



THE CITY OF NEW YORK TAX COMMISSION

1 Centre Street, Room 2400, New York, NY 10007

ELLEN E. HOFFMAN
President
EHoffman@oata.nyc.gov

March 1, 2016

Honorable Bill de Blasio
Mayor of the City of New York
City Hall
New York, New York 10007

Dear Mayor de Blasio:

Pursuant to section 155 of the New York City Charter, I am pleased to submit the 2015 Annual Report of the Tax Commission.

The 2015 Annual Report contains information about the Tax Commission and its mission, functions, operations and resources, an overview of the agency's performance, and statistical profiles of its formal actions during calendar year 2015. It also contains a statement of its accomplishments and improvements and a summary of plans for 2016.

The Tax Commission heard protests on 52,767 real property tax assessment applications. In administering this process our commitment is to the highest standards of performance and integrity. We take great pride in striving to provide fair, efficient, productive and courteous delivery of service to the taxpayers and professional representatives pursuing administrative assessment review in connection with some 193,303 tax lots citywide each year.

None of the important and demanding work of the Tax Commission could be done without the professional and support staff of the Tax Commission whose dedication to fairness is unmatched.

Of course, I am available to respond to any questions or observations you may have concerning the Annual Report as well as the operations of the Tax Commission.

Respectfully yours,

A handwritten signature in blue ink, appearing to read 'Ellen E. Hoffman', is written over a printed name.

Ellen E. Hoffman

EEH/smm
Enclosure



THE CITY OF NEW YORK TAX COMMISSION

1 Centre Street, Room 2400, New York, NY 10007

ELLEN E. HOFFMAN
President
EHoffman@oata.nyc.gov

March 1, 2016

Honorable Melissa Mark-Viverito
Speaker
The Council of the City of New York
City Hall
New York, New York 10007

Dear Speaker Mark-Viverito:

Pursuant to section 155 of the New York City Charter, I am pleased to submit the 2015 Annual Report of the Tax Commission.

The 2015 Annual Report contains information about the Tax Commission and its mission, functions, operations and resources; an overview of the agency's performance, and statistical profiles of its formal actions during calendar year 2015; a recapitulation of its accomplishments and improvements; and a summary of plans for 2015.

If you have any questions, please call.

Respectfully yours,


Ellen E. Hoffman

EEH/smm
Enclosure

MEMBERS OF THE TAX COMMISSION

Ellen E. Hoffman, President

Janet Alvarez
Susan Grossman
Richard Stabile
Kirk P. Tzanides
Vacant
Vacant

MANAGERIAL STAFF

Director of Operations Myrna Hall
Special Counsel Leonard Picker
Director of Information Technology Iftikhar Ahmad

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Introduction

The Tax Commission's 2015 Annual Report is submitted to the Mayor and the City Council pursuant to Section 155 of the Charter of the City of New York.

This report contains information about the Tax Commission and its mission, functions, operations and resources, an overview of the agency's performance, and statistical profiles of its determinations during calendar year 2015. It also contains a statement of the Tax Commission's accomplishments and improvements and a summary of plans for 2016.

Mission & Functions

The Tax Commission is the City of New York's independent forum for administrative review of New York City Real Property Tax (RPT) assessments set by the Department of Finance. The Tax Commission's mission is to ensure that determinations of RPT assessment protests are made effectively, fairly and efficiently. Annual property tax assessments are the basis for the RPT levy, the City's largest source of revenue. There are over one million parcels of real property in the City generally identified by the borough, block and lot number on the tax maps maintained by the Department of Finance. Each year the Department of Finance sets tentative assessed values, which are reflected on the tentative assessment roll it publishes in January for the fiscal year beginning the following July 1. The Department of Finance also mails individual printed notices of the tentative assessed value to the owner (or designee) of each tax lot on or about January 15.

Under state and local law, each property owner¹ has the right to an administrative review of its individual RPT assessment. After the Department of Finance publishes the tentative assessment roll, an owner, or other party with legal standing, who believes the

¹ By law, certain other parties having an interest in the property who are adversely affected by the assessment, e.g., a tenant who pays the RPT on the property, can request a review of the assessment by the Tax Commission.

property is incorrectly assessed may seek review by the Tax Commission by filing an application for correction.

