



ANSWERS TO THE MOST FREQUENTLY ASKED QUESTIONS ABOUT

COOPERATIVE AND CONDOMINIUM TAX ABATEMENT

Who can apply?

The cooperative and condominium Board of Directors of new developments or their Managing Agents must file an Abatement application on behalf of the entire development.

The Abatement is available to all eligible residential co-op and dwelling condo units, with the exception of units owned by sponsors, or by persons who own more than three dwelling units in the development. Units used for non-residential purposes are also ineligible.

When to apply?

Building Abatement Applications must be filed by cooperative and condominium Board of Directors or their Managing Agents by **February 15th**. The benefits will then begin July 1st of the same year.

What is the effective date of the information?

All information provided on the tax Abatement application must be accurate as of **January 5th**, for their portion of the benefit only after the entire building is approved.

Who is responsible for new owner filing?

The Managing Agent or Board of Directors is responsible for sending new owner information to Finance. New owners must notify their Managing Agents or Board of Directors after purchasing their unit. They must provide them with the following information: new owner's name, new owner's social security number, previous owner's name, amount paid for the unit, and the date of sale.

Who receives the partial Abatement for Cooperatives?

The partial tax Abatement for cooperatives will be applied to the entire development's property tax bill. This bill is called the Statement of Account (SOA). Finance will notify the Cooperative's Board of Directors or the Managing Agent about the amount of benefit to be credited to each eligible unit.

*Unlike other non-coop exemptions or abatements which result in cash deductions, Finance has no say to how the benefits will be divided among individual coop shareholders. Each building's Board of Directors is responsible for applying the reduction to the eligible residential units **as they see fit**. This benefit may be in cash or used for building repairs, etc.*

When will eligible units receive the abatement for the current tax year?

If the Condominium/Cooperative Property Tax Abatement application is received by **February 15**, Finance will credit the sum of all abatements and exemptions for eligible cooperative units against the development's SOA, effective **July 1st**. In the fall, each development will receive a listing of benefits attributable to each unit. Effective **July 1st**, eligible condominium units will also see the abatement on their quarterly SOA.

My neighbor and I purchased our units on the same day - Why did they receive a tax abatement and I didn't?

Unit eligibility is determined by the prior owner's Abatement status as of **January 5th** for the tax year beginning **July 1st**. Therefore, if the unit you purchased was ineligible for the Abatement at the time of purchase, you were not eligible to receive the abatement. Your neighbor's unit was eligible for the abatement at the time of their purchase, so they received the abatement.

My Managing Agent applied a special assessment to our cooperative and kept the tax abatement. Are they allowed to do so?

Finance has no say in how benefits are applied. The cooperative/condominium Property Tax Abatement must be credited to each eligible unit. However, for example, if the Managing Agent made an assessment of \$1,000 to offset fuel expenses on all units, the co-op board is within its rights to reduce, or partially offset, the tax abatement for an eligible unit.

Why is my abatement different from my next-door neighbor who has the same number of shares?

Co-op/Condo tax Abatements are calculated by using the final taxable amount. The amount is calculated to include exemptions/abatements. See example provided in the section: How Finance Determines Your Abatement.

For example, if your neighbor has a Senior Citizen Homeowners (SCHE), Veteran, STAR, or other Exemption, these benefits are deducted. This results in a final taxable amount that may be lower than yours if you do not have these Exemptions. Then the tax abatement rate is applied. As a result, your neighbor's tax would be different than yours.

Should my parking space or the maid's room be calculated as a dwelling unit?

Any usable space with shares assigned (cooperative) or a B/B/L number (in a residential condominium building class) is considered a dwelling unit.

What is the proper way to credit cooperative owners their tax abatement? Can I, as an owner, request a check directly from Department of Finance?

Abatements are applied towards the Statement of Account for the entire co-op. Checks are not issued from the Department of Finance to owners or to Managing Agents. The Managing Agents will credit units according to the development's by-laws.

Do I have to report the abatement on my taxes?

Income taxes are different for each individual. Income tax questions should be submitted to an accountant for clarification.

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