



Instructions for Form RP-421-pp

Application for Real Property Tax Exemption for Newly Constructed or
Converted Fully Income Restricted Rental Multiple Dwellings
(Real Property Tax Law § 421-pp)

General information

Real Property Tax Law § 421-pp, allows a city, town, or village to adopt a local law providing an exemption from taxation and special ad valorem levies (but not special assessments) for the construction or conversion of fully income restricted rental multiple dwellings located within a designated benefit area set forth in local law. After a city, town, or village has initially adopted a local law to authorize this exemption, any other municipal corporation in which the designated benefit area is located may likewise authorize the exemption by local law or, in the case of a school district, by resolution.

In order for the property to become eligible for this exemption, the following eligibility requirements must be met:

- The property **must** be a structure, other than a hotel, consisting of ten or more dwelling units.
- All but a maximum of two units must meet affordability criteria adopted by the municipality in accordance with the law.
 - The one or two units that are not income restricted must be occupied by employees to whom the space is provided as part of their compensation. In the event no unit is provided to an employee, all units must be income restricted.
- Any new construction **must** take place on vacant, predominantly vacant or under-utilized land, or on land improved with a non-conforming use, or on land containing one or more substandard, structurally unsound dwellings, or a dwelling that has been certified as unsanitary by the local health agency. This requirement does not apply to any new conversions.
- The construction or conversion **must** begin on or after the effective date of the local law, ordinance, or resolution.
- In the case of a newly constructed or converted property that is used partially as a rental multiple dwelling and partially for commercial or other purposes, the portion of the property that is used as a rental multiple dwelling shall be eligible for the exemption authorized by this section if:
 - the square footage of the portion used as a rental multiple dwelling represents at least 50% of the square footage of the entire property,
 - the rental units meet the applicable affordability requirements, **and**
 - all other requirements are met.

Duration and computation of exemption

If the exemption is locally authorized, eligible newly-constructed or converted fully income restricted rental multiple dwellings in a designated benefit area may be wholly exempt from taxation while under construction, subject to a maximum of three years. The property shall then be exempt for an additional period of 30 years. Taxes shall be paid during the exemption period in an amount determined by the local law. However, that amount shall be no greater than 10% of the shelter rent of the eligible rental multiple dwelling.

Property may not receive any other exemption at the same time as it is receiving this exemption.

Where and when to file the application

Before the appropriate taxable status date, you should file Form RP-421-pp with your assessor's office (specified below):

Note: Contact your assessor's office to confirm the taxable status date in your community.

With:	For:
the city or town assessor	property located outside Nassau or Tompkins County
the village assessor	property located in a village outside Nassau or Tompkins County that assesses property (but file a separate application with the town assessor as well)
the Nassau County Department of Assessment	property located in Nassau County (but for property located in a village in Nassau County that assesses property, file a separate application with the village assessor as well)
the Tompkins County Division of Assessment	property located in Tompkins County

Do **not** file this form with either the New York State Department of Taxation and Finance or the Office of Real Property Tax Services.