Historical Context

The Tax Commission was created by New York State legislation in 1857. At its inception, the Tax Commission supervised the agency responsible for setting RPT assessments, formerly known as the Tax Department and later the Real Property Assessment Department. In 1968, the Department of Finance assumed the assessing function as part of a reorganization of City government. Separation of assessment administration and formal assessment review functions was completed in 1984 when the Department of Finance was given original jurisdiction to determine applications for exemption and the Tax Commission was given authority to review denials of exemptions. Since then, the Tax Commission has served exclusively as an independent administrative review body. In 2007, the City Council amended the New York City Charter putting both the Tax Commission and the Tax Appeals Tribunal (the agency charged with administrative review of non-property tax notices issued by the Department of Finance) under the umbrella of the Office of Administrative Tax Appeals (L.L. 57 of 2007).

The Administrative Review of Property Tax Assessment in New York City

State law divides all real property in the City into four classes for purposes of taxation. Class one includes one-, two- and three-family homes, most residentially-zoned vacant land and condominiums of up to three stories.² Class two consists of all primarily residential property not in class one. Utility company equipment is in class three. All other nonresidential property is in class four. An assessment, or assessed value as it is more commonly called, is a function of a tax lot's tax class designation, market value, and eligibility for exemption.

² Certain other small condominiums also are included in Class 1.

Except for tax lots whose annual assessment increases are limited by law,³ the amount of a tax lot's assessed value is a percentage, called the assessment ratio, of the property's market value. Each year, the Department of Finance calculates individual assessments and the assessment ratio for each of the four tax classes taking into consideration fluctuations in the real estate market, physical alterations and/or changes in taxable status. The current assessment ratio for class one property is 6%. The assessment ratio for classes two, three and four is 45%.

The tentative assessment roll is subject to modifications until the final assessment roll is published by the Department of Finance on or about May 25th. Thereafter, the City Council sets the annual tax rates for the four tax classes in accordance with statutory requirements involving: the aggregate assessments in each of the four tax classes citywide; the portion of the City's budget to be sustained by the total property tax levy; and the proportion of the total property tax levy to be borne by each of the four property tax classes. The tax imposed on each tax lot for a fiscal year is the product of its assessed value (after exemptions) and the tax rate applicable to its tax class as adopted by the City Council.

In response to the filing of an application for correction of assessment, the Tax Commission may review the following claims: 1) misclassification, i.e., the property is assessed in the wrong tax class for its type and use under the four-class system; 2) excessiveness, generally that the property fails to receive all or a portion of a partial tax exemption; 3) inequality, i.e., the property's assessed value is set at a higher proportion of market value than that applied to all other properties in the same tax class; and 4) unlawfulness, including claims that the property did not receive a full exemption or the property otherwise was not subject to assessment by the Department of Finance. The RPT rates set by the City Council are *not* subject to Tax Commission review.

³ All class one and certain small class two properties having ten or fewer units.

The typical application filed with the Tax Commission seeks a reduction in the amount of the property's assessed value based on a claim of inequality. Challenges to the assessment ratio set by the Department of Finance are rarely raised before the Tax Commission because they require extensive proceedings in court. Therefore, challenges to the assessed value for most properties are limited to disputes over the fair market value as determined by the Department of Finance. Challenges based on eligibility for a full or partial exemption also are common. Applications can raise more than one type of claim.

The Tax Commission updates and prints application forms each year for use in the administrative review process. The specific forms required to be filed depend on the property's designated tax class and use, the amount of the assessment, and the nature of the claim(s) being made. Application forms, instructions, and summaries of applicable procedures may be obtained in person at the Tax Commission's office as well as at the Department of Finance Business Centers. Forms also are available on the Tax Commission's website at <http://www.nyc.gov/html/taxcomm> and will be mailed by the Tax Commission on request.

The application forms are designed to elicit information, including financial information, and documents necessary for the Tax Commission's proper determination of the claims raised in the application. By law, financial statements for income-producing properties having an assessed value of \$1 million or more must be accompanied by a certification that a certified public accountant has reviewed the financial statement.

This year, the filing deadline for applications for review of assessments of properties in tax class one is March 15, 2016; the deadline for filing applications for review of assessments of all other properties is March 1, 2016. To be considered timely, an application must be *received* at the Tax Commission or a borough office of the Department of Finance by the applicable deadline. The Tax Commission has no authority to waive or extend the deadlines.

