

**Transition Assessments for Class 2 and 4 property – RPTL § 1805(3)**

$V_n$  = total assessed value for year n

n = roll year for value to be determined; n-1 = the year before the year for the value to be determined, n-2 = the second year before the value to be determined, etc.....

$PI_n$  = gross increase in total assessed value for physical reasons: new construction, additions, renovations

$E_n$  = equalization increase for year n:

If  $(V_n - V_{n-1} - PI_n) > 0$ , then  $E_n = (V_n - V_{n-1} - PI_n)$ , Else,  $E_n = 0$

$NPI_n$  = net physical increase for year n:

If  $[PI_n > 0 \text{ and } PI_n > (V_n - V_{n-1})]$  then  $[If (V_n - V_{n-1}) < 0 \text{ then } NPI_n = 0, \text{ else } NPI_n = (V_n - V_{n-1})]$  else  $NPI_n = PI_n$

$R_n$  = transition assessment, the product of the phase-in:

If  $E_{n-4} > 0$ , then

$R_n = (V_{n-5}) + (E_{n-4} + NPI_{n-4}) + (0.8 * E_{n-3} + NPI_{n-3}) + (0.6 * E_{n-2} + NPI_{n-2}) + (0.4 * E_{n-1} + NPI_{n-1}) + (0.2 * E_n + NPI_n)$ ,

Else, if  $E_{n-3} > 0$ , then  $R_n = (V_{n-4}) + (0.8 * E_{n-3} + NPI_{n-3}) + (0.6 * E_{n-2} + NPI_{n-2}) + (0.4 * E_{n-1} + NPI_{n-1}) + (0.2 * E_n + NPI_n)$ ,

Else, if  $E_{n-2} > 0$ , then  $R_n = (V_{n-3}) + (0.6 * E_{n-2} + NPI_{n-2}) + (0.4 * E_{n-1} + NPI_{n-1}) + (0.2 * E_n + NPI_n)$ ,

Else, if  $E_{n-1} > 0$ , then  $R_n = (V_{n-2}) + (0.4 * E_{n-1} + NPI_{n-1}) + (0.2 * E_n + NPI_n)$ ,

Else, if  $E_n > 0$ ,  $R_n = (V_{n-1}) + (0.2 * E_n + NPI_n)$

Else,  $R_n = V_n$

$U_n$  = taxable assessed value before application of exemptions

$U_n = \text{MIN} [V_n, R_n]$

$X_n$  = transition deferral

If  $(V_n - U_n) > 0$ , then  $X_n = (V_n - U_n)$ , Else  $X_n = 0$

The Equalization Increase, Physical Increase and Net Physical Increase amounts can be positive or zero, but not negative.

Assessed values include changes made pursuant to an ARC determination or court order that changes the final roll.

If there was a physical increase in a year with an ARC determination or court order, the physical increase remains the same unless the determination or order otherwise specifies.

A change in level of assessment due to a change in class is not a physical change.

If property was a Class 1 property in past years, transition calculations are based on the capped assessed values.

The transition deferral is not an exemption.

Lots groupings, splits and joins require combination or allocation of the historical changes for each of the lots involved.