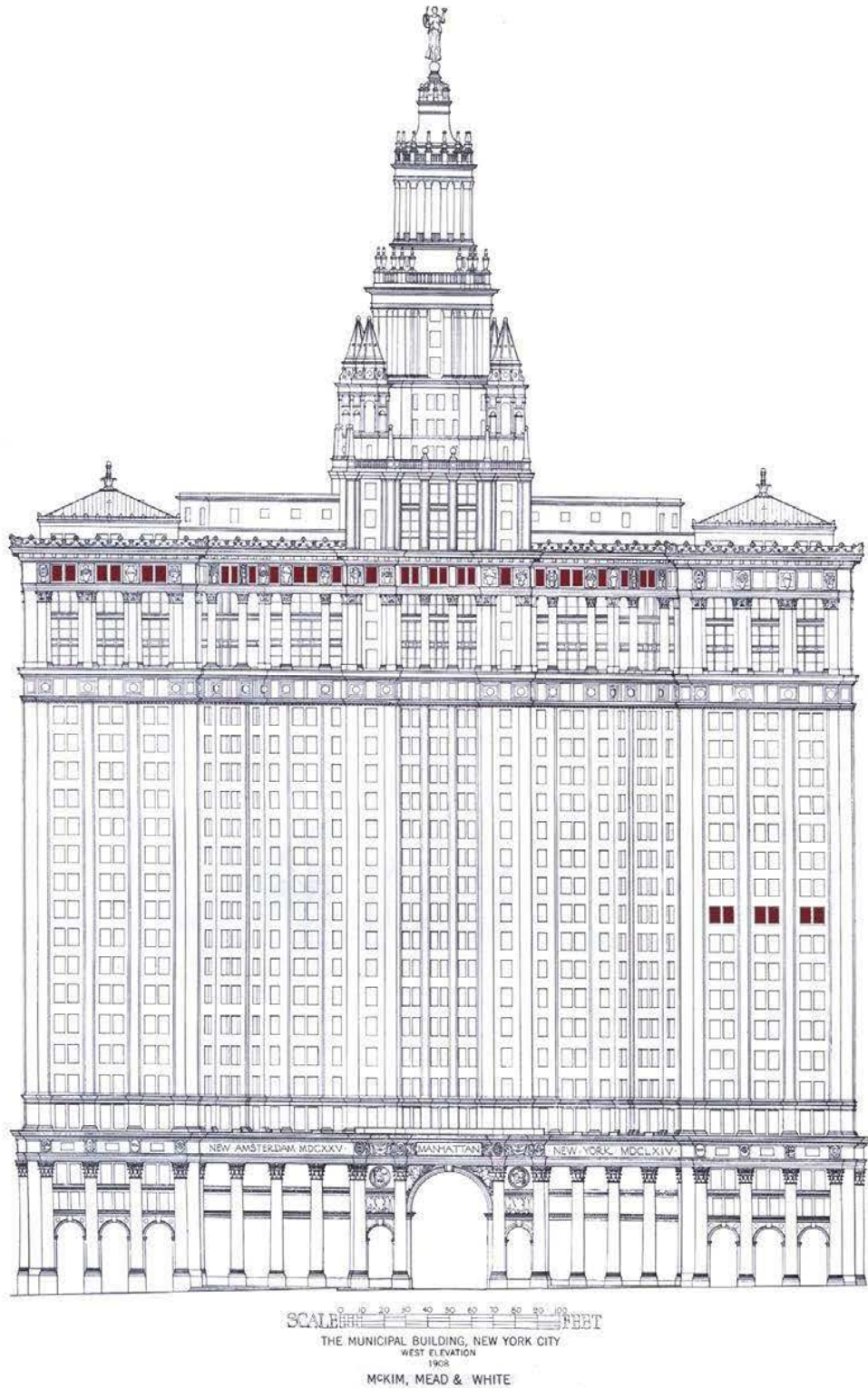


TAX COMMISSION OF THE CITY OF NEW YORK



2017 ANNUAL REPORT

Ellen E. Hoffman
President

MEMBERS OF THE TAX COMMISSION

Ellen E. Hoffman, President

Janet Alvarez
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Introduction

The Tax Commission's 2017 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 2017. It also contains a statement of the Tax Commission's accomplishments and improvements and a summary of plans for 2018.

