

## New \$500,000 income limit for Basic STAR property tax exemption

Beginning this year, legislation requires that taxpayers who earn more than \$500,000 will no longer receive the Basic STAR exemption.

To confirm your eligibility, your assessor may ask you to provide information about your income (see below for income definition).

The **STAR (School Tax Relief) program** reduces qualifying homeowners' school property tax bills each year.

The **Middle Class STAR Rebate program** was eliminated in 2009.

### What to do next

If your assessor notifies you that you're **ineligible** for the Basic STAR exemption:

- If you agree that you're ineligible, you don't need to do anything. However, if your income drops below the limit in the future, you'll need to re-apply for the exemption.
- If your household income is below \$500,000 and you believe that you're eligible for the exemption, contact your assessor. The assessor may advise you to file a formal assessment grievance.

If you receive a notice from your assessor requesting **more information**:

- Provide the assessor with your 2009 federal and state income tax returns.
- If you didn't file a tax return for 2009, you'll need to provide the assessor with all of your 2009 income statements (1099 statements, W-2 forms, etc.).

If you **don't receive a notice** from your assessor

- There's no need to do anything – you'll continue to receive the Basic STAR exemption.

### More information

To learn more about the STAR program and the assessment grievance process, visit the Tax Department's property tax website: [www.orps.state.ny.us](http://www.orps.state.ny.us)

#### How income is defined

For 2011, income for Basic STAR purposes is based on the 2009 tax year, and is the combined income of:

- all owners who reside at the property, and
- any owner's spouse who resides at the property.

Income is defined as federal "adjusted gross income" minus the "taxable amount" of total distributions from individual retirement accounts or individual retirement annuities (both of which are commonly known as "IRA's"). For specific line references on your 2009 federal or state income tax returns, see page 2 of the STAR application.



New York State Department of  
**Taxation and Finance**  
Office of Real Property Tax Services