The applicant must complete the application according to the printed instructions and sign it before a notary public (for property in tax classes two, three and four) or with a certification (for property in tax class one). All applicants who properly complete, sign and timely file the required application forms receive substantive review of their claims by the Tax Commission. To the extent resources allow, a personal hearing is granted if requested. When a hearing is not requested, or when resource allocations require it, an application may be determined on the papers (i.e. documented information) submitted. There is no difference in the thoroughness of the review on papers or after an in-person hearing. Though not required, about 98.6% of applicants were represented by a lawyer or a non-attorney professional in 2015 except for owners of class one properties, who represented themselves about half of the time.

Starting in 2011, a fee of \$175 applies to applications for properties with an assessed value of \$2 million or more, equivalent to a market value of about \$4.45 million for properties in tax classes 2, 3 and 4 or over \$33 million for properties in tax class 1. The Tax Commission will not review an application if the fee is not paid. The fee does not apply if the applicant or representative waives review of the application before it is scheduled for a hearing.

In addition to providing property owners an independent forum for review of their property tax assessments, the Tax Commission helps the City maintain the integrity of the property tax assessment rolls, the sound and equitable allocation of the property tax burden, and promotes public confidence in government and the tax system. A fair and efficient review process is essential to reducing costly litigation of assessment disputes. Appropriate action by the Tax Commission resolves many claims that might be further contested through court proceedings under Article 7,⁴ which cost additional time and resources for property owners and the City.

⁴ Article 7 is the provision of the New York Real Property Tax Law providing for judicial review of assessed values.

As a condition of accepting an offer of reduction from the Tax Commission, property owners must agree to discontinue all pending judicial proceedings for prior years. This benefits the City by eliminating thousands of pending Article 7 proceedings. Finally, to the extent the Tax Commission resolves property owners' claims prior to publication of the final annual assessment roll in May, RPT bills issued in July can be based on the corrected assessed values.

In sum, though it is a small agency in terms of staffing and expense budget allotments, the Tax Commission is an integral and essential component of the New York City tax administration system.

Applications are heard and determined by one or more hearing officers who are members of the Tax Commission Appraisal & Hearing Group (all of whom are experienced assessors by training), the President, a part-time Tax Commissioner, or, as designated by the President, the Tax Commission Special Counsel, one of three part-time hearing officers,⁵ a Tax Appeals Tribunal Commissioner, Administrative Law Judge, or the Tax Appeals Tribunal General Counsel. In 2015, teams of two hearing officers, including the President or a senior member of the Appraisal & Hearings Group, conducted hearings on applications involving properties with assessments of \$75 million or more, referred to generally as "high value" properties.

For applications involving utility properties, upon request by the applicant, the entire Tax Commission (i.e., the President and all of the part-time Tax Commissioners) will convene and act on the application as provided by law. Utility applicants also may choose to have a hearing before, and determination by, the President of the Tax Commission working with a member of the Appraisal & Hearings Group.

Applications involving exemption claims are heard and determined by attorneys in the Tax Commission or Tax Appeals Tribunal. The rest of the applications are assigned to hearing officers on a random basis.

⁵ See "Structure & Resources" at p. 11.

A personal hearing gives the taxpayer, or designated representative, an opportunity to present the application and advocate for the relief sought. A substantial majority of applicants request an in-person hearing. The duration of a hearing may be a few minutes in straightforward cases, up to an hour in particularly complex or unique cases.

The Tax Commission conducts hearings at its offices in Manhattan, as well as in the Bronx, Brooklyn, Queens and Staten Island offices located within the premises of the Department of Finance's Property Division. If a hearing is not requested by the applicant, the application is determined on the papers submitted.

In preparation for the hearing, the hearing officer reviews the application, including additional financial or other information submitted, reviews applications submitted in past years and any other relevant information. At the hearing, the applicant or representative is expected to be prepared to explain any anomalies in the application and accompanying documents, especially discrepancies between the current year's application and prior applications filed. At the applicant's request, the Tax Commission will receive sworn oral testimony by the owner (or another person with relevant knowledge) in support of the claims made on the application. Formal rules of evidence do not apply and no recording or transcript of any testimony is made, except for hearings on applications relating to nonprofit exemptions, which are recorded although not transcribed.

