

**REAL PROPERTY TAX EXEMPTION FOR
CAPITAL IMPROVEMENTS TO RESIDENTIAL PROPERTY**
(New York State Real Property Tax Law, Section 421-f)

ELIGIBILITY REQUIREMENTS

Ownership Requirements:

Property must be owned by a private individual or organization. If title to the property is transferred to someone other than the heirs or distributee of the owner, the exemption must cease.

Property Use Requirements:

Property must be a residence for one or two families.

The exemption applies to reconstruction, alterations or improvements of a residence.

It does not apply to ordinary maintenance or repair.

The greater portion of the property, after the capital improvement and as measured by the square footage of both the original property and the improvement, must at least five years old.

The value of the construction project must exceed \$5,000.

The exemption is limited to a maximum of \$80,000 in increased value. (Called: The Exemption Base.)

Application Requirements: Submit the following documents to City of Buffalo Department of Assessment and Taxation, Room 105 Buffalo City Hall, 65 Niagara Square, Buffalo, New York 14202:

- Capital Improvement Exemption Application Form RP 421-f.
- Statement describing the capital improvement that is eligible for the exemption.
- Documentation including copy of the construction contract, a building permit, receipts and bills to supporting the cost of the capital improvement

Required Construction Start Date:

Reconstruction, alteration, or improvement of the property must begin after February 7, 2005, the effective date of the local law allowing the exemption.

Amount of Exemption Allowed:

<u>Year of Exemption</u>	<u>Percentage of Exemption Allowed</u>
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%
9	0