

Q & A for homeowners about the STAR credit program – courtesy of the New York State Department of Taxation and Finance

Further questions should be directed to:

- The Offices of Your Local Assessor
- The New York State Department of Taxation and Finance
- The Office of Real Property Services of New York State

This Q & A can be found at the following URL:

<https://www.tax.ny.gov/pit/property/star/star-2016-tp-faqs.htm>

Changes to STAR

If you currently receive your STAR benefit as a reduction on your school tax bill (the STAR exemption), you may receive a greater benefit if you switch to the STAR credit to receive a check instead.

Recent changes in the law beginning this year:

- The value of the STAR credit savings may increase by as much as 2% each year, but the value of the STAR exemption savings will not increase.
- The income limit for the Basic STAR exemption is now \$250,000.

If your income is more than \$250,000, you must switch to the STAR credit to continue receiving a STAR benefit.

If your income is \$250,000 or less, you have the option to switch.

To switch to the STAR credit:

1. Notify your assessor to withdraw from the STAR exemption.
2. [Register for the STAR credit](#).

Q: If I'm receiving the STAR exemption, should I switch to receiving a check for the STAR credit?

A: Yes. Beginning in 2019, homeowners who have the STAR exemption may receive a greater benefit if they switch to the STAR credit. The value of the STAR credit savings may grow by as much as two percent from year to year, but the value of the STAR exemption savings cannot increase.

In addition, if your income is \$250,000 or higher, you must switch to the STAR credit to continue receiving the STAR benefit.

To switch to the STAR credit:

1. Notify your assessor to withdraw from the STAR exemption.
2. [Register for the STAR credit](#).

Q: After I buy a new home, when do I become eligible for the STAR credit?

A: You will become eligible for the STAR credit in the first year that you own the home and it is your primary residence as of the date that school taxes are due.

Example 1: If the school taxes in your community are due by September 30, and you purchase the home on September 15, you will become eligible for STAR that year, as long as you [Register for the STAR credit](#) and meet the eligibility criteria.

Exception: If the prior owner had been receiving a STAR exemption on the home, and the sale occurred after the local “taxable status date” (generally March 1st), his or her STAR exemption will be carried over to your first school tax bill, and you will begin receiving the STAR credit the following year.

Example 2: If the school taxes in your community are due by September 30, and you purchase the home on October 15 (after school taxes are due), you will become eligible for the STAR credit the following year, as long as you register and meet the eligibility criteria.

Q: I own my single-family home and have been residing in it for over a decade, but I never applied for the Basic STAR exemption. Am I eligible for the Basic STAR exemption now, or do I have to register for the STAR credit with the Tax Department?

A: Since you weren't receiving the STAR exemption on the property in 2015, you're not eligible to receive the exemption. You should [register](#) with the Tax Department for the credit.

Q: I used to receive the STAR exemption on my school tax bill, but I bought a new home. Why do I have to get a STAR credit check instead of the exemption?

A: In 2016, the law changed regarding the STAR exemption. Instead of applying to your assessor for the exemption, you'll now register with New York State for the STAR credit. If you are [eligible](#), you will receive a STAR credit in the form of a check. The dollar value of the credit will generally be the same as the property tax exemption.

Q: How do I register for the STAR credit?

A: You can register online or by phone; visit [Register for the STAR credit](#) or call 518-457-2036. Before you start an online application or call, gather all the [information required to register](#), because you won't be able to save the registration to complete at a later time.

Q: When should I register?

A: We recommend you register as soon as possible after you move into your home. Registrations will be accepted for three years from the income tax filing deadline for the year that the credit covers. For example, to claim the STAR credit for 2017, you must register by April 15, 2021. However, the sooner you register, the sooner you will receive your STAR check. Bear in mind that the STAR credit began in 2016. You cannot request a STAR credit for 2015 or prior years.

Q: Do I need to register every year?

A: No. Once you've registered, we'll automatically review your eligibility for the credit every year after that for as long as you continue to own and occupy your home.

Q: I purchased my home in 2018 after the 2018 STAR application deadline, but I received the STAR exemption on my 2018–19 school tax bill. Do I need to register?

A: Yes. The reason you received the STAR exemption on your 2018–19 school tax bill is because the previous owner of your home was granted the STAR exemption. You were entitled to their benefit for the remainder of the 2018-19 school year, but you are not entitled to keep their STAR exemption beyond that. You must register for the STAR credit in order to receive a STAR benefit in the future.

Q: I recently bought my mobile home and live in a mobile home park. Am I eligible for the STAR credit?

