the number of determinations made and conveyed prior to publication of the final assessment roll including early hearings for certain condominium properties.
- Expanding the information gathering efforts of the Appraisal & Hearings Group to ensure the most current and reliable information is available to value properties.

NEW YORK CITY TAX COMMISSION 2016 ANNUAL REPORT
2016 ASSESSMENT APPEALS AND OUTCOMES BY TAX CLASS

APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
REAL PROPERTY DESIGNATION	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
TAX CLASS 1	2,190	3,634	\$ 191,662,819	196	196	\$ 1,062,158	171	171	\$ 825,817
TAX CLASS 2	26,400	163,014	\$ 86,953,863,903	3,819	35,654	\$ 1,645,477,227	2,938	23,473	\$ 1,291,546,871
TAX CLASS 3	75	75	\$ 3,102,423,854	5	5	\$ 21,724,955	5	5	\$ 21,724,955
TAX CLASS 4	25,400	38,020	\$ 118,146,352,790	5,207	8,000	\$ 3,497,775,965	4,076	5,895	\$ 2,913,836,643
TOTAL	54,065	204,743	\$ 208,394,303,366	9,227	43,855	\$ 5,166,040,305	7,190	29,544	\$ 4,227,934,286

NEW YORK CITY TAX COMMISSION 2016 ANNUAL REPORT

**REMEDIAL ACTIONS BY TAX COMMISSION ON
APPLICATIONS IN 2016 FOR 2015 ASSESSMENTS**

OFFERS TO REDUCE 2015 ASSESSMENTS			ACCEPTED OFFERS TO REDUCE 2015 ASSESSMENTS		
APPLICATIONS	COLLECTIVE AMOUNT OF ASSESSMENTS AT ISSUE	COLLECTIVE AMOUNT OF ASSESSMENT REDUCTION OFFERS	APPLICATIONS	COLLECTIVE AMOUNT OF ASSESSMENTS NO LONGER AT ISSUE	COLLECTIVE AMOUNT OF ACCEPTED ASSESSMENT REDUCTION OFFERS
1,945	\$ 12,318,131,690	\$ 1,024,195,455	1,571	\$ 10,129,289,160	\$ 816,625,999

NEW YORK CITY TAX COMMISSION 2016 ANNUAL REPORT

2016 PRO SE ASSESSMENT APPEALS AND OUTCOMES BY TAX CLASS

APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
REAL PROPERTY DESIGNATION	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
TAX CLASS 1	810	835	\$ 49,490,342	143	143	\$ 555,818	136	136	\$ 540,316
TAX CLASS 2	251	356	\$ 107,123,891	58	64	\$ 2,916,892	52	58	\$ 2,793,976
TAX CLASS 4	384	386	\$ 287,249,797	106	110	\$ 9,762,023	94	97	\$ 7,819,183
TOTAL	1,445	1,577	\$ 443,864,030	307	317	\$ 13,234,733	282	291	\$ 11,153,475

NEW YORK CITY TAX COMMISSION 2016 ANNUAL REPORT

2016 ASSESSMENT APPEALS AND OUTCOMES - BY PROPERTY TYPE

APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
REAL PROPERTY DESIGNATION	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
TAX CLASS 1	2,190	3,634	\$ 191,662,819	196	196	\$ 1,062,158	171	171	\$ 825,817
CONDOMINIUMS	57	1,503	\$ 24,854,266	10	10	\$ 51,521	8	8	\$ 44,712
1,2 & 3 FAMILY	1,655	1,655	\$ 133,668,801	175	175	\$ 964,350	153	153	\$ 743,867
VACANT LAND	237	236	\$ 9,642,036	7	7	\$ 31,019	6	6	\$ 21,970
OTHER	241	240	\$ 23,497,716	4	4	\$ 15,268	4	4	\$ 15,268
TAX CLASS 2	26,400	163,014	\$ 86,953,863,903	3,819	35,654	\$ 1,645,477,227	2,938	23,473	\$ 1,291,546,871
CONDOMINIUMS	2,351	139,011	\$ 21,852,601,943	579	32,414	\$ 597,833,521	411	20,946	\$ 406,717,520
2-10 FAMILY	4,322	4,322	\$ 1,811,088,808	320	320	\$ 15,555,499	245	245	\$ 11,663,947
COOPERATIVES	4,114	4,106	\$ 24,420,902,227	884	884	\$ 480,747,426	697	697	\$ 412,608,836
RENTAL APTS	15,613	15,575	\$ 38,869,270,925	2,036	2,036	\$ 551,340,781	1,585	1,585	\$ 460,556,568
TAX CLASS 3	75	75	\$ 3,102,423,854	5	5	\$ 21,724,955	5	5	\$ 21,724,955
UTILITY PROPERTY	75	75	\$ 3,102,423,854	5	5	\$ 21,724,955	5	5	21,724,955
TAX CLASS 4	25,400	38,020	\$ 118,146,352,790	5,207	8,000	\$ 3,497,775,965	4,076	5,895	\$ 2,913,836,643
CONDOMINIUMS	2,521	15,413	\$ 20,563,572,609	537	3,330	\$ 968,144,238	385	2,204	\$ 775,711,800
OFFICES/LOFTS	3,885	3,847	\$ 60,479,951,372	795	795	\$ 1,212,368,492	639	639	\$ 1,059,802,923
STORES	8,470	8,308	\$ 13,151,464,233	1,779	1,779	\$ 386,802,924	1,385	1,385	\$ 317,114,669
INDUSTRIAL	3,835	3,825	\$ 4,112,877,596	1,030	1,030	\$ 110,805,507	846	846	\$ 89,658,212
HOTELS	735	723	\$ 10,296,027,335	210	210	\$ 541,445,190	156	156	\$ 433,109,350
VACANT LAND	1,190	1,179	\$ 1,046,791,413	152	152	\$ 26,808,533	110	110	\$ 21,692,782
UTILITY PROPERTY	161	161	\$ 2,572,782,840	32	32	\$ 42,075,145	29	29	\$ 41,582,195
OTHER	4,603	4,564	\$ 5,922,885,392	672	672	\$ 209,325,936	526	526	\$ 175,164,712
TOTAL	54,065	204,743	\$ 208,394,303,366	9,227	43,855	\$ 5,166,040,305	7,190	29,544	\$ 4,227,934,286