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 to staggered, six-year terms, with advice and consent of the City Council. 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, 2018, there are four part-time Tax Commissioners, one whose term ends in January 2022, two whose

terms ended in January 2018, one holdover whose term ended in January 2016, and two current vacancies. Efforts to fill those positions are ongoing.

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 2017/18 tax year filing season, the Office of Administrative Tax Appeals had a staff of 39 full-time employees plus four part-time Tax Commissioners and two additional part-time hearing officers, who are attorneys with more than 20 years of experience in real property valuation, one at the City Corporation Counsel's Office and one at the Department of Finance.² The Office of Administrative Tax Appeals' operating budget for 2017 was \$4,659,105. The Tax Commission's structure and its managerial personnel are presented in the organization chart included in this report.

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 property 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 classes taking into consideration fluctuations in the real estate market, physical alterations

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

³ Certain other small condominiums also are included in class one.

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

and 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 (before abatements) 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 will 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 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 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 www.nyc.gov/taxcommission and are 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 2017, the filing deadline for applications for review of assessments of properties in tax class one was March 15, 2017; the deadline for filing applications for review of assessments of all other properties was March 1, 2017. 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

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,

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.

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, an in-person hearing is granted if requested. When an in-person 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. 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.

Since 2011, a filing 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 two, three and four, and over \$33 million for properties in tax class one. The Tax Commission will not review an application if the fee is not paid for the previous year. 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 7 of the New York Real Property Tax Law (RPTL) costing property owners and the City time and resources.

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 and to forego filing for such a proceeding for the current year. 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, although 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 reviewed 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 the part-time hearing officers,⁶ or an attorney in the Tax Appeals Tribunal. In 2017, hearings on applications involving properties with assessments of \$75 million or more, referred to generally as "high value" properties, were conducted by teams of two hearing officers, consisting of one assessor and either the President or a senior member of the Appraisal & Hearings Group.

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 working with a member of the Appraisal & Hearings Group.⁷

Applications involving exemption claims are reviewed by attorneys in the Tax Commission or Tax Appeals Tribunal acting as hearing officers. The rest of the applications are divided into 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.

⁶ See "Structure & Resources" at p. 2.

⁷ The latter option is routinely chosen by utility applicants.

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.

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. Although not required, about 97.7% of applicants were represented by a lawyer or a non-attorney professional in 2017 except for owners of class one properties, who represented themselves about 35.6% of the time.

Under applicable 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 petition⁸ 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 acceptance agreement within the specified

⁸ An Article 7 petition must be filed by the October 24 of the tax year, e.g., an Article 7 petition on an application filed March 1, 2017 had to have been filed by October 24, 2017.

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.⁹

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 recalculates the property's RPT liability based on the assessment as corrected by the Tax Commission, and issues a 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 tentative 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

⁹ Statistics on prior years' petitions closed in connection with Tax Commission offers of reduction are provided under "2017 Operations & Performance" at p. 11.

law does not require the courts to give any deference to the Tax Commission's determination. An optional small claims procedure (SCARP) is available for owner-occupied one, two and three-family homes. With its notice of determination, the Tax Commission provides all applicants with information on how to initiate an Article 7 or SCARP proceeding.

The City's Corporation Counsel represents the Tax Commission in Article 7 proceedings. The Tax Commission and the Tax and Bankruptcy Division of the 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.

2017 Operations & Performance

Assessment Review. In 2017, the Tax Commission received 54,730 applications, covering 211,034 separately assessed tax lots, having an aggregate assessed value of \$223,161,504,033. This represents an almost 26% increase in the number of applications since 2008 and about 98.6% of the total 2017/18 tentative taxable assessed value of all City properties in all tax classes.¹⁰

In 2017, the Tax Commission provided substantive hearings on 29,165 applications.¹¹ The Tax Commission took remedial actions that, in the aggregate, granted \$5,113,834,755¹² in assessment reductions for the 2017/18 tax year, yielding approximately \$577,025,000 in tax relief for that year. In conjunction with its disposition of 2017 applications, the Tax Commission also obtained discontinuances of 19,999

¹⁰ The tentative taxable assessed value of all City properties for the 2017/18 tax year was \$226,248,477,736. *See* 2017/18 Tentative Assessment Roll January 17, 2017 at p. 2.

