



September 25, 2017

REAL PROPERTY TAX ALERT

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

When fall arrives it is time for you to start thinking about renewing your organization's real property tax exemption. If you have an exemption that was granted on or before July 1 of the current year, the deadline for filing renewal applications each year is January 5th. Failure to file your renewal application by that date may result in revocation of your exemption. If your exemption was granted after July 1, 2017 you do not have to file a renewal application until the following 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 in the middle 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 <http://www1.nyc.gov/site/finance/taxes/property.page>, scroll down under the heading "Online Tools" and click "Exemptions & Abatement Lookup." You can search for your property by address or Borough, Block and Lot Numbers.

To renew online: In or about late September or early October you will receive a renewal notice in the mail with a user name and password so that you can access the DOF online renewal system. Visit <http://nyc.gov/commercialexemptions> to access the DOF online renewal system. If you do not receive a user name and password you can call 311 or email notforprofit@finance.nyc.gov with the organization's name to request the user name and password information. While the deadline for filing the renewal is January 5th each year, you may file the renewal any time after you receive the user name and password in the mail.

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, under the heading "Property," click "Bills and Payments," click "View 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, under the heading “Property,” click “Bills and Payments,” then click “Tax Bill Information & FAQs” and scroll to “Updating Bill and Notice Name and Address.”

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.

Lawyers Alliance Webinar on October 27, 2017

If you want more information about real property tax exemptions for charitable organizations, sign up today for the Lawyers Alliance Webinar being held on October 27, 2017 from 12:00 to 1:00 p.m., “Obtaining and Maintaining Real Property Tax Exemption 420a – The Charitable Exemption,” <http://www.lawyersalliance.org/workshops.php>.

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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