

# STAR School Tax Relief Program

The **NYS School Tax Relief Program (STAR)** provides state-funded reductions in property assessment that reduce school property taxes to homeowners for their primary residences. All homeowners-occupants of their primary residences, regardless of their ages or incomes, are eligible. These homeowners must apply for the tax reduction by completing an application form and filing it with their local assessor's office.

## Two Types of Exemptions

**SENIORS ENHANCED EXEMPTION** – Homeowners aged 65 years or older with a combined income not in excess of \$60,000 are eligible for an assessment reduction up to \$50,000.

**BASIC EXEMPTION** – All other homeowners receive assessment reductions of \$30,000 since the 2001-02 school year.

## School District Reimbursement Process

NYS reimburses school districts for the real property taxes not collected from homeowners as a result of STAR exemptions. STAR reimbursement is received later than the schedule for receipt of property taxes.

October 15 -	Payment of 35% of STAR reimbursement due from NYS to school district;
November 15 -	Payment of 70% of STAR reimbursement due from NYS to school district;
December 15 -	Payment of 80% of STAR reimbursement due from NYS to school district;
January 3 -	Payment of balance due from NYS to the school district.

## Relationship Between School District Budgets and STAR Program

There is no direct relationship between school district budgets and the STAR Program.

STAR is not a school aid program; STAR is a state tax relief program for homeowners. NYS has committed itself to fund the exemptions 100% to every school district based on the total exemptions given to each district's taxpayers.

The STAR Program causes school districts to lose investment income from former taxes collected earlier in the school year and may necessitate borrowing for cash flow, incurring additional expenses.

The STAR Program is being paid for by state funds so in times of economic hardship, this ongoing obligation will divert needed funds from state support for schools. Districts need to ensure their residents understand that STAR payments are not equal to State Aid Payments, and that the creation of the STAR program did NOT alter or increase state aid to education.

The STAR law established a new cap on future increases in a school district's total tax levy. Increases in total tax levies are limited to the lesser of inflation or 4 %, except for the following circumstances:

- \* Enrollment increases;
- \* New construction or development increases the value of a property;
- \* There is a two-thirds vote of the school district to override the cap.

Sources: Letter to Educators from Governor George E. Pataki, May 28, 1997  
Gary Valenti, Director for Administrative Services, Brighton Central School District, at MCSBA meeting, March 16, 2000.