

# NYC RESIDENTIAL property taxes

1  
CLASS ONE

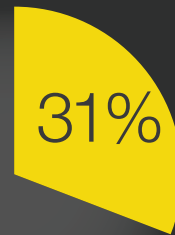
one  
two  
three  
family  
homes



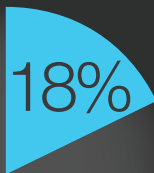
# WHERE DO YOUR tax dollars go?



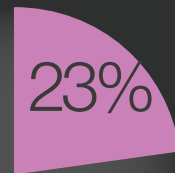
Uniformed Agencies  
(Police, Fire,  
Sanitation,  
Corrections)



Education



Health &  
Welfare



Other Agencies  
(Transportation,  
Housing, Parks, etc.)

In New York City, property tax represented 48% of all the city tax dollars collected in fiscal year 2021, which ended on June 30, 2021. This chart shows how all city tax dollars were spent.



# how we calculate your property tax bill

1  
step

## DETERMINE MARKET VALUE

We value your home using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood.

2  
step

## DETERMINE ASSESSED VALUE

A property's assessed value is a percentage of its market value and is used, with the adjustments described below, to determine the property's annual tax bill. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.

3  
step

## APPLY EXEMPTIONS ON FILE

The City of New York offers tax breaks known as exemptions to seniors, veterans, clergy members, people with disabilities, and other homeowners. If you qualify for any of these exemptions, we subtract these amounts from your property's assessed value to determine its taxable value. (Visit [www.nyc.gov/ownerexemption](http://www.nyc.gov/ownerexemption) to find out which tax breaks you might qualify for.)

4  
step

## PROPERTY TAX BILL

We calculate the amount you owe in property taxes by applying the city's tax rate for class 1 properties, a percentage set each year by the city council based, in part, on state law requirements, to your taxable value. If your property receives a type of tax break known as an abatement, we subtract it from your bill to reduce the total amount that you owe.

### example

Single-family home. Owner receives a tax exemption and an abatement	
Market Value	\$714,000
Assessment percentage (in this case, 6% of market value)	x .06
Assessed Value	\$42,840
minus exemption	- \$2,000
Taxable Value	\$40,840
Tax rate (set each year by city council)	x .19963
Property tax before abatements	\$8,153
minus abatement	- \$396
<b>TOTAL PROPERTY TAX DUE</b>	<b>\$7,757</b>



# 1 step

## Market Value — Valuing Your Property

The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood. Similar properties are those that are close in size, style, and age to yours.

### PROPERTY TAX CLASSES

Properties in New York City are divided into four classes, each valued and assessed differently under the law. Tax class 1 includes one- to three-unit residential properties. For information about how market values are determined for class 2, 3, and 4 properties, visit [www.nyc.gov/propertytaxes](http://www.nyc.gov/propertytaxes).



One- to three-unit  
residential properties



Utility company  
equipment and special  
franchise property



Residential property  
with more than 4 units,  
including cooperatives  
& condominiums



All other real property,  
including office  
buildings, factories,  
stores, and hotels



# 2

## Assessed Value — Assessing Your Property

Your home's assessed value is a percentage of its market value. State law limits how much the assessed value of a class 1 property in New York City can increase. Your assessed value cannot rise more than 6% in one year or 20% over five years, no matter how quickly the market value of your home increases, unless you make a physical change to the property, such as an addition or renovation. Due to these caps, most class 1 properties are assessed at less than 6%.

As a result of the caps, you may find that your assessed value continues to increase even as your market value decreases. That is because it can take years for the assessed value to “catch up” to the market value. The table below shows an example of a property whose assessed value increased even as the market value decreased.

### WHY HAS YOUR PROPERTY’S ASSESSED VALUE CHANGED?

Your assessed value can change for a number of reasons:

- Your property's market value has changed.
- You made a physical change to the home, such as an addition or renovation, and these physical changes are not subject to the annual or five-year caps on increases to your assessed value for that year.
- You lost a tax exemption or abatement, or its value was reduced.
- Your assessed value is catching up to prior changes in market value, as in the table below.

