

Income Tax Credits

As a new homeowner, you may qualify for savings through income tax credits. For additional information on the credits below, visit the *More income tax credits* page on our website at www.tax.ny.gov.

Solar Energy Systems Equipment Credit

If you purchased solar energy system equipment, entered into a lease of solar energy system equipment, or purchase power generated by solar energy system equipment not owned by you for at least 10 years, then you're eligible to claim the solar energy system equipment credit. The system must be installed at your principle residence and be used to produce energy for heating, cooling, hot water, or electricity for residential use.

Historic Building Credits

You may be able to claim a credit for expenditures paid or incurred to rehabilitate a historic home or barn located in New York State.

Conservation Easement Credit

This credit is eligible to homeowners who own land subject to a conservation easement that's held by a public or private conservation agency. The credit is 25% of the school district, county, and town real property taxes paid during the current tax year on the land that's subject to the conservation easement—excluding taxes paid on building, structures, and other improvements.

Real Property Tax Credit

The real property tax credit may be available to New York State residents who have household gross incomes of \$18,000 or less, and pay either real property taxes or rent for their residences. If all members of your household are under age 65, the credit can be as much as \$75. If at least one member of your household is age 65 or older, the credit can be as much as \$375.

NYC Enhanced Real Property Tax Credit

This credit is available to New York City residents who have household gross incomes of less than \$200,000, and pay either real property taxes or rent for their residences. The credit can be as much as \$500. If the amount of the credit is more than your tax for the year, the excess is treated as an overpayment of tax to be credited or refunded without interest.

Five Tax Benefits of Homeownership

To deduct expenses of owning a home, you must file Form 1040, *U.S. Individual Income Tax Return*, and itemize your deductions on Schedule A (Form 1040). If you itemize, you cannot take the standard deduction.

1. Mortgage interest

Interest on the loan for your primary residence is fully tax-deductible through the IRS, if you qualify.

2. Home improvement loan interest

If you take out a loan to make substantial home improvements, you can deduct the interest on it. Just make sure that the work you're doing is a capital improvement and not an ordinary repair.

3. Real estate taxes*

You may be able to deduct real estate taxes imposed on your property. You must have paid them either at the settlement or closing, or to a taxing authority (either directly or through an escrow account) during the year.

4. Home office*

If you have a qualified office in your home, you may be able to deduct costs associated with maintaining the portion of your home exclusively used for business.

5. Moving expenses*

If you relocated for a new job and purchased a home, you may be able to write off certain moving expenses.

** These benefits are available on both federal and state income tax returns. For more information on federal deductions for your home, check out IRS Publication 530.*

NYS Department of Taxation and Finance

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CO-305 (8/16) DRAFT

NEW HOMEOWNERS



Department of
Taxation and Finance

Congratulations on your new home!

The New York State Department of Taxation and Finance is here to help answer your questions and inform you about ways to reduce your property and incomes taxes.

First, register for STAR

Before your first box is unpacked, you should register for the STAR credit. The School Tax Relief (STAR) Program provides millions of homeowners with hundreds of dollars in savings each year.

To be eligible, the home must be your primary residence, and the total household income can't exceed \$500,000. Seniors are eligible for the enhanced STAR credit if their household income is below \$86,000.

Note that new STAR applicants are eligible for a STAR credit rather than the STAR property tax exemption, which they may have received for previously owned properties. The eligibility rules and savings amount remain the same.

For more information and to register, visit our website at www.tax.ny.gov/STAR.

Property tax exemptions

You may also qualify for additional property tax exemptions offered by your municipality, county, or school district. Exemptions are generally available for senior citizens, veterans, and for persons with disabilities. For more information, visit the *Property tax exemptions* page of our website at www.tax.ny.gov.

Check your assessment

Your property taxes are based on an assessment determined by your local government. All assessments are listed on the assessment roll.

You should check the assessment roll annually to ensure you're assessed fairly. If you believe the market value listed on the assessment roll for your property is higher than the price for which you could sell it, you have the right to contest it.

The deadline to contest your assessment (Grievance Day) is the fourth Tuesday in May in most communities.

For more information, visit *Contest your assessment* on our website at www.tax.ny.gov.

New York State Property Tax Initiatives

In addition to the STAR program, New York State has additional programs to provide New Yorkers with billions of dollars in property tax relief each year. These initiatives make homeownership possible for families and individuals who otherwise might not be able to afford the cost of a home.

New York State Property Tax Cap

Since 2012, the property tax cap limits increases in school and local property tax levies to two percent per year—or the rate of inflation, whichever is less—while maintaining local control.

As a result of the cap and citizen involvement, New York's property tax levies have been held to an average growth rate of approximately two percent—less than half the rate of growth over the previous ten years.

The cap results in significant savings for property taxpayers, and the impact grows over time. By the end of 2016, the typical taxpayer will have saved more than \$2,100 in local property taxes.

Property Tax Relief Credit

Beginning in the fall of 2016, the new property tax relief credit will provide direct relief to qualifying NYS homeowners. In 2019 when it's fully phased in, it will provide \$1.3 billion in relief statewide and an average credit of \$530 for homeowners.

For each year you're eligible, you'll automatically receive a check. To qualify, you must:

- live in a school district that complies with the New York State property tax cap;
- receive either Basic or Enhanced STAR; and
- have an income of \$275,000 or less.

New York City is not subject to the tax cap. For this reason, city residents are not eligible for this credit. If you're a New York City homeowner or renter, you may, however, be eligible for the New York City enhanced real property tax credit.

Important Property Tax Reminders

The dates below vary among localities. Contact your local assessor for the dates in your community. To find your assessor, visit your local municipality's website.

Taxable status date

- Deadline to submit exemption applications
- The property is assessed based on its ownership and condition as of this date

Tentative roll date

- The assessor makes the assessment roll public for inspection
- You should check your assessment on the tentative roll each year

School budget voting day

- You have the opportunity to vote on your local school budget annually

Grievance Day

- Grievance Day is the deadline to file the assessment review form with the assessor
- The Board of Assessment Review meets to review assessment complaints

Final roll date

- The assessor files a roll that contains the final assessments, including all changes
- If you grieved your assessment and did not receive the relief you requested, you can apply for judicial review of your assessment within 30 days following the final roll date

School property tax bills

- This bill may also include local library taxes
- Payment is generally due by the end of the month

Municipal/County property tax bills

- In addition to city, town and county taxes, this bill can include fire districts and other special districts.
- Payment is generally due by the end of the month