



November 7, 2013

REAL PROPERTY TAX ALERT

**IMPORTANT NOTICE FOR ORGANIZATIONS THAT OWN PROPERTY
EXEMPT FROM REAL ESTATE TAXES UNDER NEW YORK REAL
PROPERTY TAX LAW SECTION 420-a**

If it's November then you know it's time to set your clocks back, change the battery in your smoke detector, and renew your real property tax exemption. If your organization owns real property that is exempt under Section 420-a you may renew your exemption online. If you have an exemption that was granted on or before July 1, 2013, the deadline for filing renewal applications is January 5, 2014. Failure to file your renewal application by that date results in revocation of your exemption. If your exemption was granted after July 1, 2013 you do not have to file a renewal application for the 2014 year. If you are applying for the first time, there is no application deadline and your application will be accepted throughout the year.

Background

Not-for-profit organizations ("NFPs") can qualify for full or partial property tax exemption if the organizations use their property for the specific not-for-profit purposes outlined in Section 420-a of the NYS Real Property Tax Law ("RPTL"). Federal not-for-profit status under 501(c)(3) status does not guarantee eligibility for the tax reduction.

Three grades of exemptions are available:

- Full Exemption - is available to NFPs with property that is used exclusively for 420-a permitted purposes.
- Partial exemption - is available to NFPs for any portion of their property used exclusively for 420-a permitted purposes.
- Contemplated Use Exemption - is available to NFPs for vacant land and/or buildings that have active plans and documentation to show that it will be used in the near future for 420-a permitted purposes. NFPs with Contemplated Use Exemption must file a Not-For-Profit Organization's Tax Exemption Application once work is completed or their property tax exemption will be lost.

Note: Every Borough-Block-Lot with a partial, full, or Contemplated Use Not-For-Profit Exemption is required to file a renewal application each year in order to continue receiving the exemption.

NFPs should prepare a list of Block and Lot information and check all of NFP properties annually to protect the organization's exemption status, to avoid late charges and penalties and the risk of foreclosure. Check tax bills and all open charges annually for each property. If tax bills are not being received verify that the address where tax bills are being sent is correct. See the instructions below on how to correct the address where notices and bills are sent.

Instructions

To apply for a Not-For-Profit Exemption: Visit www.nyc.gov/notforprofit, scroll to the "How to Apply" section on the right side of the screen, click "Not-For-Profit Organization's Tax Exemption Application," then click "Exemption from Real Estate Taxation for Property Owned by Nonprofit Organizations Application". Note: you will need to include: (1)(a) a copy of the 501(c)(3) Determination or Ruling Letter or (b) a copy of the application for exemption from federal income tax and any other statements and attachments submitted with the application for exemption from federal income tax and (2) any other attachments requested in the real property tax exemption application. Completed applications must be mailed to: New York City Department of Finance Commercial Exemptions – NFP, 59 Maiden Lane, 22nd Floor, New York, NY 10038.

To check your property's current exemptions: Visit www.nyc.gov/finance, click "Property" on the left column of the site, click "Exemptions and Abatements" from the dropdown menu of the left column, then click "Property Tax Benefit Information" on the right column. You can search for your property by address or Borough, Block and Lot Numbers.

To renew online: Visit <http://nyc.gov/commercial exemptions> to access the DOF newly launched online renewal system. It will be necessary to enter the user name and password found on the 2013 renewal notice received by mail. If you did not receive or misplaced your user name and password can call 311 or email notforprofit@finance.nyc.gov with the organization's name to request the user name and password information.

To renew by mail: Paper forms can be requested by calling 311 or emailing notforprofit@finance.nyc.gov. The subject line of the email should be "Requesting Paper Form for [organization's name]". Paper forms should be sent to the address listed on the forms. Please note that organizations completing the form online will receive a confirmation email and a receipt of the submission while organizations completing a paper application will not.

To check your tax bill: Visit www.nyc.gov/finance, click "Property" on the left column of the site, click "Bills and Payments" from the dropdown menu of the left column, click "Property Tax Bill Information and Payment" on the right column, then click the button that states "Access Your Property Tax Bill". You may then search for property by address or Borough, Block and Lot Numbers.

To check all open charges: Visit <http://nycserv.nyc.gov/> and select an item. You may then search for charges by account number or Borough, Block and Lot Numbers.

To change the address where your information is sent: Visit www.nyc.gov/finance, click “Property” on the left column of the site, click “Bills and Payments” from the dropdown menu on the left column, then click “Update Property and Billing Information” on the bottom of the right column.

Who to Contact for More Information

Organizations that have questions about the application or renewal forms, or the exemptions should call 311 or email the Not-for-Profit Exemption Unit at DOF at the following address: commercialexemptions@finance.nyc.gov.

This alert is meant to provide general information only, not legal advice. Please contact Hedwig O'Hara at (212) 219-1800 ext. 226 if you have any questions about this alert.

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