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## Attention property owners - Re-register for Basic STAR

**Robert Renda**


Forchelli,  
Curto, Deegan,  
Schwartz,  
Mineo &  
Terrana, LLP

Residential property owners across New York State will receive, or should have already received, notices informing them of the need to re-register for New York State's School Tax Assessment Relief Program, referred to as "STAR." Homeowners that fail to re-register by the December 31<sup>st</sup> deadline will not receive the Basic STAR exemption in 2014. This initiative was borne out of a recent audit of the STAR program which revealed widespread fraud and abuse.

A main area of abuse is where homeowners receive the STAR exemption on multiple properties. For example, a homeowner who has his primary residence in Massapequa and a rental residence in Merrick cannot receive the STAR exemption on the Merrick property. A New York State homeowner is only entitled to one Basic STAR exemption on his

or her primary residence. Here, the homeowner would only be entitled to the STAR exemption on the Massapequa residence.

As a result of governor Cuomo's re-registration program, all property owners currently receiving the Basic STAR exemption must re-register by December 31<sup>st</sup>. Re-registration will require property owners to verify certain information including their social security number, salary, primary residence, and that no resident owner received a residency based tax benefit from another state.

The State has indicated that homeowners will not have to re-register for Basic STAR every year. Based on the information provided during the current registration process, the State Tax Department will monitor eligibility in future years. Moreover, the re-registration will not affect 2013 STAR exemptions, nor will it affect those recipients of the Enhanced STAR exemption. However, senior citizens receiving the Enhanced STAR exemption must continue to either apply annually or participate in the Income Verification Program in order to continue

receiving the Enhanced STAR exemption.

The STAR program was originally enacted in the late 90's under then governor George Pataki. For those eligible to receive Basic STAR, the program exempts approximately \$30,000 of a home's full market value for the purposes of calculating school taxes. Generally, homeowners earning less than a combined \$500,000 annually are eligible to receive the STAR exemption on their primary residence. The Enhanced STAR program is available to resident homeowners who are 65 years or older and have a combined income of less than \$81,900. New York State has reported that the Basic STAR program saves participating homeowners an average of \$700 annually, with a total savings of approximately \$1.9 billion each year.

A primary aim of the re-registration program is to create a statewide database of homeowners receiving the Basic STAR exemption. This newly created database will make it easier for local property tax assessment officials to monitor whether a homeowner is receiving the

STAR exemption in another New York State municipality. Those homeowners caught abusing or defrauding the STAR program will have the STAR exemption revoked and will be subject to penalties which include: 1) repayment of the amount of the benefit inappropriately received, plus interest; and 2) a \$500 processing fee.

Re-registration can be done online at the New York State department of taxation and finance website, [www.tax.ny.gov](http://www.tax.ny.gov), by telephone at 518-457-2036, or by regular mail. In order to re-register, residents will be required to provide a "STAR code" which will be included in the mailed notice, or can be found online at the taxation and finance department website. Nassau residents were slated to receive the re-registration notice the week of September 16<sup>th</sup> and Suffolk residents the week of September 30<sup>th</sup>.

**Robert Renda, Esq., is an associate in the tax certiorari department at Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, Uniondale, NY**