Example of a 1-3 family home	Year 1	Year 2	Year 3
Market Value	100,000	150,000	140,000
Assessed Value if increases were not capped	6,000	9,000	8,400
Assessed Value with caps on increases	6,000	6,360	6,741



# 3<sup>step</sup>

## Exemptions — Reducing Your Property Tax

The City of New York offers tax breaks known as exemptions to seniors, veterans, clergy members, people with disabilities, and others. If you are granted an exemption, it is subtracted from the assessed value of your home, reducing your taxable value. (An exemption differs from an abatement, a type of tax break that reduces your tax due after the tax has been calculated.) Your July property tax bill shows the exemptions you will receive for the tax year beginning July 1.

### FINDING THE RIGHT EXEMPTION(S) FOR YOU

	STAR (School Tax Relief) Basic STAR*	Enhanced STAR*	Senior Citizen Homeowners' Exemption (SCHE)	Disabled Homeowners' Exemption (DHE)
ELIGIBILITY	Available to owners of houses, co-ops, and condos with an annual income of \$250,000 or less.	Available to owners of houses, co-ops, and condos who are 65+ with an annual income of \$92,000 or less.	Available to owners 65+ with annual income of \$58,399 or less.	Available to owners with disabilities and annual income of \$58,399 or less.
BENEFIT	Tax savings: approximately \$300/year.	Tax savings: approximately \$600/year	Reduces assessed value up to 50%.	Reduces assessed value up to 50%.
TO APPLY	Visit <a href="http://www.tax.ny.gov">www.tax.ny.gov</a> or call (518) 457-2036.	Visit <a href="http://www.tax.ny.gov">www.tax.ny.gov</a> or call (518) 457-2036. (If you currently receive Basic STAR, you can apply for E-STAR with the Department of Finance: <a href="http://www.nyc.gov/star">www.nyc.gov/star</a> .)	Complete an application, available at <a href="http://www.nyc.gov/sche">www.nyc.gov/sche</a> .	Complete an application, available at <a href="http://www.nyc.gov/dhe">www.nyc.gov/dhe</a> .
DEADLINE	March 15	March 15	March 15	March 15

\* In 2016, STAR was changed by state law from a property tax exemption to an income tax credit. If you received the exemption as of tax year 2015-16 and later lost it, you can apply with DOF to have it restored. Current recipients of the STAR property tax exemption can continue to receive it. New applicants must apply to the state for the credit. The credit is available to households with annual income of \$500,000 or less. If you are eligible, you will receive the credit in the form of a check. The dollar value of the credit will generally be the same as the property tax exemption.

FULL ELIGIBILITY AND BENEFIT DETAILS ARE AVAILABLE AT [WWW.NYC.GOV/FINANCE](http://WWW.NYC.GOV/FINANCE)



# What’s the difference between the two reductions?

## Exemptions

An exemption reduces your assessed value before your taxes are calculated.

## Abatements

An abatement reduces your taxes after they’ve already been calculated.

Please visit [www.nyc.gov/finance](http://www.nyc.gov/finance) for the most up-to-date information about exemptions.

Veterans Exemption	Disabled Crime Victim and Good Samaritan Exemption	Clergy Exemption	
Available to certain veterans, spouses/widow(er)s of veterans, and Gold Star parents.	Crime victims and those injured trying to prevent crime or assist a victim. Civilians only. Owner must have modified home to accommodate disability.	Certain members of the clergy or their unremarried surviving spouses.	ELIGIBILITY
Level of benefit varies.	Compensation for cost of renovations to accommodate disability.	Reduces assessed value of home by \$1,500.	BENEFIT
Complete an application, available at <a href="http://www.nyc.gov/ownerexemption">www.nyc.gov/ownerexemption</a>	Complete an application, available at <a href="http://www.nyc.gov/ownerexemption">www.nyc.gov/ownerexemption</a>	Complete an application, available at <a href="http://www.nyc.gov/ownerexemption">www.nyc.gov/ownerexemption</a>	TO APPLY
March 15	March 15	March 15	DEADLINE

FULL ELIGIBILITY AND BENEFIT DETAILS ARE AVAILABLE AT [WWW.NYC.GOV/FINANCE](http://WWW.NYC.GOV/FINANCE)



# 4<sup>step</sup>

## Your Annual Property Tax Bill — Class 1

Your annual class 1 property tax bill will look like this:

Statement Details

November 20, 2021  
Jane Taxpayer  
123 Anywhere St.  
Page: 2

Billing Summary	Activity Date	Due Date	Amount
Outstanding charges including interest and payments			\$0.00
Finance-Property Tax		01/01/2022	\$1,403.36
Credit Adjustment	01/01/2022		\$-151.90
Star Reversal	01/01/2022		\$4.26
<b>Total amount due</b>			<b>\$1,255.72</b>

