

**MECHANICVILLE** 2.0

# Volunteer Firefighter/EMT Property Tax Exemption

Real Property Tax Law Section 466-a

Public Hearing Wednesday, November 15th at 6:00pm

# Volunteer Firefighter/EMT Property Tax Exemption *Legislation Highlights*

- ❖ Provides up to a 10% property tax exemption of taxable assessed value for volunteer firefighters and/or ambulance workers
- ❖ Tax exemption is available to all taxing jurisdictions
- ❖ Can be a valuable recruitment and retention tool for the first-responder community.

# Volunteer Firefighter/EMT Property Tax Exemption

## *Eligibility Requirements*

- ❖ Property must be:
  - **Primary residence** and owned by the volunteer firefighter/ambulance worker
  - **Located within the jurisdiction served** by the fire company/department or ambulance activity
    - Only the portion of property that is used exclusively for residential purposes is applicable (if running a business out of residence)
  
- ❖ The School District must set limit for volunteer to have a minimum of 2 or maximum of 5 years of service to qualify
  
- ❖ Fire District/ambulance company must certify eligible volunteers of that organization and that service requirements are met.

# Volunteer Firefighter/EMT Property Tax Exemption

## *Additional Benefits*

- ❖ Property tax exemption permanency after 20 years of service so long as the residence remains the volunteer's primary residence
- ❖ Property tax exemption is extended for the lifetime of a surviving, unmarried spouse of a deceased volunteer if the deceased volunteer served at least 20 years of service
- ❖ Line of Duty Death event allows for the continued tax exemption for an unmarried spouse (spouse doesn't remarry)

# Volunteer Firefighter/EMT Property Tax Exemption

## *Fiscal Impact*

- ❖ Does not negatively impact the District's ability to levy or collect property taxes to fund operational needs
- ❖ **Impact on Property Taxpayers**
  - Exemption is applied to the Taxable Assessed Value (TAV)
    - TAV = Full Property Value (FV) adjusted by local Equalization Rate (EQ)
- ❖ District's tax levy would be distributed amongst the remaining taxable assessed value after exemptions made

# Volunteer Firefighter/EMT Property Tax Exemption

## Example - Fiscal Impact

- ❖ Tax Analysis:  $TAV = Full\ Value\ (FV) \times EQ$

Town	Example Resident with \$200,000				
	FV	EQ	TAV	Tax Rate	Tax Bill
Mechanicville	\$200,000	93	\$186,000	13.12236006	\$2,440.76
Schaghticoke	\$200,000	16.05	\$32,100	76.03610501	\$2,440.76
Stillwater	\$200,000	67	\$134,000	18.21461918	\$2,440.76
Halfmoon	\$200,000	42.5	\$85,000	28.71481142	\$2,440.76

- ❖ The equalization rate compares a property's assessed value to its actual market value to ensure fair property taxes. The rate is used to make sure property taxes are fair. If assessments are lower than market values, the rate makes up the difference so taxes are based on real values. The closer the rate is to 100%, the more accurate the assessment is. A lower rate means properties are generally assessed below market value.

# Volunteer Firefighter/EMT Property Tax Exemption

## Example - Fiscal Impact

	FV	EQ	TAV	Tax Rate	Tax Bill
Mechanicville	\$200,000	93	\$186,000	13.12236006	\$2,440.76

- ❖ Example of an Eligible Volunteer with an **FV of \$200,000 @10% Exemption in Mechanicville**
  - $(\$ (TAV) \times 10\%) = \$ \text{exemption in TAV}$ 
    - $\$186,000(TAV) \times 10\% = \$18,600 \text{ exemption in TAV}$
  - $[(TAV \text{ exemption}/\$1000) \times \text{Tax Rate}] = \$ \text{property tax savings for a Mechanicville Volunteer}$ 
    - $[(\$18,600/\$1,000) \times 13.12236006\%] = \$244.06 \text{ property tax savings for Mechanicville Volunteer}$



