



To: Government Operations Committee
 From: Jay Franklin
 Date: July 19, 2024 (revised September 6, 2024)
 Re: Increased Low-Income Senior/Disabled Exemption Limits

1. Action Requested

To discuss whether to increase the limits for RPTL 459-c/467 for County Tax Purposes. The Department of Assessment does not advocate for or against any exemptions. However, we will provide details about the exemption, possible financial impacts, and of course any administrative challenges a new exemption might create.

2. Background

On August 8, 2022, Governor Hochul signed into law bills which allow for taxing jurisdictions to increase the Low-Income Senior (RPTL 467) and the Low-Income Disabled Persons (RPTL 459-c) income scales up to a maximum set by law. For Tompkins County (along with the majority of NYS), that limit is now \$50,000 when previously it was \$29,000.

The last time that NYS allowed for an increase in the exemption scales was in 2007. Tompkins County last increased the limits in 2023 when it was increased to a max of \$35,000 for a 50% exemption.

I have run an analysis of the potential impact that this exemption will have on the remaining tax base. Due to the changes that NYS has made regarding the Enhanced STAR exemption, I don't have access to as much income information as I used to so this analysis gets us in the "ballpark" of what the potential effect is of increasing the "M" to the two scales listed below.

Current Exemption Scale			Proposed Exemption Scale - 1			Proposed Exemption Scale - 2		
UP TO	35,000	50%	UP TO	42,000	50%	UP TO	50,000	50%
EQ/MORE	LESS THAN		EQ/MORE	LESS THAN		EQ/MORE	LESS THAN	
35,000	36,000	45%	42,000	43,000	45%	50,000	51,000	45%
36,000	37,000	40%	43,000	44,000	40%	51,000	52,000	40%
37,000	38,000	35%	44,000	45,000	35%	52,000	53,000	35%
38,000	38,900	30%	45,000	45,900	30%	53,000	53,900	30%
38,900	39,800	25%	45,900	46,800	25%	53,900	54,800	25%
39,800	40,700	20%	46,800	47,700	20%	54,800	55,700	20%
40,700	41,600	15%	47,700	48,600	15%	55,700	56,600	15%
41,600	42,500	10%	48,600	49,500	10%	56,600	57,500	10%
42,500	43,400	5%	49,500	50,400	5%	57,500	58,400	5%
35,000	43,400		42,000	50,400		50,000	58,400	



3. Financial Implication

Proposed Exemption Scale – 1 = Increase to M = \$42,000

Based upon the income information we have on record, if the new scale was in place for the 2024 County Taxes, an additional **342** people (Total = 1880) would see an exemption reducing the tax base by **\$48,554,245**. The reduction in the tax base would mean that tax rate would raise about **\$0.019846** which would translate to a minimum **\$5.95** increase in the median house’s county tax bill.

Proposed Exemption Scale – 2 = Increase to M = \$50,000 (state maximum)

Based upon the income information we have on record, if the new scale was in place for the 2024 County Taxes, an additional **653** people (Total = 2191) would see an exemption reducing the tax base by **\$81,571,132**. The reduction in the tax base would mean that tax rate would raise about **\$0.033438** which would translate to a minimum **\$10.03** increase in the median house’s county tax bill.

Impact to Department Operations

If the County were to go to the maximum allowed by NYS, my office would need more assistance to help process the anticipated 653 new applicants. This is approximately 325 extra hours of processing and would involve hiring 1-2 project assistants in the initial year (renewal applications are much less time-consuming to process).

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GO Adopted Exemption Scale – Increase to M = \$36,500

UP TO	36,500	50%
EQ/MORE	LESS THAN	
36,500	37,500	45%
37,500	38,500	40%
38,500	39,500	35%
39,500	40,400	30%
40,400	41,300	25%
41,300	42,200	20%
42,200	43,100	15%
43,100	44,000	10%
44,000	44,900	5%

Based upon the income information we have on record, if the new scale was in place for the 2024 County Taxes, an additional **51** people (Total = 1,589) would see an exemption reducing the tax base by **\$6,431,480**. The reduction in the tax base would mean that tax rate would raise about **\$0.002619** which would translate to a minimum **\$0.79** increase in the median house’s county tax bill.