Tax Year Charges Remaining	Activity Date	Due Date	Amount
Finance-Property Tax		04/01/2022	\$1,403.36
Credit Adjustment	01/01/2022		\$-151.90
Star Reversal	01/01/2022		\$4.26
<b>Total tax year charges remaining</b>			<b>\$1,255.72</b>
<b>If you want to pay everything you owe by January 3, 2022 please pay</b>			<b>\$2,507.17</b>
<b>If you pay everything you owe by January 3, 2022, you would save:</b>			<b>\$4.27</b>

**How We Calculated Your Property Tax For July 1, 2021 Through June 30, 2022**

Tax class 1 - Small Home, Less Than 4 Families	Overall Tax Rate
Original tax rate billed	21.0450%
New Tax rate	19.9630%
<b>Estimated Market Value \$585,000</b>	

<b>Billable Assessed Value</b>	<b>\$28,080</b>	<b>Taxes</b>
<b>Taxable Value</b>	$\$28,080 \times 19.9630\%$	
<b>Tax Before Abatements and STAR</b>	<b>\$5,605.64</b>	<b>\$5,605.64</b>
Basic Star - School Tax Relief	<b>\$-1,440.00</b>	<b>\$-287.48**</b>
<b>Annual property tax</b>		<b>\$5,318.16</b>

### ● Market Value

The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood. Similar properties are those that are close in size, style, and age to yours.

### ● Assessed Value

A property's assessed value is a percentage of its market value. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.

### ● Exemption Value

The reduction in your assessed value as a result of any exemptions you receive.

### ● Taxes Before Abatements

The taxable value of your home before any abatements are applied.

### ● Tax Rate

The rate at which New York City taxes your property class. This percentage is set by the city council each year (based, in part, on state law requirements) and is subject to change.

### ● Annual Property Tax

If you have any abatements, they are applied and subtracted from the amount of your taxes to determine your final property tax bill.



# Review of How We Calculate Your Property Tax

$$\text{ANNUAL PROPERTY TAX} = \{(\text{ASSESSED VALUE MINUS EXEMPTIONS}) \times \text{TAX RATE}\} \text{ MINUS ABATEMENTS}$$

1  
days

## **MARKET VALUE:**

We value your home using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood.

2  
days

## **ASSESSED VALUE:**

Market Value  $\times$  Level of Assessment (6%) or Capped Assessed Value

3  
days

## **EXEMPTIONS:**

Assessed Value – Exemptions = Taxable Value

4  
days

## **ANNUAL PROPERTY TAX:**

Taxable Value  $\times$  Tax Rate – Abatements

# paying your property tax bill

Property tax bills are mailed quarterly for homes with an assessed value of \$250,000 or less, and semiannually for homes assessed at more than \$250,000. Quarterly bills are due on July 1, October 1, January 1, and April 1; your bill will generally be mailed a month before its due date. Semiannual bills are mailed a month before their January 1 and July 1 due dates.

Once you receive your bill, review it carefully to ensure that you understand not only how much you owe, but where that amount comes from. Refer to this booklet as a guide, and learn more at [www.nyc.gov/finance](http://www.nyc.gov/finance), where you can also view your property tax bill at any time.

## **HOW TO PAY**

Follow the instructions on your bill or visit [www.nyc.gov/payonline](http://www.nyc.gov/payonline) to learn about the payment options—electronic, postal mail, or in person—available to you.

## **BANKS AND MORTGAGE SERVICING COMPANIES**

If you pay your property taxes through a bank or mortgage servicing company, you will not receive a property tax bill from the Department of Finance unless you are responsible for other charges, such as sidewalk and emergency repairs.



# notice of property value

## AN ANNUAL NOTICE WITH DETAILS ABOUT YOUR PROPERTY

One of the most important documents you will receive from the Department of Finance is the Notice of Property Value, or NOPV. Mailed to you each January, the NOPV will tell you our determination of your property's market and assessed values.

In addition to your market and assessed values, the NOPV will list your current exemptions, though it may not include the exemptions you will receive in the next tax year.

The NOPV is not a bill and does not require payment. You'll want to keep the notice on file and refer to it throughout the year.