¹¹ This figure includes applications where the applicant requested that the application be reviewed without a personal hearing. An additional 17,908 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.

¹² In 2017, the Tax Commission also granted reductions of \$1,235,163,655 for the 2016/17 tax year.

pending Article 7 judicial review proceedings claiming errors in assessments for prior years.

In 2017, the City Corporation Counsel's Office settled approximately 676 Article 7 proceedings resulting in about \$709 million in assessment reductions. In recent years, the courts, after trial, have issued few judgments disposing of Article 7 proceedings. In 2017, there were only two Article 7 petitions taken to trial and decided by the courts, granting about \$5,400 in assessment reductions. The Tax Commission's administrative review has been, and continues to be, the most effective means of resolving 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 applications and accompanying 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
- 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 City Corporation Counsel's Office
- Auditing determinations

- Compiling and analyzing performance statistics
- Removing discontinued petitions from the Tax Commission's systems
- Responding to inquiries throughout the year from property owners, representatives, elected officials and the public

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. In 2017, the Tax Commission received 90 applications protesting the denial or reduction of nonprofit exemptions. These matters required additional outreach to those claiming exemption 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 Tax Commission spends a considerable amount of time explaining the requirements for exemption and how to present the facts needed to prove their claim.

Personal Exemptions. The Department of Finance removed significant numbers of personal exemptions from properties in 2017. As a result, in 2017, the Tax Commission received 4,114 applications for review of denials of personal exemptions including STAR, Enhanced STAR, Senior Citizen, Disabled, Veteran and Clergy exemptions. This was an unprecedented eightfold increase over the number of such appeals received in 2016. Of the 4,114 applications received in 2017, 50 were for the 16/17 tax year, all of which were resolved. Of the 4,064 applications for the 17/18 tax year, 2,090 have been fully resolved. An additional 277 have been given an extended opportunity to provide additional information to the Tax Commission. Where the Department of Finance removed a personal exemption because the property owner did not file a renewal, and if the Tax Commission received sufficient information from the property owner, the Tax Commission sent those applications to the Department of Finance for initial review. If the Department of Finance grants the exemption following that review, the application to the Tax Commission will not require further consideration.

Recent local legislation retroactively raised the income thresholds for the Senior Citizen and Disabled Homeowners' Exemptions for the 17/18 tax year. That legislation also extended until mid-January 2018 the deadline for applying to the Department of Finance for those exemptions. The extended deadline correspondingly extended the deadline for filing appeals with the Tax Commission if the Department of Finance denies the exemption. As a result, the Tax Commission has received additional appeals for the 17/18 tax year and anticipates that more will be filed as the Department of Finance continues to process those applications.

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 City Corporation Counsel's Office 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 only can charge \$0.25 per page for copying. In 2017, the Office of Administrative Tax Appeals received 214 FOIL requests, all of which were for Tax Commission documents.

Planned or Implemented Improvements or Modifications

In 2017, 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.¹³ 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 2017 by:

- 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 the best use of hearing officers' time and 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.
- After the Department of Finance's mailing of the Notices of Property Value in January, joining with the Department of Finance at a series of outreach programs at which property owners can receive information, forms and guidance on filing applications for correction with the Tax Commission. Ten such sessions were held in February 2017, one daytime and one evening session in each borough. The Tax Commission provided materials on the application review process for distribution at other sessions.
- Joining with the Department of Finance in a briefing session for City Council staff members to assist them in answering constituents' questions about their Notice of Property Value and the opportunity to appeal to the Tax Commission.

¹³ Guidelines published by the Department of Finance also are considered.

