

FOR IMMEDIATE RELEASE

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Re: New York State Limits STAR Exemption Growth

As part of the New York State budget for 2011-2012, the state has changed the way the STAR exemption has worked since its inception in 1999. If school tax rates increase greater than 2%, eligible STAR recipients will pay a greater share of taxes.

In the past, the STAR exemption has always allowed for a dollar amount of reduction in taxable value. The base value for the Basic STAR exemption historically has been \$30,000 while the base value for the Enhanced STAR (for those over 65 years of age with a limited income) started out at \$50,000 and was gradually increased to \$60,100.

As part of the 2011-2012 New York State budget, the State has modified the formula for determining the STAR exemption, capping the growth of STAR savings at 2% per year. For instance, the Basic STAR savings for the Ithaca City School District for 2010-2011 was \$500. For the 2011-2012 school year, the maximum Basic STAR savings would be \$510. If the Ithaca City School District were to increase the tax rate to higher than \$17/thousand of assessed value, the maximum STAR savings would be reached.

The chart on the following page shows the prior year's STAR savings for county property owners in each area district and the maximum permitted for the upcoming school tax year. Also included is the 'break even' tax rate – the tax rate that would generate the maximum STAR savings allowed by law (any tax rate higher than this would not result in a higher STAR savings, essentially reducing the STAR exemption from the \$30,000 base figure.)

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