# Volunteer Firefighter/EMT Property Tax Exemption

## Example - Fiscal Impact

	FV	EQ	TAV	Tax Rate	Tax Bill
Stillwater	\$200,000	67	\$134,000	18.21461918	\$2,440.76

- ❖ Example of an Eligible Volunteer with an **FV of \$200,000 @10% Exemption in Stillwater**
  - $(\$ \text{ (TAV)} \times 10\%) = \$ \text{ exemption in TAV}$ 
    - $\$134,000 \text{ (TAV)} \times 10\% = \$13,400 \text{ exemption in TAV}$
  - $[(\text{TAV exemption}/\$1000) \times \text{Tax Rate}] = \$ \text{ property tax savings for a Stillwater Volunteer}$ 
    - $[(\$13,400/\$1,000) \times 18.21461918\%] = \$244.08 \text{ property tax savings for Stillwater Volunteer}$

# Volunteer Firefighter/EMT Property Tax Exemption

## Example - Fiscal Impact

	FV	EQ	TAV	Tax Rate	Tax Bill
Schaghticoke	\$200,000	16.05	\$32,100	76.03610501	\$2,440.76

❖ Example of an Eligible Volunteer with an **FV of \$200,000 @10% Exemption in Schaghticoke**

➤  $(\$ \text{ (TAV)} \times 10\%) = \$ \text{ exemption in TAV}$

■  $\$32,100 \text{ (TAV)} \times 10\% = \$3,210 \text{ exemption in TAV}$

➤  $[(\text{TAV exemption}/\$1000) \times \text{Tax Rate}] = \$ \text{ property tax savings for a Schaghticoke Volunteer}$

■  $[(\$3,210/\$1,000) \times 76.03610501\%] = \$244.06 \text{ property tax savings for Schaghticoke Volunteer}$

# Volunteer Firefighter/EMT Property Tax Exemption

## Example - Fiscal Impact

	FV	EQ	TAV	Tax Rate	Tax Bill
Halfmoon	\$200,000	42.5	\$85,000	28.71481142	\$2,440.76

❖ Example of an Eligible Volunteer with an FV of \$200,000 @10% Exemption in Halfmoon

- $(\$ (TAV) \times 10\%) = \$ \text{exemption in TAV}$ 
  - $\$85,000 (TAV) \times 10\% = \$8,500 \text{ exemption in TAV}$
- $[(TAV \text{ exemption}/\$1000) \times \text{Tax Rate}] = \$ \text{property tax savings for a Halfmoon Volunteer}$ 
  - $[(\$8,500/\$1,000) \times 28.71481142\%] = \$244.08 \text{ property tax savings for Halfmoon Volunteer}$

# Volunteer Firefighter/EMT Property Tax Exemption

## Example - Fiscal Impact

Municipality	Equalization	\$200,000	Current	Current Bill w/out Exemp	Estimated Rev. Tax Rates	New Bill	Increase
	Rate	TAV	Tax Rate				
Mechanicville	93.00	\$186,000	13.12236006	\$2,440.76	13.12668796	\$ 2,441.56	\$0.80
Stillwater	67.00	\$134,000	18.21461918	\$2,440.76	18.22062657	\$ 2,441.56	\$0.80
Schaghticoke	16.05	\$32,100	76.03610501	\$2,440.76	76.06118257	\$ 2,441.56	\$0.80
Halfmoon	42.50	\$85,000	28.71481142	\$2,440.76	28.72428189	\$ 2,441.56	\$0.80

- ❖ The tax base gets reduced by the exemptions so the prorated share goes slightly up.
- ❖ Example of impact of using 5 exemptions per taxing municipality as a basis with a \$200k assessed value. Really not a large impact - you can see how the tax rates are minimally increased by .0003%.
- ❖ 0.006 cents average impact per \$1000 of taxable assessed value for 3 out of 4 jurisdictions.