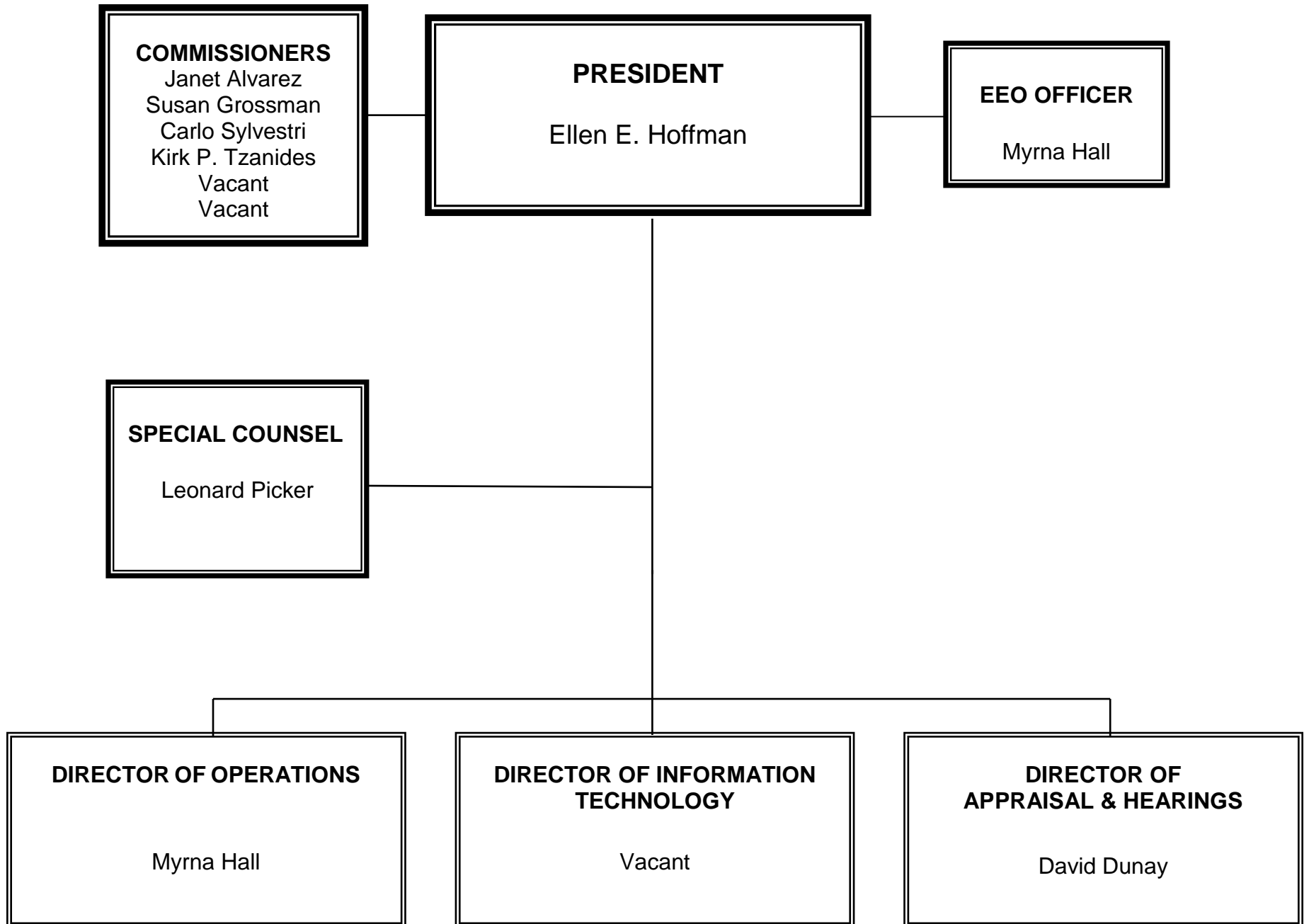
- Joining with the Department of Finance in two briefing sessions for staff of the City's 3-1-1 telephone system to enable them to directly answer basic inquiries, which will give callers information more quickly and allow Tax Commission staff to focus on answering more complex questions on the assessment review process.
- Including on 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 an in-person hearing in the borough where they live, where the subject property is located or in another borough convenient for them. 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 26, 2017 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 2017, 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 167 people attended the briefing, including representatives filing most of the applications received in 2017.

In 2018, Tax Commission plans include:

- 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 review the Tax Commission's forms and instructions to minimize filing errors and to simplify filings, particularly for self-represented applicants.
- 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's computerized property tax system (PTS), which is expected to come on line in 2018 and 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 implemented 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.