NEW YORK CITY TAX COMMISSION 2016 ANNUAL REPORT

2016 ASSESSMENT APPEALS AND OUTCOMES – BY REDUCTION % RANGE

CURRENT YEAR OFFERS RECEIVED				CURRENT YEAR OFFERS ACCEPTED		
RANGE OF OFFER %	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
UNDER 10%	5,002	26,990	\$ 2,240,737,638	3,763	16,959	\$ 1,795,639,998
10% - UNDER 20%	2,872	13,997	\$ 1,708,708,298	2,305	10,092	\$ 1,426,514,042
20% - UNDER 30%	849	2,049	\$ 616,898,015	711	1,818	\$ 501,791,492
30% - Above	504	819	\$ 599,696,354	411	675	\$ 503,988,754
TOTAL	9,227	43,855	\$ 5,166,040,305	7,190	29,544	\$ 4,227,934,286

NEW YORK CITY TAX COMMISSION 2016 ANNUAL REPORT

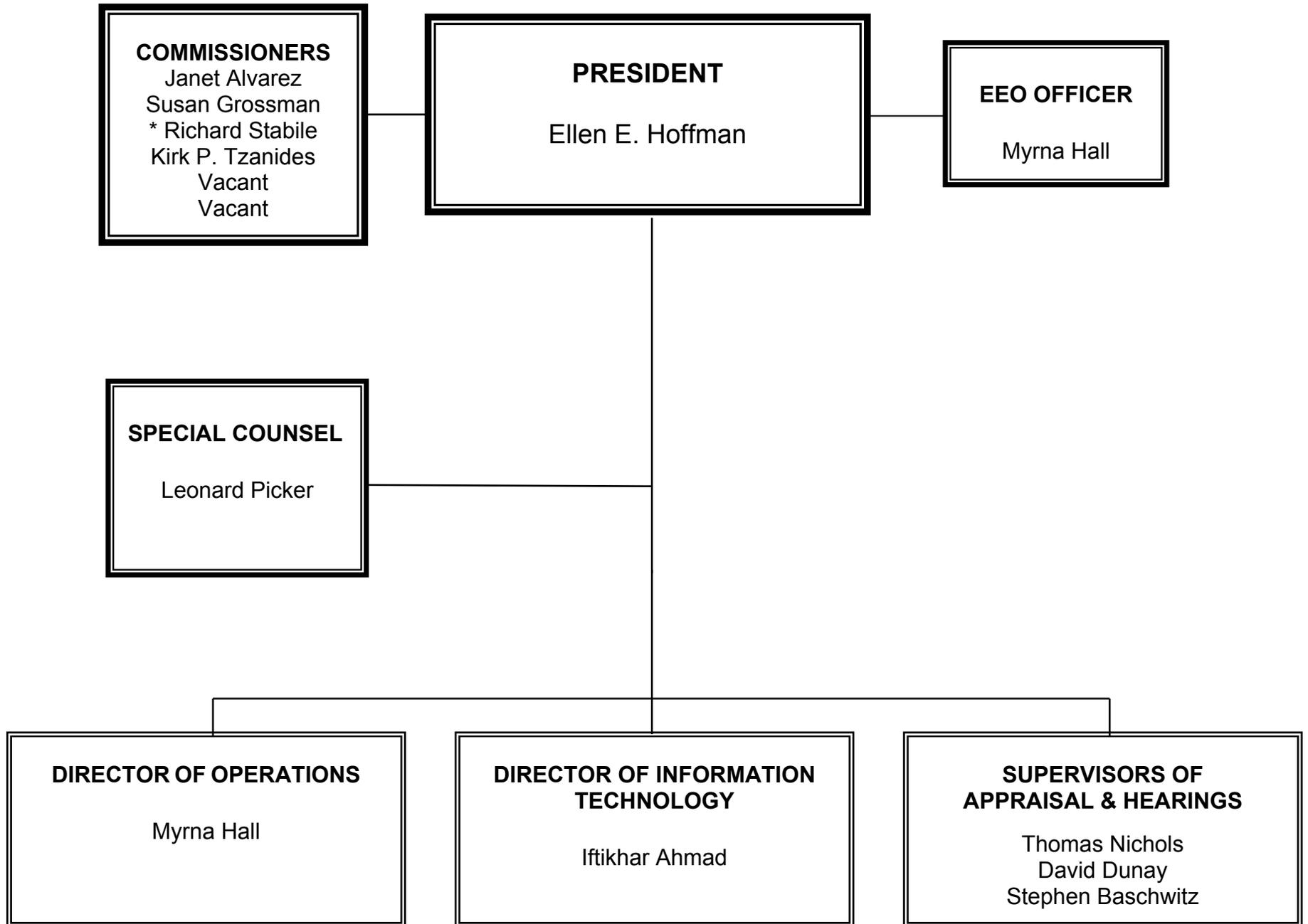
2016 ASSESSMENT APPEALS AND OUTCOMES - BY BOROUGH

APPEALS				CURRENT YEAR OFFERS RECEIVED			CURRENT YEAR OFFERS ACCEPTED		
BOROUGH	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF OFFER	APPLICATIONS	TAX LOTS	COLLECTIVE AMOUNT OF REDUCTION
BRONX	6,604	20,072	\$ 8,240,472,784	763	894	\$ 148,120,254	635	761	\$ 122,822,472
BROOKLYN	13,055	30,869	\$ 16,647,852,706	1,980	4,207	\$ 429,359,353	1,548	3,080	\$ 352,424,873
MANHATTAN	21,482	121,189	\$ 162,305,394,007	4,141	34,516	\$ 4,174,113,381	3,228	22,236	\$ 3,426,809,180
QUEENS	11,016	28,817	\$ 19,149,608,214	2,038	3,928	\$ 377,217,638	1,549	3,232	\$ 299,418,761
