

HARVEY B. LEVINSON
Chairman, Board of Assessors
Director of Real Property Services



NASSAU COUNTY
DEPARTMENT OF ASSESSMENT
240 Old Country Road
Mineola, New York 11501
(516) 571-3432

DENNIS L. BROWN
Vice-Chairman, Board of Assessors
Director of Operations

MEMBERS OF THE BOARD OF ASSESSORS

THOMAS P. DE JESU
MICHAEL M. FREEMAN
MICHAEL G. NORMAN

December 29, 2006

Re: Change in Tax-Exempt Status of Real Property

Dear Tax-Exempt Organization:

It has come to our attention that many tax-exempt organizations (including not-for-profit and governmental entities) are not fully aware of their tax obligation when they purchase real property in Nassau County. Contrary to their belief, real property does not automatically become exempt when it is purchased from a taxable entity. The tax-exempt organization must file an application with the Department of Assessment before the next taxable status date, which is January 2nd of the succeeding year. Assuming the property is used for an exempt purpose and is otherwise eligible, an exemption would be granted for the next tax year following the taxable status date. The exemption would apply initially to the school tax bills sent out the subsequent October and the general tax bills sent out the following January. School taxes would still be due and owing for the period from the date of purchase until the October school bills sent subsequent to the January 2nd taxable status date. General taxes would be due and owing from the date of purchase until the end of the subsequent calendar year. The period where taxes are owed could be as long as 18 months for school taxes and 24 months for general taxes. To the extent possible, the tax obligation for this interim period should be addressed at closing and the tax-exempt organization should negotiate an adjustment to the purchase price to account for the obligation.

In the past, special state legislation (often referred to as chapter bills) was enacted in many cases to give the assessor the discretion to grant retroactive exemptions for such properties and this office agreed to grant them as a matter of course. Due to the unique nature of the statutory scheme in Nassau, the County routinely paid the refunds for all taxes on the property, even though most of the taxes were collected by other jurisdictions, such as the school district and town where the property was located. This practice has shifted a heavy burden onto County taxpayers and can no longer be accepted as a matter of course. Consequently, as of January 2, 2007, I will agree to retroactively exempt properties where chapter bill have been passed **only if the respective school district and town agree to refund its proportionate share of property taxes.**

If you would like to discuss this matter further, please feel free to call Thomas Albanese, Wholly Exempt Supervisor, at (516) 571-3433.

Sincerely,

A handwritten signature in black ink, appearing to read "Harvey B. Levinson".

HARVEY B. LEVINSON
Chairman, Board of Assessors

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