Here is an example of an NOPV for a class 1 property:

**NYC**  
Department of Finance

**NOTICE OF PROPERTY VALUE**  
Tax Year 2022-23  
(This is not a bill.)

#S11635874895127#

January 15, 2022

JANE TAXPAYER  
100 E TAXPAYER ST  
BROOKLYN, NY 11230

Owner(s)  
Jane Taxpayer

Property Address  
100 E Taxpayer St

Borough: 3 Block: 5200 Lot: 80

Tax Class: 1 Building Class: A4 Units: 1 (residential)

**YOUR NOTICE OF PROPERTY VALUE (NOPV) AT A GLANCE**

2022-23 Market Value: \$950,000

2022-23 Assessed Value: \$45,000

Your property tax exemptions: Basic STAR, Senior Citizens'

See below for an estimate of your 2022-23 property tax.

**WHAT IS THIS NOTICE?**

This is your annual notice of property value, or NOPV. **It is not a bill, and no payment is required.** This notice will:

- Inform you of the assessed value of your property for tax year for 2022-23, and tell you how to challenge it if you believe there is a mistake.
- Explain how property taxes are calculated.
- Provide an estimate of your property tax for tax year 2022-23.

Please keep a copy of this notice with your records. You may also view your NOPV and property tax bills online at [www.nyc.gov/nopv](http://www.nyc.gov/nopv).

**ESTIMATED 2022-23 PROPERTY TAX**

We cannot calculate your 2022-23 property tax until the new tax rate is established by the city council. Until then, you will pay the 2021-22 rate. Many factors influence your tax amount, including any exemptions and abatements you may receive.

The table below estimates the amount you will owe by multiplying the taxable value of your property by the current tax rate of 19.963%. This table is provided for informational purposes only; the actual amount you owe may differ, depending on the 2022-23 tax rate and the value of your exemptions and abatements.

Year	Taxable Value	Tax Rate	Estimated Property Tax
2022-23	\$30,000	x .19963	= \$5,988.90

**KEY DATES**

March 15, 2022  
Last day to request review of your market value.  
(See page 2.)

Last day to challenge your assessed value.  
(See page 2.)

Last day to apply for a tax exemption.  
(See page 3.)

July 1, 2022  
2019-20 tax year begins.

**To learn more, visit**  
[www.nyc.gov/nopv](http://www.nyc.gov/nopv)

Page 1

NOPV page 1

**ABOUT YOUR PROPERTY TAXES**

Property taxes are determined using a complex formula that takes into account many different amounts and calculations. Visit [www.nyc.gov/nopv](http://www.nyc.gov/nopv) for more information about property valuation and taxation.

<b>First, we estimate the MARKET VALUE of your property.</b>	<b>\$950,000</b>
We start by looking at the selling prices of properties in your neighborhood with characteristics similar to those in the description of your property that appears on page three of this notice. We then use statistical analysis to determine your market value.	
<b>Next, we determine the ASSESSED VALUE of your property.</b>	<b>\$45,000</b>
We multiply your market value by an assessment ratio to determine the assessed value of your property. The assessment ratio for properties in tax class 1 is 6% for 2022-23; this is the minimum percentage of market value at which your assessed value can be set. However, there are caps on how much your property's assessed value can increase. Under state law, your assessed value cannot increase more than 6% per year or 20% over five years, regardless of increases to your property's market value, unless the increases are due to construction or renovations.	
<b>From there we are able to determine your EFFECTIVE MARKET VALUE.</b>	<b>\$750,000</b>
After applying the legal caps on your assessed value, we are able to determine your effective market value, which is the market value you are effectively paying taxes on. The effective market value is computed by dividing your assessed value by 6%. This number will be important should you choose to challenge our determination of your market value, as your property tax will not go down unless you can prove that your market value should be lower than the effective market value.	
<b>Next, we subtract the value of any EXEMPTIONS you receive.</b>	<b>\$15,000</b>
If you receive any exemptions, we subtract their value—your exemption value—from your property's assessed value. Your exemption value is used to calculate your taxable value (see below). It is not the dollar amount that you will save on your property taxes.	
<b>The result is your TAXABLE VALUE.</b>	<b>\$30,000</b>
After subtracting the value of any exemptions you receive, we arrive at your property's taxable value. The amount you owe in property taxes is determined by applying the city's property tax rate, which is currently 19.963%, to your taxable value. Any abatements that you receive are then applied to reduce your tax bill.	
<b>How You Will Be Billed:</b> Property tax bills are mailed quarterly for properties with an assessed value of \$250,000 or less and semiannually for properties assessed at more than \$250,000. If you pay your property taxes through a bank, mortgage servicing company, or co-op board, you will not receive a bill from the Department of Finance unless you are responsible for other charges, such as sidewalk or emergency repair charges.	

