



THE CO-OP & CONDO COMMUNICATOR

January 2017

PROUDLY SERVING THE REAL ESTATE COMMUNITY FOR OVER 50 YEARS

Dear Valued Client,

Our 2017 Winter Newsletter is a comprehensive summary of the Tax Abatement & Exemptions that are offered by both New York State (NYS) and New York City (NYC) Department of Finance (DOF) to eligible shareholder(s)/unit owner(s) of cooperatives and condominiums. The government agencies that determine your eligibility status for tax abatements and exemptions have recently changed the procedures and guidelines for these benefits. We hope this newsletter educates you and clarifies any questions you may have concerning the process.

Cooperative and Condominium Tax Abatement

Owners of cooperative and condominiums who are considered eligible by the New York City Department of Finance and meet the requirements noted below for the Cooperative and Condominium Property Tax Abatement can have their property taxes reduced.

If you reside in The Link Condominium, The Bayard Condominium, The Langston Condominium, The Onyx Chelsea Condominium, 77 Reade Street Condominium, 100 West 80th Street Condominium, 272 West 107th Street Condominium, Lionsgate Condominium, 666 Broadway Condominium Association, or Blue Condominium you are not eligible for a tax abatement and can disregard the following. Apartments in these buildings are receiving tax exemptions under J-51, 420c, 421a, 421b, 421g, and are ineligible.

The New York City Department of Finance (DOF) is the governing agency that determines whether or not your apartment is your primary residence. One of the significant indicators they use is the address listed on your New York City Income Tax Return. If you co-own several properties, you can still be eligible for the tax abatement as long as this is your primary residence. Apartments owned by a trust or where a person owns a life estate in the property are eligible only if the unit is the primary residence of the beneficiary of the trust, trustee, or life estate holder. The amount of the abatement is based on the average assessed value of the apartments in your cooperative or condominium. The assessed value is a figure the City derives through a complicated formula for tax assessment purposes only.

The following forms of ownership are immediately disqualified: (i) Investor owned apartments including sponsor units (ii) LLCs and corporations (iii) Partnerships and owners of more than three apartments in the same building.

Co-op/Condo abatement credits represent significant savings. If you purchased on or before January 5, 2016 from an eligible shareholder/unit owner, you should receive the tax abatement for the July 1, 2016 through June 30, 2017 New York City (NYC) tax year. Therefore, if you purchased on or after January 5, 2016, then you will first be eligible for abatement credits during the July 1, 2017 through June 30, 2018 fiscal year. It is important to note that eligibility of shareholders and unit owners is subject to review by the DOF annually. Therefore, it

Cooperative and Condominium Tax Abatement (continued...)

is possible that although you were deemed eligible in a prior year and had received the abatement credits, the DOF can revoke eligibility at any given time if they determine that your apartment is no longer your primary residence. The reinstatement of the tax abatement credit will require further action on your part if you are a primary resident. As we become notified, all shareholders/unit owners deemed ineligible will be notified by Midboro of their ineligible status and asked to complete a questionnaire to submit corrections on their behalf to the DOF.

Midboro posts tax abatement credits each year on eligible cooperative shareholders' maintenance bills (typically in June). In condominiums, the NYC DOF will continue to post abatement credits directly on the real estate tax bills sent to unit owners.

CO-OP SHAREHOLDERS: We will inform any shareholders deemed ineligible by the DOF for New York City's Real Estate Tax abatement for the fiscal year of July 1, 2016- June 30, 2017, on or before Friday, January 20th. **Our letter will include a form that must be completed and received by our office no later than February 3rd to enable us to process a correction on your behalf.** We encourage you to email the completed form to taxabatement@midboro.com. If unable to forward via email, please fax to 212-875-0808 or mail to our main office, attention Tax Abatement. Any form received after February 3rd may result in being excluded in our filing of corrections to the NYC DOF. Our deadlines to file have been dictated by the NYC DOF.

CONDOMINIUM UNIT OWNERS: As of 2017, the NYC DOF has made managing agents the party to inform the DOF of; (i) New unit owners, based on Midboro receiving a recorded deed (ii) Units that have changed the names on their deed (iii) Unit Owners who were indicated as ineligible by the DOF, but believe they are eligible. We will inform any Unit Owners deemed ineligible by the DOF for New York City's Real Estate Tax abatement for the fiscal year of July 1, 2016- June 30, 2017. **Our letter will include a form that must be completed and received by our office no later than February 3rd to enable us to process a correction on your behalf.** We encourage you to email the completed form to taxabatement@midboro.com. If unable to forward via email, please fax to 212-875-0808 or mail to our main office, attention Tax Abatement. Any form received after February 3rd may result in being excluded in our filing of corrections to the NYC DOF. Our deadlines to file have been dictated by the NYC DOF.

This year the deadline for Midboro to submit 2016/2017 Cooperative and Condominium Tax Benefit correction to NYC DOF is February 15, 2017.

