



VETERANS' TAX EXEMPTION

Public Hearing

Chapter 518 of the Laws of 2013

WHAT IS THE ALTERNATIVE VETERANS' TAX EXEMPTION?

The state law was amended under Chapter 518 of the Laws of 2013, section 458-a to extend to school districts certain tax exemptions from school taxes for eligible veterans.

<http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LA>

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WHAT

ELIGIBILITY REQUIREMENTS

- **Time of Service Requirements:**
 - Persian Gulf conflict (8/2/90 – present)
 - Vietnam War (2/28/61-5/7/75)
 - Korean War (6/27/50 – 1/31/55)
 - World War II (12/7/41-12/31/46)
- **Veterans who received an Armed Forces Expeditionary Medal, a Navy, Marine Corps, or Global War on Terrorism Expeditionary Medal (not Service Medal) may also qualify**
 - World War II in the U.S. Merchant Marine
 - A civilian capacity during World War II in either of the following capacities:
 - American Field Service under U.S. Armies and the U.S. Army Groups
 - As a flight crew and aviation ground support employee of Pan American Airlines' contract with the Air Transport Command

ELIGIBILITY REQUIREMENTS CONT'D

- **A MEMBER OF THE RESERVE** component of the Armed Forces who received an **HONORABLE DISCHARGE** from active duty (beyond active duty for training), but is still a member of the reserves, is considered a veteran for purposes of this exemption, and is thus eligible to receive the exemption, provided that **such ACTIVE DUTY WAS SIGNIFICANT AND FULL-TIME** and that the veteran meets all other statutory requirements.
- **GOLD STAR PARENT** – is a **parent of a child who died in the line of duty** while serving in the U.S. Armed Forces during a period of war. The property must be the primary residence of the Gold Star Parent. Only the Basic and Combat Zone exemptions will apply to Gold Star Parents.

ELIGIBILITY REQUIREMENTS CONT'D

- **OWNERSHIP** requirements:
 - **LEGAL TITLE TO RESIDENTIAL PROPERTY MUST BE IN THE NAME OF THE VETERAN**, spouse of a veteran, or the un-remarried surviving spouse of a veteran
 - The taxing jurisdiction **MAY OPT TO ALLOW THE EXEMPTION** in instances where title to residential property is in the name of a **GOLD STAR PARENT** (defined as the parent of a child who died in the line of duty while serving in the U. S. Armed Forces during a time of war)

ELIGIBILITY REQUIREMENTS CONT'D

- **OWNERSHIP** requirements continued:
 - **LEGAL TITLE** may also be in the name of a veteran, spouse of the veteran, un-remarried spouse of a veteran or Gold Star Parent whenever such a person is **A LIFE TENANT OF THE PROPERTY; IF TITLE TRANSFERS** to a trust, such a person becomes a trustee or beneficiary of such trust
 - Under certain circumstances, this exemption applies where title is in the name of the dependent parent of the veteran or his or her child who is under 21 years of age
 - Where property ownership is in the name of **TWO OR MORE QUALIFIED OWNERS, THE ASSESSOR COMBINES THE EXEMPTION** benefits of each qualified owner on that parcel

ELIGIBILITY REQUIREMENTS CONT'D

- **RESIDENCY** requirements:
 - Exemption is **ONLY AVAILABLE FOR RESIDENTIAL PROPERTIES**; if a portion of the property is in non-residential use, the exemption can't apply to this portion
 - Property eligible for this exemption must be the **PRIMARY RESIDENCE** of the veteran, the un-remarried surviving spouse of a veteran, or Gold Star Parent, unless that person is absent from the property for medical reasons or is in an institution

ELIGIBILITY REQUIREMENTS CONT'D

- **RESIDENCY** requirements:
 - **IF A VETERAN OR OTHER ELIGIBLE OWNER MOVES TO A NEW RESIDENCE WITHIN A TAXING JURISDICTION** that currently grants the exemption on the sold residence, and if the taxing jurisdiction allows a prorated exemption in its local laws, the **EXEMPTION MAY TRANSFER TO THE REPLACEMENT RESIDENCE**; to continue to receive the exemption thereafter, the veteran must file a new form RP-458-a with the assessor on or before the next succeeding taxable status date

ELIGIBILITY REQUIREMENTS CONT'D

- **RESIDENCY requirements:**
 - **IF THE QUALIFYING VETERAN IS DECEASED, THE EXEMPTION MAY CONTINUE ON THE ELIGIBLE PROPERTY IF THE TITLE TO THE PROPERTY IS IN THE NAME OF THE VETERAN'S UNREMARIED SURVIVING SPOUSE, AND CONTINUES TO USE THE PROPERTY AS THE PRIMARY RESIDENCE**
 - If the veteran is also the un-remarried surviving spouse of a veteran, he or she may also receive any exemption benefit to which the deceased spouse was entitled

ELIGIBILITY REQUIREMENTS CONT'D

- RESIDENCY requirements:
 - If both husband and wife are deceased, the **EXEMPTION CAN CONTINUE ON THE PROPERTY IF THE VETERAN'S DEPENDENT MOTHER, FATHER, CHILD, OR CHILDREN UNDER 21 HAVE LEGALLY RECEIVED THE PROPERTY** and use it as their primary residence