NOPV page 2

**PLEASE REVIEW: YOUR PROPERTY DETAILS**

The Department of Finance has the following information on record for your property. Please review this information and inform us of any errors by filing a "Request to Update" form, available at [www.nyc.gov/nopv](http://www.nyc.gov/nopv) or by calling 311.

Owner(s): Jane Taxpayer		Building Class: A4 (city residence one-family)			
Primary Zoning	R4A	Lot Frontage	48.50 ft	Lot Depth	102.00 ft
Lot Square Footage	4,947	Lot Shape	Regular	Lot Type	Inside
Proximity	Freestanding	Building Frontage	20.00 ft	Building Depth	38.00 ft
Number of Buildings	1	Style	Old Style	Year Built	1920
Exterior Condition	Average	Finished Sq. Ft.	1,680	Unfinished Sq. Ft.	920
Commercial Units	0	Commercial Sq. Ft.	0	Residential Units	2
Garage Type	N/A	Garage Sq. Ft.	400	Basement Grade	Below Grade
Basement Sq. Ft.	0	Basement Type	Full	Construction Type	Frame
Exterior Wall	Composition	Number of Stories	2.00		

**WHAT'S CHANGED: COMPARING TAX YEARS 2021-22 AND 2022-23**

	Current Year (2021-22)	Next Year (2022-23)	Change
Market Value	\$X	\$950,000	+ \$X
Assessment Percentage	6%	6%	--
Assessed Value	\$X	\$45,000	+ \$X
Effective Market Value	--	\$750,000	--
Exemption Value	\$X	\$15,000	+ \$X
Taxable Value	\$X	\$30,000	+ \$X

NOPV page 3



## ● Property Description

Basic property information: ownership, description, classification, and BBL.

### Property Identification: BBL

Every property in New York City has a unique identifier known as a borough-block-lot number, or BBL. The BBL acts as your account number with the Department of Finance and will appear on nearly every notice or statement you receive from us. Be sure to have your BBL on hand when you contact DOF—it will help us resolve your issue more quickly.

**The Borough number is always first:**

1 = Manhattan

2 = Bronx

3 = Brooklyn

4 = Queens

5 = Staten Island

**The Block number is second:** It can be up to 5 digits.

**The Lot number is last:** It can be up to 4 digits.

## ● Market Value

The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood.

## ● Assessed Value

A property's assessed value is a percentage of its market value. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.

## ● Exemptions

The NOPV lists the exemptions you currently receive and informs you of your exemption value—the reduction in assessed value as a result of your exemptions.

## ● Taxable Value

Your assessed value minus your exemption value. The taxable value is the amount on which you are taxed.

## ● Estimated Property Tax

The NOPV provides an estimate of your property tax for the next tax year. While this number is only an estimate, it can help you plan for the year ahead.

## ● Effective Market Value

Your property's effective market value is its assessed value, before exemptions, divided by 6%. For the Tax Commission to lower your assessment, you must prove that your property's value is less than its effective market value.



## APPEALING THE ASSESSED VALUE ON YOUR notice of property value

If you believe that we have set your assessed value too high, you have the right to appeal to the New York City Tax Commission, an independent city agency that has the authority to change your property's assessment value, tax class, and exemptions. For the Tax Commission to lower your assessment, you must prove that your property's value is less than its effective market value—its assessed value before exemptions divided by 6%.

To access Tax Commission appeal forms, visit [www.nyc.gov/taxcommission](http://www.nyc.gov/taxcommission). Printed forms also are available at DOF business centers and at the Tax Commission's office at One Centre Street, Room 2400, New York, NY. (To enter One Centre Street, you will need a photo ID.) The deadline to submit an appeal for a class 1 property is March 15. This means that the Tax Commission must receive your appeal by March 15—mailing your appeal on that date is not sufficient.

If you disagree with the Tax Commission's determination, you may file a Small Claims Assessment Review Petition (SCARP) with the New York State Supreme Court. SCARP petitions are available on the NY State Office of Court Administration's website, [www.nycourts.gov](http://www.nycourts.gov), and must be filed by October 25. You cannot file a SCARP if you do not file an appeal with the Tax Commission for the current tax year beginning July 1.