RPTL 467 - Senior Exemption Limits

RPTL - 459-c - Low Income Disability Exemption

50% Level Highest Lowest
Income Percentage

50% Level Highest Lowest
Income Percentage

School of Candor	\$10,000	\$15,700	20%
School of Cortland	\$9,000	\$14,700	20%
School of Dryden	\$19,500	\$27,900	5%
School of Groton	\$17,000	\$22,700	20%
School of Homer	\$10,500	\$16,200	20%
School of Ithaca	\$35,000	\$43,400	5%
School of Lansing	\$35,000	\$43,400	5%
School of Moravia	\$11,000	\$16,700	20%
School of Newark Valley	\$7,200	\$12,900	20%
School of Newfield	\$35,000	\$43,400	5%
School of Odessa-Montour	\$10,000		50%
School of Southern Cayuga	\$29,000	\$37,400	5%
School of Spencer	\$9,000	\$14,700	20%
School of Trumansburg	\$35,000	\$43,400	5%

School of Candor	<i>Not Offered</i>		
School of Cortland	<i>Not Offered</i>		
School of Dryden	\$19,500	\$27,900	5%
School of Groton	<i>Not Offered</i>		
School of Homer	<i>Not Offered</i>		
School of Ithaca	\$35,000	\$43,400	5%
School of Lansing	\$35,000	\$43,400	5%
School of Moravia	<i>Not Offered</i>		
School of Newark Valley	<i>Not Offered</i>		
School of Newfield	\$35,000	\$43,400	5%
School of Odessa-Montour	<i>Not Offered</i>		
School of Southern Cayuga	<i>Not Offered</i>		
School of Spencer	<i>Not Offered</i>		
School of Trumansburg	\$35,000	\$43,400	5%

Tompkins County	\$35,000	\$43,400	5%
City of Ithaca	\$29,000	\$37,400	5%
Town of Caroline	\$35,000	\$43,400	5%
Town of Danby	\$35,000	\$43,400	5%
Town of Dryden	\$35,000	\$43,400	5%
Town of Enfield	\$35,000	\$43,400	5%
Town of Groton	\$35,000	\$43,400	5%
Town of Ithaca	\$35,000	\$43,400	5%
Town of Lansing	\$35,000	\$43,400	5%
Town of Newfield	\$20,500	\$28,900	5%
Town of Ulysses	\$35,000	\$43,400	5%

Tompkins County	\$35,000	\$43,400	5%
City of Ithaca	\$29,000	\$37,400	5%
Town of Caroline	\$35,000	\$43,400	5%
Town of Danby	\$35,000	\$43,400	5%
Town of Dryden	\$35,000	\$43,400	5%
Town of Enfield	\$35,000	\$43,400	5%
Town of Groton	\$26,000	\$34,400	5%
Town of Ithaca	\$35,000	\$43,400	5%
Town of Lansing	\$35,000	\$43,400	5%
Town of Newfield	\$20,500	\$28,900	5%
Town of Ulysses	\$35,000	\$43,400	5%

Village of Cayuga Heights	\$28,000	\$36,400	5%
Village of Dryden	\$35,000	\$43,400	5%
Village of Freeville	\$22,000	\$30,400	5%
Village of Groton	\$35,000	\$43,400	5%
Village of Lansing	\$29,000	\$37,400	5%
Village of Trumansburg	\$35,000	\$43,400	5%

Village of Cayuga Heights	\$28,000	\$36,400	5%
Village of Dryden	\$28,000	\$36,400	5%
Village of Freeville	\$22,000	\$30,400	5%
Village of Groton	\$35,000	\$43,400	5%
Village of Lansing	\$29,000	\$37,400	5%
Village of Trumansburg	\$35,000	\$43,400	5%