2. Full market value – The amount that the property could sell for under normal conditions. (Sometimes also referred to as Fair Market Value)

Assessed value – The value assigned by the municipality for the purposes of levying taxes.

Uniform Percentage of Value – Also known as equalization rate, this indicates the ratio of the assessed value to market value in the municipality. This is used in an effort to fairly apportion the share of taxes when a taxing jurisdiction, such as a school district, contains multiple municipalities. It is designed to ensure that owners of properties with similar full market values pay an equivalent amount of taxes.

3. Exemptions – Tax bills must show any exemptions the property receives. In this case, a Basic School Tax Relief Exemption (STAR) applies to this property. The value indicates the amount of assessed value that is exempt from school taxes. The full value estimate is derived by converting the assessed value that is exempt into a full market value.

4. Tax Amount – The tax amount is figured by multiplying the taxable assessed value of the property by the tax rate for each $1,000 worth of property. The taxable assessed value of the property may differ from the assessed value due to exemptions other than STAR.

5. Tax savings through STAR – STAR savings are calculated by multiplying the value of the exemption by the school tax rate for the municipality.
A tale of two houses, two towns, one school district, and two tax bills

Town A and Town B are different towns within the same school district. The house in Town A and the house in Town B recently sold for the same amount. So, the two houses have the same market value and should pay the same amount in school taxes.

However, Town A and Town B use different assessment practices, which means that the houses have different assessed values – and assessed values are used in the computation of property tax bills. Therefore, for the houses in Town A and Town B to pay the same in taxes, the tax rates (per $1,000 of assessed value) must be different for each town.

The process of equalization is used to determine these tax rates. Essentially, full market value serves as a common denominator, or equalizer, in the process of setting tax rates.

Equalization rates indicate the ratio of the assessed value to market value in the municipality. They are used in an effort to fairly apportion the share of taxes when a taxing jurisdiction, such as a school district, contains multiple municipalities. They are designed to ensure that owners of properties with similar full market values pay an equivalent amount of taxes.

In this example, House A and House B pay an equivalent amount of taxes due to the different tax rates.

Remember: Assessed value × Tax Rate = Total Tax Bill

In the example given, properties in Town A are assessed at 74 percent of full market value (an equalization rate of 74) and Town B properties are assessed at full market value – an equalization rate of 100.

School districts calculate the total full market value of all properties in each municipality. Equalization rates allow them to determine the share of the tax levy to be paid by each town, a necessary step to calculating tax rates for each town. The process is designed to:

- Fairly apportion the tax levy among the municipalities in a school district; and
- Ensure that the amount of taxes paid by owners of similar properties in the district is similar – regardless of the town and its assessment practices.
Based upon the local assessment rolls and data, the state establishes equalization rates for each municipality. An equalization rate represents the state’s determination of the level of property assessments in a given municipality in relation to full market values. For more information on property taxes and assessments visit the NYS Office of Real Property Services at: http://www.tax.ny.gov/pit/property/default.htm.

Municipalities typically publish a tentative assessment roll on May 1, and submit a final assessment roll to the state by July 1. The assessment roll lists the assessed value of every property in the municipality.

School districts across the state propose a school budget to voters. The budget contains a proposed tax levy for the coming school year. Residents of New York vote on school budgets the third Tuesday in May. Defeated budgets may be put up for a second vote on the third Tuesday in June.

Most school districts set tax rates for each municipality in August based on the total voter approved tax levy, the state determined equalization rates, and assessment rolls for each town.

After tax rates are set, tax bills are printed for each property owner based upon their property’s assessment. Tax bills are typically mailed around September 1 and are due within 30 days.

New York State property owners can realize some tax savings through the state’s School Tax Relief program known as STAR. Taxpayers who receive an Enhanced STAR exemption for senior citizens must re-enroll annually with their local assessors. In the 2014 exemption year, Basic STAR recipients will have to re-apply for the exemption; information will be mailed to current recipients ahead of the deadline. Contact your local assessor for more information about STAR.

Though all property is assessed, not all of it is taxable. Some properties, such as those owned by religious organizations or governments are completely exempt from paying property taxes. Others are partially exempt, such as senior citizens, persons with disabilities, veterans who qualify for an exemption on part of their homes, and homeowners who are eligible for the School Tax Relief (STAR) program. Most exemptions are offered by local option of the taxing jurisdiction (municipality, county or school district). Check with your assessor to determine what exemptions are available in your community or visit the New York State Department of Taxation and Finance website at: http://www.tax.ny.gov/pit/property/exemption/index.htm.