### OTHER CORRECTIONS

If there is a factual error on your NOPV (for example, the description of your property is incorrect), please report it to the Department of Finance by filing a "request to update" form, available at [www.nyc.gov/finance](http://www.nyc.gov/finance) or by calling 311. If you disagree with the estimated market value on your NOPV, you can file a "request to review" form available at [www.nyc.gov/finance](http://www.nyc.gov/finance) or by calling 311. (But remember that filing either of these forms with DOF is not a substitute for appealing your assessed value with the Tax Commission.)

## your year in

**JANUARY 5:**  
Tentative  
roll  
published.

**MARCH 15:** the deadline  
to appeal your property's  
assessed value to the NYC  
Tax Commission.  
**MARCH 15:** the deadline  
to apply for tax exemptions.

DOF releases the final  
assessment roll and  
generates property tax  
bills for the tax year  
beginning July 1.

You receive your first  
property tax bill for  
the new tax year.

JAN

FEB

MAR

APRIL

MAY

JUNE



# resources

## Office of the Taxpayer Advocate

If you have made a reasonable effort to resolve a tax issue with the Department of Finance but feel that you have not received a satisfactory response, the Office of the Taxpayer Advocate can help.

For assistance from the Office of the Taxpayer Advocate, visit [www.nyc.gov/taxpayeradvocate](http://www.nyc.gov/taxpayeradvocate) and complete form DOF-911, "Request for Help from the Office of the Taxpayer Advocate." You may also contact the Office of the Taxpayer Advocate directly:

**Call:** (212) 748-4785

**Fax:** (646) 500-6907

**Mail:** NYC Office of the Taxpayer Advocate, 375 Pearl Street, 26th Floor, New York, NY 10038

## The NYC Tax Commission

The New York City Tax Commission is an independent agency that has the authority to change your property's assessed value, tax class, and exemptions.

All appeal forms are available at the Tax Commission's website, [www.nyc.gov/taxcommission](http://www.nyc.gov/taxcommission). You may call the Tax Commission at (212) 669-4410.

# property taxes

A new tax year starts; you're taxed at the previous year's tax rate, if the rate for the new tax year has not been adopted by June 6.

The city council votes on the tax rates and the mayor signs off on them. Frequently, because of policy decisions to modify the tax levy class share distribution, the tax rates are not finalized until November. Because we're almost halfway through the tax year from when these rates apply, your taxes for the first part of the year are re-calculated at the new rate.

JULY

AUG

SEPT

OCT

NOV

DEC



# glossary

**Abatement:**

The City of New York offers tax breaks known as abatements that are applied after your tax amount due has been calculated.

**Assessed Value:**

A property's assessed value is a percentage of its market value. By law, the assessed value of a class 1 property cannot increase by more than 6% per year or 20% over five years, unless the value increases are due to new construction or renovations. In addition, your assessed value cannot exceed 6% of your home's market value.

**Assessment Ratio:**

(or Assessment Percentage/Level of Assessment) Your assessed value is based on a percentage of your market value; this percentage is known as your assessment ratio.

**Effective Market Value:**

Your property's effective market value is its assessed value, before exemptions, divided by 6%. For the Tax Commission to lower your assessment, you must prove that your property's value is less than its effective market value.

**Exemption:**

The City of New York offers tax breaks known as exemptions to seniors, veterans, clergy members, people with disabilities, and others. If you are granted an exemption, it is subtracted from the assessed value of your home, reducing your taxable value. (An exemption differs from an abatement, a type of tax break that reduces your tax due after it has been calculated.)

**Market Value:**

The Department of Finance determines a market value for your tax class 1 property using statistical analysis that incorporates data such as the recent selling prices of similar properties in your neighborhood. Similar properties are those that are close in size, style, and age to yours. This market value is for tax purposes only.



# glossary

**Tax Classes:**

Properties in New York City are divided into four classes, each treated differently under the law.

- Class 1:** One-to three-unit, predominantly residential properties. Also includes certain vacant land and certain types of condominiums.
- Class 2:** Residential property with 4+ units, including condos and co-ops
- Class 3:** Utility company equipment and special franchise property
- Class 4:** All other real property, including office buildings, factories, stores, and hotels.

**Tax Rate:**

The rate at which New York City taxes your property class. This percentage is set by the city council each year and is subject to change.

**Taxable Value:**

Your assessed value minus your exemption value. The taxable value is the amount on which you are taxed.



