

EAST ISLIP UNION FREE SCHOOL DISTRICT

Public Hearing

Real Property Tax Law Section 467
Exemption for Persons Aged 65 & Over with Limited Income
Real Property Tax Law Section 459-c
Exemption for Persons with Disabilities and Limited Income

FEBRUARY 25, 2025

Agenda

- Overview of Real Property Tax Law
 - Section 467
 - Exemption for Persons Aged 65 & Over with Limited Income
 - Section 459-c
 - Exemption for Persons with Disabilities and Limited Income
- Current Property Tax Exemptions
- Impact of Property Tax Exemptions
- Definition of Income
- Questions

Real Property Tax Law

- Real Property Tax Law Section 467
 - Provides for a partial exemption from real property taxation for qualifying individuals aged 65 and over with limited income.
 - Income levels to receive this exemption are determined by each taxing jurisdiction, up to the amounts authorized by Real Property Tax Law.
 - The Board of Education has previously established the maximum income amount of \$29,000 for qualifying individuals to receive the maximum partial exemption of 50%.
 - Sliding scale reducing the partial exemption to 5% based upon higher income, which is capped at less than \$37,400.
 - There are currently 220 parcels receiving a reduction in assessed valuation of \$3,331,158.

Real Property Tax Law

- Real Property Tax Law Section 459-c
 - Provides for a partial exemption from real property taxation for qualifying individuals with disabilities and limited income.
 - Income levels to receive this exemption are determined by each taxing jurisdiction, up to the amounts authorized by Real Property Tax Law.
 - The Board of Education has previously established the maximum income amount of \$29,000 for qualifying individuals to receive the maximum partial exemption of 50%.
 - Sliding scale reducing the partial exemption to 5% based upon higher income, which is capped at less than \$37,400.
 - There are currently 9 parcels receiving a reduction in assessed valuation of \$148,525.

Current Exemption Senior Citizens with Limited Income

Annual Income	Percentage of Assessed Valuation Exempt from School District Property Taxes
Up to and including \$29,000	50 per centum
More than \$29,000 but less than \$30,000	45 per centum
\$30,000 or more but less than \$31,000	40 per centum
\$31,000 or more but less than \$32,000	35 per centum
\$32,000 or more but less than \$32,900	30 per centum
\$32,900 or more but less than \$33,800	25 per centum
\$33,800 or more but less than \$34,700	20 per centum
\$34,700 or more but less than \$35,600	15 per centum
\$35,600 or more but less than \$36,500	10 per centum
\$36,500 or more but less than \$37,400	5 per centum

Current Exemption Disabled Persons with Limited Income

Annual Income	Percentage of Assessed Valuation Exempt from School District Property Taxes
Up to and including \$29,000	50 per centum
More than \$29,000 but less than \$30,000	45 per centum
\$30,000 or more but less than \$31,000	40 per centum
\$31,000 or more but less than \$32,000	35 per centum
\$32,000 or more but less than \$32,900	30 per centum
\$32,900 or more but less than \$33,800	25 per centum
\$33,800 or more but less than \$34,700	20 per centum
\$34,700 or more but less than \$35,600	15 per centum
\$35,600 or more but less than \$36,500	10 per centum
\$36,500 or more but less than \$37,400	5 per centum

Real Property Tax Law

- Impact of Granting Partial Tax Exemptions
 - Reduces the property tax due for those qualifying individuals.
 - Shifts the property tax burden from those taxpayers granted relief to those taxpayers not qualifying for an exemption.
- The taxing jurisdiction receives the full amount of tax levy authorized by the Board of Education.

Real Property Tax Law

- Previous NYS legislation redefined how income is to be calculated for vulnerable low-income taxpayers, which includes both senior citizens and persons with disabilities.
- Option 2
 - Includes all federally taxable IRA distributions and annuity payments in the calculation of income. Choosing this option would limit the number of qualified applicants.
 - Minimizes the shift of property tax burden to those not qualifying for exemption.
 - This option has been adopted by both the Town of Islip for Town related taxes and by the East Islip School BOE on 2/15/24 for school taxes.

Real Property Tax Law

- Due to the Town of Islip raising the income limits for Town taxes for this tax year to \$50,000, for both vulnerable low-income seniors and persons with disabilities, and income being calculated using the same method as the District, the District can now project the impact of raising the limit on school taxes for those not currently eligible.
- If the District decides to increase the income limit for both exemptions to \$40,000 (eligible to receive 50% reduction and decreasing sliding scale for income levels up to \$48,400) the impact to the average homeowner not eligible for either exemption should be less than \$83 annually.

Proposed Exemption Senior Citizens with Limited Income

Annual Income	Percentage of Assessed Valuation Exempt from School District Property Taxes
Up to and including \$40,000	50 per centum
More than \$40,000 but less than \$41,000	45 per centum
\$41,000 or more but less than \$42,000	40 per centum
\$42,000 or more but less than \$43,000	35 per centum
\$43,000 or more but less than \$43,900	30 per centum
\$43,900 or more but less than \$44,800	25 per centum
\$44,800 or more but less than \$45,700	20 per centum
\$45,700 or more but less than \$46,600	15 per centum
\$46,600 or more but less than \$47,500	10 per centum
\$47,500 or more but less than \$48,400	5 per centum

Proposed Exemption Disabled Persons with Limited Income

Annual Income	Percentage of Assessed Valuation Exempt from School District Property Taxes
Up to and including \$40,000	50 per centum
More than \$40,000 but less than \$41,000	45 per centum
\$41,000 or more but less than \$42,000	40 per centum
\$42,000 or more but less than \$43,000	35 per centum
\$43,000 or more but less than \$43,900	30 per centum
\$43,900 or more but less than \$44,800	25 per centum
\$44,800 or more but less than \$45,700	20 per centum
\$45,700 or more but less than \$46,600	15 per centum
\$46,600 or more but less than \$47,500	10 per centum
\$47,500 or more but less than \$48,400	5 per centum

Thank You

Questions