ELIGIBILITY REQUIREMENTS CONT'D

- Alternative Veterans' Exemption is **NOT AN AUTOMATIC EXEMPTION**
- If the Veteran has not already applied for the exemption with the Clarkstown Assessor's Office, the application for the exemption must be made by the owner before March 1
 - <http://www.tax.ny.gov/pit/property/exemption/vetexempt.htm>
- Exemption continues in full force for subsequent years – **RE-FILING IS NOT REQUIRED, UNLESS CHANGES OCCUR**

PROCEDURE TO ENACT EXEMPTION

- Veterans' exemption **IS PERMISSIVE AND REQUIRES AFFIRMATIVE ACTION BY THE A BOARD OF EDUCATION, BY RESOLUTION**, in order to provide the tax exemption
- Board must hold a **PUBLIC HEARING** prior to approving the resolution

TAX ASSESSMENT

EXEMPTION – BASIC MAXIMUM

Category	Description of Exemption	Basic Maximum AVs after 34% equalization rate	Potential Tax Reduction @\$49.96093
Wartime	15% of the assessed value not to exceed \$12,000 times the equalization rate of 34%	\$4,080	\$204
Combat	Add to Wartime 10% of assessed value not to exceed \$8,000 times the equalization rate of 34%	\$2,720	\$136
Disability	Add to the Wartime and Combat, not to exceed \$40k times the equalization rate of 34%	\$13,600	\$1,359
	Total Possible Basic Exemption	\$20,400	\$1,699

WHY ARE STATE OFFICIALS IMPLYING THAT STATE AID WILL OFFSET COSTS?

- 2014-15 State Aid increase of 1.6% is for restoring some of the aid that had been cut over the past six years.
- The State owes CCSD taxpayers more than \$4 million in GEA and \$7 million in Foundation Aid.
- Over the past six years, taxpayers in **CCSD** have **absorbed over \$41 million in aid cuts**– an impact of \$4,734 per student.

HOW IS THE EXEMPTION FUNDED?

- The Veteran's Exemption is not funded by the State
- It will result in a tax shift . Those not eligible for this exemption will fund this benefit through a tax rate increase.
- It will not diminish tax dollars for the school budget.

ESTIMATED COST OF BASIC MAXIMUM EXEMPTION

Category	# of Parcels that currently qualify for exemption*	Exempted Assessed Value	Tax \$ Shift 2014-15 rates @ \$49.60178
Wartime	979	\$3,994,320	\$198,125
Combat Zone	627	\$5,699,760	\$84,593
Disabled Veteran	220	\$2,992,000	\$148,409
TOTAL	1826	\$12,686,000	\$431,127

ESTIMATED EXEMPTION = TAX INCREASE
**SAMPLES OF 2014-15 TAX RATE PER \$1,000 OF ASSESSED
PROPERTY VALUE - HOMESTEAD**

Taxable Assessed Value	Tax Rate	\$150,000	\$200,000	\$250,000
Property Taxes <u>PRIOR</u> To Exemption	\$49.60178	\$7,440	\$9,920	\$12,400
Property Taxes <u>AFTER</u> Basic Maximum Exemption	\$49.89199	\$7,484	\$9,978	\$12,473
ANNUAL INCREASE	.59%	<u>\$44</u>	<u>\$58</u>	<u>\$73</u>

ESTIMATED COST OF INCREASED MAXIMUM EXEMPTION

Category	# of Parcels that currently qualify for exemption*	Exempted Assessed Value	Tax \$ Shift 2014-15 rates @ \$49.60178
Wartime	979	\$16,903,965	\$838,467
Combat Zone	627	\$17,811,020	\$883,458
Disabled Veteran	220	\$6,012,664	\$298,239
TOTAL	1826	\$40,727,649	\$2,020,164

ESTIMATED EXEMPTION = TAX INCREASE
**SAMPLES OF 2014-15 TAX RATE PER \$1,000 OF ASSESSED
PROPERTY VALUE – HOMESTEAD AT INCREASED MAXIMUM**

Taxable Assessed Value	Tax Rate	\$150,000	\$200,000	\$250,000
Property Taxes <u>PRIOR</u> To Exemption	\$49.60178	\$7,440	\$9,920	\$12,400
Property Taxes <u>AFTER</u> Increased Maximum Exemption	\$50.54567	\$7,582	\$10,109	\$12,636
ANNUAL INCREASE	1.9%	<u>\$142</u>	<u>\$189</u>	<u>\$236</u>

CURRENT PROPERTY TAX EXEMPTIONS IN CCSD

Types of Exemptions (excluding STAR)	# of Exemptions 2014 Tax Roll	Total Assessed Value 2014 Tax Roll
NYS, Federal, Municipal, & Fire Properties Non-for-profit organizations School District property Senior Citizens – low income Physically Disabled Disabilities and limited income Business Investment Properties Clergy	832	\$867,965,503



QUESTIONS?