A: Mobile home owners are eligible for the STAR credit as long as they meet all the [STAR eligibility criteria](#).

Q: As a mobile home owner, is there an advantage for me to have the STAR Credit instead of the STAR exemption?

A: In some cases, yes. First you must understand the difference between how each is administered. The exemption is a reduction applied directly to a property's school tax bill. In the case of mobile home parks, the park owner receives the school tax bill and divides the debt among all the tenants proportionately according to the taxable assessed value of their mobile home. The tenant then pays their share of the school tax as a portion of their lot rent. For the credit, the Tax Department applies an assessed value of \$20,000 to all mobile homes unless the assessor reports a greater assessed value to the Tax Department. Therefore, unless your mobile home is assessed greater than \$20,000, then the credit may provide a greater savings than the exemption.

Q: I own a mobile home in a mobile home park and receive the STAR exemption. Will my STAR savings be larger if I register for the credit?

A: You may receive a larger savings with the credit instead of the exemption if the mobile home is not separately assessed and its equalized assessed value is less than \$20,000. You would be separately assessed if you have any other exemptions in addition to the STAR; for example, a veterans exemption, a senior exemption, a disabled exemption, etc. The difference is because for the exemption, the savings is calculated based on the assessed value of the mobile home unit. The park owner

receives the school tax bill and distributes the STAR savings to the unit owners, often by reducing their lot rent. In addition, the owner can keep two percent of the savings for record-keeping purposes.

However, by law, the STAR credit for a mobile home unit that is not separately assessed is based on a minimum equalized assessed value of \$20,000, and the credit is issued as a check directly to the unit owner—not the park owner. In addition, the park owner is not involved with the administration of the STAR credit so the two percent reduction allowed for record-keeping purposes to administer the exemption is not applicable.

Q: When I file my income taxes, do I need to list the STAR credit amount as income?

A: See [How to report your property tax credits](#).

Q: I didn't receive my STAR credit check in time to pay my school tax bill. Is my credit check now eligible for interest?

A: State law allows for interest to be paid on STAR credits only if you registered on or before July 1. However, even if you registered on or before July 1, your eligibility for interest depends on when your school district's tax roll was filed with the Tax Department. Specifically, if the school tax roll was filed with us:

- by July 1, you're eligible for interest if the check isn't issued by July 31.
- by September 1, you're eligible for interest if the check isn't issued by September 30.
- after September 1, you're eligible for interest if the check isn't issued within 30 days from the filing of the roll.

Note: Checks for cooperatives and mobile homes may be on a different schedule. If you are entitled to interest, it will be automatically added to your check when it is issued.

Q: I have been receiving a Basic STAR exemption since 2014. I turned 65 years old a few months ago and believe that I now qualify for the Enhanced STAR exemption. Do I apply to the assessor to receive the Enhanced STAR exemption?

A: Yes. If you have been receiving STAR since before the 2015 STAR application deadline, the STAR rules are the same for you as before.

To have your Basic STAR upgraded to Enhanced STAR, you must submit the following to your assessor:

- [Form RP-425-E, Application for Enhanced STAR Exemption for the 2019-2020 School Year](#), and
- [Form RP-425-IVP, Supplement to Forms RP-425-E and RP-425-Rnw](#) (include the Social Security numbers of all owners of the property and any of their spouses who reside at the property).

Q: I've been getting the Enhanced STAR exemption on my home for several years. What do I need to do now?

A: If you are already enrolled in the Income Verification Program (IVP), you do not need to do anything. However, if you are not enrolled in IVP, you must submit [Form RP-425-IVP, Supplement to Forms RP-425-E and RP-425-Rnw](#) (include the Social Security numbers of all owners of the property and any of their spouses who reside at the property).

Q: I have continuously owned my home and have been receiving the STAR exemption, but a co-owner has been added or removed as a result of marriage, divorce, or the death of a spouse. Do I have to switch to the STAR credit?

A: No. If you received the STAR exemption in 2015 and you continue to own the home, you're eligible to continue receiving the exemption.

Q: I'm receiving the Enhanced STAR exemption and I'm considering placing my home in a trust or life estate. Will I lose the STAR exemption and have to register for the STAR credit?

A: No. As long as you continue to live in the home and you're either the trust beneficiary or life tenant, you're eligible to continue receiving the exemption. For more information on trusts, life estates and STAR, see [STAR eligibility](#).

Updated: April 16, 2019

This document was provided by the New York State Department of Taxation and Finance and should not be interpreted as advice or direction from the school district. All questions regarding the STAR program should be directed to your local assessor's office, the New York State Department of Taxation and Finance, or the Office of Real Property Services of New York State.