# Volunteer Firefighter/EMT Property Tax Exemption

## Example - Fiscal Impact

Change per tax rate/\$1000 Assessed Value				
	Current 23-24	New Estimated	\$	% Change
Municipality	Tax Rates	Tax Rates	Change/Inc.+	% Change
Mechanicville	13.122360	13.126688	0.004328	0.000327182
Stillwater	18.214619	18.220627	0.006007	0.000345152
Schaghticoke	76.036105	76.061183	0.025078	0.000336508
Halfmoon	28.714811	28.724282	0.009470	0.000340077

- ❖ 0.011 cents average impact per \$1000 of taxable assessed value (Three out of four jurisdictions = .006 cent increase)
- ❖ \$218,550 decrease of assessed value (10% of TAV) = increase of .01122 average tax rate/\$1000 per municipality or **.000337%** change

# Volunteer Firefighter/EMT Property Tax Exemption

## *Required Actions for 2024-2025*

### March 1 2024 Deadline

- ❖ **Board of Education - Public Hearing (November 15th)**
  - Introduction and adoption of a resolution opting into the Property Tax Exemption, specifying:
    - **Years of Volunteer Service Requirement** to be eligible for the exemption
    - Min. 2 - Max. 5 years
      - Fire/Ambulance entity certifies the number of years of service for eligible volunteers
  
- ❖ **Tax Exemption Percentage - Up to 10%**
  - Local Assessor(s) apply the exemption as warranted

# **Volunteer Firefighter/EMT Property Tax Exemption**

## ***Required Actions for 2024-2025***

### **March 1 Deadline**

#### **❖ Volunteer Entities - Fire/Ambulance**

- Submission of eligible volunteers to applicable assessor's office by volunteer entity
- Completion and submission of exemption application by each eligible volunteer - form RP-466-a-vol



# Application for Volunteer Firefighters/Ambulance Workers Exemption

File this form with your local assessor by the taxable status date. See instructions.

Do **not** file this form with the Office of Real Property Tax Services.

Name(s) of owner			
Mailing address of owner(s) (number and street or PO Box)		Location of property (street address)	
City, village, or post office	State	ZIP code	City, town, or village      State      ZIP code
Daytime contact number	Evening contact number	School district	
Email address		Tax map number of section/block/lot: Property identification (see tax bill or assessment roll)	

Mark an **X** in the appropriate box.

**1** Is the property your primary residence?..... Yes  No

**2** Name of the incorporated volunteer fire company, fire department, or incorporated volunteer ambulance service that you serve: \_\_\_\_\_

**2a** Have you been an enrolled member of this organization for at least five years? ..... Yes  No   
If *No*, specify the number of years you have been enrolled as a member. \_\_\_\_\_

**2b** Do you reside in the city, town, or village served by this organization?..... Yes  No

**2c** Are you an un-remarried spouse of a deceased enrolled member who served for at least five years and who was killed in the same line of duty? ..... Yes  No



# Volunteer Firefighter/EMT Property Tax Exemption *Added Implications*

- ❖ Option of claiming **either** a property tax exemption **or** the NYS Income Tax Credit....**BUT NOT BOTH**
  - **FORM IT-245** from the NYS Department of Taxation and Finance provides for a **\$200 Income Tax Credit**
    - Beneficial for volunteers who rent
    - BOE action **NOT** required for Tax Credit

# Volunteer Firefighter/EMT Property Tax Exemption

## *Required Actions by BOE*

- ❖ Determine Key Factors
  - Years of Service: Minimum 2 years - Maximum 5 years
    - Fire/Ambulance entity certifies the number of years of service for eligible volunteers
  - **Tax Exemption Percentage** - Up to 10%
    - Local Assessor(s) apply the exemption as warranted

# Volunteer Firefighter/EMT Property Tax Exemption

## *Required Actions by District*

- ❖ Draft Resolution Language
- ❖ BOE Discussion - qualify years and %
- ❖ BOE action at December meeting
  - Thursday, December 7th

Questions?

Thank you!