

A top-down view of a wooden desk. In the upper right, a white computer keyboard is partially visible. To its left is a small potted plant with green grass-like leaves. Below the keyboard are two black paper clips. In the lower right, there is a black notebook with a white page and a silver pen. A white circular object, possibly a coffee lid, is also visible on the right side of the desk.

Public Hearing

*Regulatory Amendments Relating to the
Income Eligibility for Real Property Tax
Low-Income Senior Citizens Exemption
RPTL 467(3) and a Persons with Disabilities
("RPTL") §459-c Exemption*

February 15, 2024

7:15 PM

[REDACTED]

The Sayville Public Schools currently offers Senior Citizens and Persons with Disabilities Limited Income Exemptions

In early October, an amendment was communicated to school districts regarding a redefinition of what constituted “income” for exemption purposes, clarified the income tax year which applies and replaced gender-specific language with gender-neutral language. This amendment largely allowed school districts to determine if certain specific income types could be considered income for purposes of the exemptions outlined in order to qualify for a Low-Income Senior Citizens Exemption (RPTL 467(3)) and a Persons with Disabilities (“RPTL”) §459-c Exemption.

The new income definition of what constitutes income when applying the sliding scale income thresholds currently in place is the subject of both of these resolutions being put forth this evening. The resolution includes language that would consider all income as listed for a taxpayer as *Federal Taxable Adjusted Gross Income* when applying the existing sliding scale for both exemptions. The new income qualifications must be adopted prior to March 1, 2024 in order for these to go into effect for the **2024** taxing year.

There will be two separate resolutions this evening for the Board of Education to vote on - the first resolution is for the *Senior Citizens Exemption* and the second is for the *Persons with Disabilities Exemption*. The purpose of this Public Hearing is to inform the public and the Board of Education in advance of the presentation the content of both of these resolutions and applicable motions by the BOE and provide an opportunity to ask any questions concerning the same.

Any resident wishing to avail themselves of these exemptions would still need to apply to the Town of Islip for the applicable tax year in the same manner as previously done.

Beginning with 2024 assessment rolls, the new law replaces the prior definition of income with a simpler definition that is similar to STAR, but not the same as STAR. The difference is that STAR definition of income is FAGI minus taxable IRA distributions.

The starting point for the new income definition is the Federal Adjusted Gross Income (FAGI) report on the applicant’s income tax return.

The three options presented:

- **OPTION #1:** Exclude non –taxable Social Security benefits from Income.
- **OPTION #2:** Include all federally taxable IRA distributions and federally taxable annuity payments. This is similar to the treatment of federally taxable pension payments. Thus all three forms of federally taxable retirement benefits will be treated as “income”. THIS MUST BE ADOPTED BY 3/1/24 and has already been adopted by the Town of Islip, Brookhaven, Huntington, Smithtown, Shelter Island and Southold. This is also the option that has been prepared for this evening.
- **OPTION #3:** Deduct from income any paid and unreimbursed medical and prescription drug expenses not covered by insurance. This has been adopted by the County of Suffolk and the Town of Islip has created a worksheet so that taxpayers who wish to offset these expenses from income will be able to provide the necessary documentation to support the expenses.

At this time, we would like to give the Board of Education and the Public an opportunity to ask any questions prior to exiting the Public Hearing.