2015/2016 CO-OP TAX ABATEMENT CORRECTIONS

Credits for 2015/2016 tax period were issued to eligible shareholders in June 2016. We just received the latest correction lists for the 2015/2016 Tax Abatement credits from the NYC DOF. For those co-op owners that responded to Midboro's notification regarding their eligibility status for the 2015/2016 DOF tax year in January, you will receive a letter regarding the DOF's determination of your status the week of January 23rd. If you are deemed eligible you will receive a credit that will appear on your February 2017 statement. If you were still deemed ineligible, we will notify you and will be contacting the DOF on your behalf to ask them exactly why you are not receiving the credit and to see if there is anything that can be done to reverse your status. Lastly, there were some cases of the DOF reversing tax credits for a shareholder's apartment because they deemed those credits to be improper carryovers from the prior owner. If this is the case, your tax abatement credit was adjusted accordingly, per the DOF.



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STAR Exemption Reminder (as appeared in Midboro's fall newsletter)

Reminder - STAR is New York State's School Tax Relief Program that includes a school property tax rebate program and a partial property tax exemption from school taxes. All New Yorkers who own and live in one, two, or three family home, condominium or cooperative apartment are eligible for STAR on their primary residence. There are two parts to the STAR property tax exemption: The Basic STAR exemption is available for owner-occupied, primary residences regardless of the owner's age, where the income of the owners and spouses who reside on the property does not exceed \$500,000. The Enhanced STAR exemption is available for the primary residences of senior citizens (age 65 and older) with yearly household incomes not exceeding a statewide standard. For property owned by a husband and wife, or by siblings, only one of them must be at least 65 years of age as of December 31 of the year in which the exemption will begin to qualify for the Enhanced exemption. Their combined annual income, however, must not exceed the STAR income standard. Homeowners that register in the Income Verification program do not need to register every year. Income will be verified as long as a NYS IT-201 is filed annually.

New York State has changed the STAR application process. For new applicants, it's now called the STAR Credit Program. If you purchased your home after March 15, 2015 or you did not apply for the STAR exemption before March 15, 2015 you must apply directly on the New York State website (<https://www.tax.ny.gov/star/>) or call 518-457-2036. If you qualify, you will receive a STAR credit in the form of a check, rather than receiving a property tax exemption credit that is applied to your account by Midboro. If you do not receive the STAR Credit, you will receive a letter from New York State Department of Finance (NYS DOF).

If you are currently receiving a STAR credit, you do not need to register for STAR. You will continue to receive these credits on your monthly bill.

If you had the STAR Exemption on your property tax year 2015/2016 and you wish to apply for Enhanced STAR please complete and submit the "[RP-425E Form](#)" (click the link which redirects you to the website) directly to the NYC DOF as noted on the application. Your application must be postmarked by March 15, 2017. If eligible, the benefit will begin July 1, 2017. If you have any questions regarding the process or your eligibility you may contact NYS DOF directly at 518-457-2036 or by email at orpts.star@tax.ny.gov.

Property Tax Exemptions

In addition to the Tax Abatement and STAR Credit Program, eligible shareholders/unit owners can also apply for the following property tax exemptions, (i) Senior Citizens Homeowners Exemption, (ii) Disabled Homeowners Exemption, (iii) Veterans Exemption (iv) Clergy Exemption (v) Disabled Crime Victim/Good Samaritan Exemption. You can use the Homeowner Tax Benefits Application to apply for most of the property tax exemptions for your primary residence. Unlike the Tax Abatement, your primary residence is determined by the address where you are registered to vote or by the house, condominium, or cooperative apartment that you live in for the majority of the year.

You may apply for these exemptions by completing the "[Homeowner Tax Benefits Application](#)" (click the link which redirects you to the website) on the NYC DOF *website*. The qualifications to be eligible for these exemptions are indicated on the application. Your application must be submitted directly to the NYC DOF. Your application must be postmarked on or before March 15, 2017. If eligible, benefits will begin July 1, 2017. Filing the appropriate applications with the DOF to ensure receipt of the available abatements is the shareholder/unit owner's responsibility. Midboro is not responsible for filing on the shareholder's/unit owner's behalf.

CONTACT US:

Billing: Questions pertaining to your monthly bill should be emailed to ar@midboro.com.

Client Care: If you have any questions, concerns, suggestions or complaints that are not being addressed by your management team, you may contact our executive team at clientcare@midboro.com to address your needs. Our Client Care email address is set up to provide an additional layer of support to the residents we serve.

Purchase, Sublet, Refinances: Inquiries pertaining to purchase, sublet, and refinance applications should be sent to closings@midboro.com. This is a distribution email to all the members of the Transfer Department who will respond accordingly to your requests.

Tax Abatement: Inquiries regarding the tax abatement process and form submissions should be sent to taxabatment@midboro.com.

Website Inquiries: Questions or issues to register for "Midboro Online" can be sent to webadmin@midboro.com.

Message from Michael J. Wolfe



I would like to take this opportunity to thank you for being a valued client of Midboro Management. Being a member of the Midboro family means having the whole team at your disposal. Our unparalleled experience along with our hands-on management style and attention to detail is unlike our competition and has made us leaders in customer satisfaction and client retention. Our personal attention has kept us proudly serving the real estate community for more than 50 years. What sets us apart from other management companies is that we are exclusively in property management. We do not provide brokerage services like many other firms. We cater to the needs of the daily operation of the building and the needs of the owners.

On November 17th, I celebrated my 30th anniversary at Midboro. I genuinely love this field of work and everything about it. I assumed ownership of the company when we were managing 23 buildings. I am pleased to have seen this company grow to managing more than 100 properties. It's the passion and drive of our entire team that has made us become successful at what we do!

Wishing all of you a prosperous New Year!

