

How do I save money on my school taxes?

The School Tax Relief (STAR) program provides eligible homeowners in New York State with relief on their property taxes through the Basic STAR and Enhanced STAR programs. If you're a recipient, you may be receiving the benefit in one of two ways:

1. **The STAR exemption** (now closed to new applicants after fiscal year 2015-16): you receive a direct reduction on your school tax bill in the form of a property tax exemption.
2. **The STAR credit program:** you receive a check in the mail from the Tax Department to apply to your school taxes. If you are in this program, you will continue to pay your taxes and receive your check as normal.

About STAR: Who is Eligible?

If you own your home, and it is your primary residence, you may be eligible for either:

Basic STAR

- Available for owner-occupied, primary residences.
- The income limit for the Basic STAR credit is \$500,000 (the new income limit for the Basic STAR exemption is \$250,000).
- Based on the first \$30,000 of the full value of a home.

Enhanced STAR

- Provides an increased benefit for the primary residences of senior citizens (age 65 and older).
- The income limit for the Enhanced Star benefit is \$86,300 or less for the 2019-2020 school year.
- Based on the first \$68,700 of the full value of a home for the 2019-2020 school year.
- Enhanced STAR recipients are required to enroll in the Income Verification Program (IVP). To learn more, please go to www.tax.ny.gov/pit/property/star/ivp.htm to learn more.
- *Note: Senior citizens receiving Enhanced STAR may also be eligible for the senior citizens exemption. Please go to www.tax.ny.gov/pit/property/exemption/seniorexempt.htm to learn more.*

Important Changes for STAR Exemption Recipients

Changes were made to the STAR program in the 2019-20 State Budget. The changes include:

- **Beginning this year, recipients of the STAR credit program may see their savings increase by as much as 2 percent each year; however, there will be no increase for those who participate in the STAR exemption program.**
- **If you currently receive your STAR benefit as a reduction on your school tax bill (the STAR exemption), you may receive a greater benefit if you switch to the STAR credit.** This means you will pay your entire tax bill up front but receive a separate check from the state Department of Tax and Finance with your STAR savings. You may also need to make changes to your mortgage escrow accounts or direct deposit to accommodate the new tax bill.
- **The income limit for the Basic STAR exemption has been reduced to \$250,000.** If your income is more than \$250,000, you must switch to the credit if you wish to continue to receive the STAR benefit.

Who must switch?

- Anyone who participates in the STAR exemption program and would like to potentially get a larger refund every year.
- If your income is more than \$250,000, you must switch to the STAR credit to continue receiving your benefit.

If you are already registered for the STAR credit and there has been no change in ownership, you do not need to register again.

Helpful Information:

The state Department of Taxation and Finance STAR Website: www.tax.ny.gov/star

Find your assessor by contacting your local government at your town or village hall.

How to Switch to the STAR Credit

Note: These instructions apply only to homeowners with existing STAR exemptions who need or want to switch to the STAR credit program. New homeowners or first-time STAR applicants must register for the STAR credit and are not eligible for the STAR exemption.

1. Contact your local assessor to find out what stage of the annual property tax cycle your home is in:
 - a. If the tentative roll has not been filed, notify your assessor that you wish to withdraw your STAR exemption by delivering or sending them a signed, written note that includes your name and address. You can simply write “I wish to renounce my STAR exemption benefit.”
 - b. If the final assessment roll has been filed, you must use Form RP-496, Application to Renounce Previously Granted Exemption(s) (which can be found at: https://www.tax.ny.gov/pdf/current_forms/orpts/rp496_fill_in.pdf). This application to renounce will need to be filed with your county director of real property tax services.
2. Register for the STAR credit, choosing either Basic STAR or Enhanced STAR programs at www.tax.ny.gov/pit/property/star/default.htm. Please note if your ownership or age status changed to qualify you for the right program. Before registering, you should have the following information on hand for reference. You will not be able to save your online registration mid-point to complete at a later time if you do not have these materials on hand before you start:
 - a. The names and social security numbers for all owners of the property and their spouses.
 - b. The primary residence of the owners and their spouses.
 - c. Approximate date the owners purchased the property and the name of the sellers. This information is on file with your Town Clerk if you do not have it.
 - d. 2018 school tax bill, if the current owners received one.
 - e. Address of any residential property owned in another state.
 - f. The legal name of the trust, if applicable.
 - g. 2017 federal or state income tax returns for all owners. *Note: If you weren't required to file a 2017 income tax return, you will need the following information for all property owners: total wages, salaries, and tips; taxable interest income and dividends; unemployment compensation; total pensions and annuities; Social Security benefits; and other income.*

3. After you submit your registration, print a copy of the confirmation page and note your confirmation number. You'll need it for verification purposes in case you need to check your application in the future. If you provide your email address, you'll receive an email with your confirmation code.

What if I don't have Internet?

These applications should be available at your local town hall, village hall or county building, or you can contact the state Department of Taxation and Finance's STAR hotline from 8:30 a.m. to 4:30 p.m. by calling (518) 457-2036.

STAR Application Deadline

The application deadline is March 1st in most communities; however in cities, you should check with your assessor. If you renounce now, you will still get your exemption on your tax bill this fall but next year will receive the credit.

New Homeowners Or First-Time STAR Applicant:

If you are not already enrolled in the STAR credit program, please go to www.tax.ny.gov/pit/property/star/default.htm to apply.

How Does Star Apply To Mobile Or Manufactured Homes:

The owner of the land on which the manufactured or mobile home sits works with the state Department of Taxation and Finance to identify tenants so that if mobile or manufactured homeowners apply for STAR they will get savings. If your home is outside of a park, you will need to contact your local government as taxation on these dwellings varies depending on your municipality.