THE TAX COMMISSION OF THE CITY OF NEW YORK 2017



NEW YORK CITY TAX COMMISSION 2017 ANNUAL REPORT
2017 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	1,802	3,508	\$ 179,835,194	158	176	\$ 1,183,878	145	163	\$ 1,104,889
TAX CLASS 2	27,088	168,099	\$ 94,120,192,016	4,056	41,434	\$ 1,929,660,966	3,595	37,856	\$ 1,761,043,495
TAX CLASS 3	102	102	\$ 3,354,465,642	5	5	\$ 30,232,222	5	5	\$ 30,232,222
TAX CLASS 4	25,738	39,325	\$ 125,507,011,181	5,409	8,181	\$ 3,734,372,086	4,663	7,213	\$ 3,321,454,149
TOTAL	54,730	211,034	\$ 223,161,504,033	9,628	49,796	\$ 5,695,449,152	8,408	45,237	\$ 5,113,834,755

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REMEDIAL ACTIONS BY TAX COMMISSION ON APPLICATIONS IN 2017 FOR 2016 ASSESSMENTS

OFFERS TO REDUCE 2016 ASSESSMENTS			ACCEPTED OFFERS TO REDUCE 2016 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
2,537	\$ 17,377,685,980	\$ 1,367,755,645	2,279	\$ 16,056,732,559	\$ 1,235,163,655

NEW YORK CITY TAX COMMISSION 2017 ANNUAL REPORT

2017 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	642	654	\$ 31,036,195	103	104	\$ 337,606	96	97	\$ 309,790
TAX CLASS 2	270	346	\$ 119,463,033	55	100	\$ 3,949,599	49	94	\$ 3,771,059
TAX CLASS 4	352	399	\$ 278,055,756	103	117	\$ 23,684,773	90	104	\$ 22,117,419
TOTAL	1,264	1,399	\$ 428,554,984	261	321	\$ 27,971,978	235	295	\$ 26,198,268

NEW YORK CITY TAX COMMISSION 2017 ANNUAL REPORT

2017 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	1,802	3,508	\$ 179,835,194	158	176	\$ 1,183,878	145	163	\$ 1,104,889
CONDOMINIUMS	75	1,783	\$ 33,532,227	20	38	\$ 173,659	18	36	\$ 170,035
1,2 & 3 FAMILY	1,351	1,350	\$ 112,528,410	128	128	\$ 928,714	117	117	\$ 853,349
VACANT LAND	170	170	\$ 10,439,175	5	5	\$ 25,696	5	5	\$ 25,696
OTHER	206	205	\$ 23,335,382	5	5	\$ 55,809	5	5	\$ 55,809
TAX CLASS 2	27,088	168,099	\$ 94,120,192,016	4,056	41,434	\$ 1,929,660,966	3,595	37,856	\$ 1,761,043,495
CONDOMINIUMS	2,474	143,532	\$ 24,291,910,479	631	38,009	\$ 677,729,876	530	34,791	\$ 609,436,801
2-10 FAMILY	4,614	4,608	\$ 1,930,313,142	367	367	\$ 21,411,012	342	342	\$ 19,281,000
COOPERATIVES	4,126	4,122	\$ 25,668,041,159	854	854	\$ 507,300,546	775	775	\$ 480,684,437
RENTAL APTS	15,874	15,837	\$ 42,229,927,236	2,204	2,204	\$ 723,219,532	1,948	1,948	\$ 651,641,257
TAX CLASS 3	102	102	\$ 3,354,465,642	5	5	\$ 30,232,222	5	5	\$ 30,232,222
UTILITY PROPERTY	102	102	\$ 3,354,465,642	5	5	\$ 30,232,222	5	5	\$ 30,232,222
TAX CLASS 4	25,738	39,325	\$ 125,507,011,181	5,409	8,181	\$ 3,734,372,086	4,663	7,213	\$ 3,321,454,149
CONDOMINIUMS	2,677	16,503	\$ 22,301,308,323	663	3,435	\$ 743,475,110	539	3,089	\$ 630,320,679
OFFICES/LOFTS	3,969	3,939	\$ 64,780,169,625	870	870	\$ 1,681,996,023	744	744	\$ 1,527,552,798
STORES	8,478	8,357	\$ 14,430,812,241	1,966	1,966	\$ 629,344,009	1,702	1,702	\$ 559,111,383
INDUSTRIAL	3,923	3,900	\$ 4,461,366,356	914	914	\$ 99,578,109	805	805	\$ 89,793,330
HOTELS	755	748	\$ 10,301,224,876	167	167	\$ 377,995,014	145	145	\$ 351,575,514
VACANT LAND	1,123	1,112	\$ 885,817,457	117	117	\$ 15,695,556	103	103	\$ 11,038,024
UTILITY PROPERTY	174	174	\$ 2,170,208,483	35	35	\$ 19,976,874	20	20	\$ 9,204,900
OTHER	4,639	4,592	\$ 6,176,103,820	677	677	\$ 166,311,391	605	605	\$ 142,857,521
TOTAL	54,730	211,034	\$ 223,161,504,033	9,628	49,796	\$ 5,695,449,152	8,408	45,237	\$ 5,113,834,755