STATEN ISLAND	1,908	3,796	\$ 2,050,975,655	305	310	\$ 37,229,679	230	235	\$ 26,459,000
TOTAL	54,065	204,743	\$ 208,394,303,366	9,227	43,855	\$ 5,166,040,305	7,190	29,544	\$ 4,227,934,286

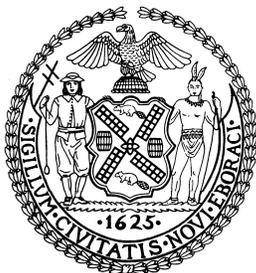
NEW YORK CITY TAX COMMISSION 2016 ANNUAL REPORT
PROCEDURAL DELINEATION OF 2016 ASSESSMENT APPEALS

	APPLICATIONS	TAX LOTS
NOT ELIGIBLE FOR REVIEW	8,669	25,768
LATE FILING	27	149
INCOMPLETE FILING	1,122	5,348
REQUIRED DEPT. OF FINANCE INCOME AND EXPENSE STATEMENT ("RPIE") NOT FILED, LATE OR IMPROPER	786	827
REQUIRED TAX COMMISSION INCOME AND EXPENSE FORM ("TCIE") NOT FILED, LATE OR IMPROPER	5,871	18,561
UNEXCUSED NON-APPEARANCE BY APPLICANT OR REPRESENTATIVE AT SCHEDULED HEARING	130	130
WITHDRAWN BY APPLICANT	427	74
OTHER	306	679
ELIGIBLE FOR REVIEW	45,396	178,975
IN PERSON HEARINGS CONDUCTED	26,650	138,960
HEARINGS CONDUCTED BY TELEPHONE	17	17
REQUIRED FACTUAL SUBSTANTIATION NOT SUBMITTED	587	783
SUBSTANTIVE HEARING DECLINED AFTER APPLICATION FILED	16,875	37,445
REQUESTED REVIEW ON PAPERS	1,267	1,770
TOTAL	54,065	204,743

THE TAX COMMISSION OF THE CITY OF NEW YORK 2016



* Richard Stabile resigned effective January 6, 2017.



CITY OF NEW YORK
Bill de Blasio
Mayor

TAX COMMISSION
Ellen E. Hoffman
President