

**New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau**

TSB-M-85 (18.1)C
Corporation Tax
December 2, 1993

Valuation of Real Property

TSB-M-85(18)C issued November 1, 1985, is revoked and replaced by this memorandum. That memorandum dealt with the determination of the value of real property for a cooperative housing corporation when computing the tax based on total business and investment capital allocated to New York State.

The statute at section 210.2 requires that real property be valued at fair market value. Fair market value is defined in section 3-4.5 of the regulations as the price at which a willing seller, not compelled to sell, will sell and a willing purchaser, not compelled to buy, will buy.

No one rule can be used to determine the fair market value of all real property. Each parcel is unique, and the valuation must be fixed in accordance with the particular requirements and circumstances of a particular situation. Therefore the approach of the Department is that each case will stand on its own. The evidence in each situation will be examined to determine if a proper value has been assigned to the property.