NEW YORK CITY TAX COMMISSION 2017 ANNUAL REPORT

2017 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%	5,384	32,224	\$ 2,724,042,173	4,545	28,946	\$ 2,383,373,051
10% - UNDER 20%	2,921	14,437	\$ 1,994,825,748	2,644	13,368	\$ 1,833,597,034
20% - UNDER 30%	888	2,341	\$ 524,135,276	809	2,156	\$ 472,740,280
30% - Above	435	794	\$ 452,445,955	410	767	\$ 424,124,390
TOTAL	9,628	49,796	\$ 5,695,449,152	8,408	45,237	\$ 5,113,834,755

NEW YORK CITY TAX COMMISSION 2017 ANNUAL REPORT

2017 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	6,723	20,242	\$ 8,762,187,027	845	863	\$ 234,081,132	715	731	\$ 204,332,080
BROOKLYN	13,530	33,882	\$ 18,878,806,114	2,085	4,708	\$ 481,678,286	1,820	3,702	\$ 424,931,897
MANHATTAN	21,761	124,223	\$ 173,464,282,835	4,374	39,270	\$ 4,524,644,979	3,829	36,181	\$ 4,096,655,347
QUEENS	10,987	29,309	\$ 19,894,920,182	2,075	4,513	\$ 411,338,716	1,827	4,213	\$ 359,536,399
STATEN ISLAND	1,729	3,378	\$ 2,161,307,875	249	442	\$ 43,706,039	217	410	\$ 28,379,032
TOTAL	54,730	211,034	\$ 223,161,504,033	9,628	49,796	\$ 5,695,449,152	8,408	45,237	\$ 5,113,834,755

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PROCEDURAL DELINEATION OF 2017 ASSESSMENT APPEALS

	APPLICATIONS	TAX LOTS
NOT ELIGIBLE FOR REVIEW	7,040	15,782
LATE FILING	34	131
INCOMPLETE FILING	842	4,087
REQUIRED DEPT. OF FINANCE INCOME AND EXPENSE STATEMENT ("RPIE") NOT FILED, LATE OR IMPROPER	983	1,030
REQUIRED TAX COMMISSION INCOME AND EXPENSE FORM ("TCIE") NOT FILED, LATE OR IMPROPER	4,373	9,918
UNEXCUSED NON-APPEARANCE BY APPLICANT OR REPRESENTATIVE AT SCHEDULED HEARING	97	148
WITHDRAWN BY APPLICANT	405	30
OTHER	306	438
ELIGIBLE FOR REVIEW	47,690	195,252
IN PERSON HEARINGS CONDUCTED	26,975	147,759
HEARINGS CONDUCTED BY TELEPHONE	17	17
REQUIRED FACTUAL SUBSTANTIATION NOT SUBMITTED	617	1,021
SUBSTANTIVE HEARING DECLINED AFTER APPLICATION FILED	17,908	44,040
REQUESTED REVIEW ON PAPERS	2,173	2,415
TOTAL	54,730	211,034



CITY OF NEW YORK
Bill de Blasio
Mayor

TAX COMMISSION
Ellen E. Hoffman
President