Pursuant to case law, the assessment set by the Department of Finance is presumed correct. The burden is on the applicant to offer substantial evidence to overcome the presumption and then to prove by a preponderance of the evidence that the assessment should be reduced or otherwise corrected. The Department of Finance is permitted to appear at hearings or may offer written submissions in defense of assessments under review. In previous years, the Department of Finance relied on the legal presumption that the published assessment is correct. For the past three years, the Department of Finance has sent representatives to a number of hearings, has requested copies of various

documents and occasionally has submitted information and documents supporting the original assessment. Applicants, or their representatives, will receive copies of any information submitted by the Department of Finance. Attendance at hearings gives the Department of Finance the opportunity to gain additional information about a specific property that may aid in assessing that property for the following year with a goal of reducing or eliminating the need for Tax Commission review in the following year.

In making a determination on an application, the hearing officer considers all relevant information and documents presented, along with any information from the Department of Finance and any facts of which the Tax Commission properly may take administrative notice. The accepted methodologies for valuing real estate use sales of comparable properties, income generated by the property or the cost of reproducing the structure. To aid in determining the market values of properties, the Tax Commission staff engage in ongoing market research and monitoring, and agency reference materials are compiled and supplemented accordingly. The Tax Commission also reviews documents and articles regarding the real estate industry such as recent sales and leasing activity reports and maintains a history in its files of materials relevant to specific properties. Finally, Tax Commission assessors perform exterior and/or interior field inspections of subject properties when deemed necessary, or make referrals to the Department of Finance for inspection.

In addition to considering claims relating to a property's current year assessment, the Tax Commission also is authorized by law to reconsider and act on the assessment for the most recent preceding year provided a valid court proceeding is pending. In unusual cases, review of an earlier year within the most recent five years may be made, again provided a valid court proceeding is pending. Proper filing of a Tax Commission application is a prerequisite to judicial review of an assessment, and timely filing of an Article 7 petition is a prerequisite to Tax Commission review of a prior year's assessment.

If the Tax Commission concludes that there is adequate proof of an error, it offers relief in the form a reduction, class change or exemption as appropriate. The Tax Commission cannot raise the assessed value or reduce the amount of an exemption.

The Tax Commission mails notice of its determination to the applicant or designated representative after the hearing is conducted. For applications reviewed on papers without an in-person hearing, the review is done as soon as the files are complete. An offer to reduce or otherwise adjust an assessment is implemented only if the applicant or authorized representative properly executes and returns the Tax Commission's standard written agreement within the specified time. All offers are subject to specified terms and conditions, which include the discontinuance of all judicial proceedings pending with respect to assessments for prior years and an agreement not to file an Article 7 proceeding for the years covered by the offer.⁶

All offers of reduction are subject to review and approval by the President of the Tax Commission. The Tax Commission also has an internal quality control auditing process. A number of applications for which the hearing officer has proposed an offer of reduction are systematically identified using predetermined criteria as well as a stratified random sample. Selected applications are subject to reexamination and a revised determination may be made. On occasion, an offer is withdrawn. The Tax Commission will explain to applicants or their representatives the basis for any withdrawal of an offer.

If the applicant accepts a Tax Commission offer of remedial relief before publication of the final assessment roll, the revised assessed value is reflected on the final annual assessment roll and on the corresponding tax bills subsequently mailed by the Department of Finance for the fiscal year beginning July 1. Offers of reduction for current-year assessments accepted after the roll becomes final, as well as all accepted offers of relief for prior-year assessments are implemented by remission. In those situations, the Department of Finance recalculates the property's tax liability based on the

⁶ Statistics on prior years' petitions closed in connection with Tax Commission offers of reduction are provided under "Operations & Performance" at p. 11.

assessment as corrected by the Tax Commission, and issues a RPT refund and/or credit to the affected taxpayer.

If a Tax Commission offer of remedial relief is not accepted, is not accepted by the applicable deadline, or the offer is withdrawn or an acceptance agreement revoked as part of the quality control auditing process, the assessment at issue is confirmed.

Applicants may seek judicial review of assessments confirmed by the Tax Commission by filing an Article 7 petition in the New York State Supreme Court in the appropriate county by October 24 and serving the petition on the Tax Commission. State law does not require the court to give any deference to the Tax Commission's administrative determination. An optional special small claims procedure (SCARP) is available for owner-occupied one, two and three-family homes. The Tax Commission provides all applicants with information on how to initiate an Article 7 or small claims proceeding.

