

New Real Property Tax Laws 2025

Shelter Island must be the primary residence for the owner applying for ANY property tax exemption.



The following law changes are a local option for the County, Town, and School to adopt. The laws must be adopted by March 1, 2026 to be effective for the 2026/2027 tax year.



Summary



- ▶ **Chapter 581 of the Laws of 2025** provides for an amendment for *Senior Citizens* (RPTL §467) to adjust exemption percentages to go as high as 65% based on a sliding scale.
- ▶ **Chapter 592 of the Laws of 2025** provides a volunteer firefighter or ambulance worker to receive an exemption after 5 years of service down to 2 years of service as verified by the department pursuant to RPTL §466-a.
- ▶ **Chapter 432 of the Laws of 2025** adds a new section RPTL §421 for exemptions for Capital Improvements to Residential New Construction Creating Accessory Dwelling Units

Chapter 581 of the Laws of 2025

Senior Citizens: Income Limits

This law provides for an amendment for *Senior Citizens* (RPTL §467) to adjust exemption percentages to go as high as 65% based on a sliding scale.

► Current Option:

INCOME LIMITS FOR SENIOR CITIZENS AND DISABLED PERSONS					
0	UP TO	\$	50,000	50%	
\$	50,001	UP TO	\$	51,000	45%
\$	51,001	UP TO	\$	52,000	40%
\$	52,001	UP TO	\$	53,000	35%
\$	53,001	UP TO	\$	53,900	30%
\$	53,901	UP TO	\$	54,800	25%
\$	54,801	UP TO	\$	55,700	20%
\$	55,701	UP TO	\$	56,600	15%
\$	56,601	UP TO	\$	57,500	10%
\$	57,501	UP TO	\$	58,400	5%

► New Option:

INCOME LIMITS FOR SENIOR CITIZENS ONLY					
\$	- UP TO	\$	47,000	65%	
\$	47,000	UP TO	\$	48,000	60%
\$	48,000	UP TO	\$	49,000	55%
\$	49,000	UP TO	\$	50,000	50%
\$	50,001	UP TO	\$	51,000	45%
\$	51,001	UP TO	\$	52,000	40%
\$	52,001	UP TO	\$	53,000	35%
\$	53,001	UP TO	\$	53,900	30%
\$	53,901	UP TO	\$	54,800	25%
\$	54,801	UP TO	\$	55,700	20%
\$	55,701	UP TO	\$	56,600	15%
\$	56,601	UP TO	\$	57,500	10%
\$	57,501	UP TO	\$	58,400	5%



Senior Citizens: Income Limits, cont.

- Currently 80 recipients of this exemption
- \$21,146,186 additional exempt amount
- \$42,089.10 in tax dollars redistributed
- \$10.51 increase per house with an AV of \$1,621,000
 - Calculations are town ONLY



RPTL 466 – Volunteer FF & Ambulance

Changing the minimum required years of service

- Currently 71 recipients of this exemption
- Applicant must be certified as an enrolled member of the incorporated volunteer fire company, fire department, or ambulance service for a minimum of two to five years, depending on local option.
 - Currently Shelter Island has adopted the 5 year minimum. Shelter Island has the option to reduce to a 2 year minimum.
 - Per RPTL, all volunteers certified by the department receive 10% off the assessed value.
- Current average assessment for the volunteers is \$1,422,504 with a savings of \$289.28.
- If 5 more volunteers qualify, a potential additional tax \$1,446.38 per year is redistributed.
 - Increase of \$0.35 per house with an AV \$1,621,000

Calculations are Town only.



RPTL 421 ADU

Capital Improvements to Residential New Construction Creating Accessory Dwelling Units

- ▶ Eligibility requirements must be met:
 - ▶ The ADU or ADUs must have been added to a residential building that was designed and occupied exclusively for residential purposes by not more than two families.
 - ▶ The reconstruction, alteration, improvement, or new construction must have commenced after the effective date of the local law or resolution allowing for the exemption.
 - ▶ The value of the reconstruction, alteration, improvement, or new construction must exceed \$3,000.
 - ▶ The reconstruction, alteration, improvement, or new construction must have created one or more additional residential dwelling units. The additional ADU or ADUs must be on the same parcel as a pre-existing residential building and provide independent living facilities for one or more persons. In addition, a county, city, town, village, or school district may limit the exemption to certain forms of reconstruction, alteration, improvements, or new construction. Ordinary repairs and maintenance do not qualify for this exemption.



RPTL 421 ADU

Capital Improvements to Residential New Construction Creating Accessory Dwelling Units

- Increase in AV of eligible newly constructed ADUs are exempt for 10 years.
- The exemption shall be limited to a \$200,000 increase in market value as determined in the initial year of the exemption.
- In the first five years, improvements shall be exempt from up to 100% of the increased assessed value as determined in the initial year of the exemption.
- The exemption shall decrease by 25% for each of the subsequent three years. During each of the subsequent two years, the exemption shall decrease by 10%.