The Tax Commission accepts service of process of petitions for judicial review. The City's Corporation Counsel represents the Department of Finance and the Tax Commission in these proceedings. The Tax Commission and the Tax and Bankruptcy Division of the New York City Law Department maintain ongoing communications to foster efficiency, fairness and to pursue the best interests of the City. The Tax Commission maintains records of all judicial proceedings relating to property tax assessments from commencement to disposition and updates that file twice a year.

Structure & Resources

The City Charter provides that the Tax Commission consists of a President and six Commissioners appointed by the Mayor, with advice and consent of the City Council, to staggered, six-year terms. The President, as the head of the agency, serves full-time, while the six Commissioners serve part-time. Each member of the Tax Commission must have at least three years of business experience in real estate or real estate law.

Additionally, the City Charter requires that the Tax Commission must include at least one resident of each borough. The current President, Ellen E. Hoffman, was appointed effective August 4, 2015 to complete a six-year term ending January 6, 2020. As of the date of this Annual Report, there are two part-time Tax Commissioners whose terms end in January 2018, two holdover part-time Tax Commissioners whose terms ended in January 2016 and two current vacancies. Efforts to fill those positions are under way.

For the 2015/16 tax year, the Office of Administrative Tax Appeals had a staff of 39 full-time employees plus three part-time Tax Commissioners and three additional part-time hearing officers, including the former Director of Appraisal & Hearings and two attorneys each with more than 20 years' experience in real property valuation at the Law Department or Department of Finance.⁷ The Office of Administrative Tax Appeals' operating budget for 2015 was \$4,466,003. The Tax Commission's structure and its managerial personnel are presented in the organization chart attached.

Operations & Performance

Assessment Review Applications. In 2015, the Tax Commission received 52,767 applications, covering 196,303 separately assessed tax lots, having an aggregate assessed value of \$190,714,937,774. This represents a more than 20% increase in applications since 2008.

In 2015, the Tax Commission provided substantive hearings on 27,541 applications.⁸ The Tax Commission took remedial actions in 2015 that, in the aggregate, granted \$5,035,852,885⁹ in assessment reductions, yielding an estimated \$573,000,000 in tax relief. In conjunction with its disposition of 2015 applications, the Tax Commission

⁷ The Tax Commission also employs part-time college aids.

⁸ This figure includes applications where the applicant requested that the application be reviewed without a personal hearing. An additional 18,337 applications eligible to be heard did not receive a substantive review because the applicant or representative either declined substantive review or failed to provide requested information at or after the hearing.

⁹ This figure includes accepted offers of reduction for the 2015/16 tax year (\$4,173,532,185) and for the prior tax year (\$97,512,178).

also obtained discontinuances of 16,893 pending judicial review proceedings claiming errors in assessments for prior years.

In 2015, the Law Department settled approximately 572 Article 7 proceedings resulting in about \$250 million in assessment reductions. In recent years, the courts, after trial, have issued few judgments disposing of Article 7 proceedings. In 2015, there were 65 Article 7 petitions taken to trial and decided by the courts, granting about \$123,000 in assessment reductions. The Tax Commission's administrative review has been, and continues to be, the most effective means of resolving the pending judicial proceedings contesting billions of dollars in assessments.

In connection with performing its core function of ruling on annual applications for correction of assessment, the Tax Commission has to undertake substantial preparatory and support work including:

- Annually reviewing, updating and refining application forms along with associated instructions and informational summaries
- Outreach to the public and information sessions on the application process
- Intake of applications and stratified sorting of forms and documents
- Creating, maintaining and tracking case files and records, which are used throughout the office during the course of the review process
- Calendaring applications for hearing, which requires matching hearing officers' schedules with those of representatives, and grouping applications by various characteristics, including property type and representative
- Extensive data processing to ensure data on properties is correct and any determinations by the Tax Commission are properly reflected in the assessment roll
- Performing legal, appraisal and factual research and analyses
- Rendering determinations
- Generating and mailing disposition notices
- Communicating with the Department of Finance and the Law Department
- Auditing determinations and compiling and analyzing performance statistics
- Responding to customer inquiries throughout the year

FOIL. The Tax Commission receives hundreds of requests under the Freedom of Information Law each year. Some requests relate to individual properties; some requests are for large volumes of data to be provided in electronic form. We are advised by the Law Department that FOIL requires us to put data into a format requested if possible, even if it is not maintained by the Tax Commission in that format. Depending on the nature of the request, either Tax Commission IT staff must take time to compile the data requested and convert it into the desired format, or other staff must manually locate, review and make hard copies of requested material from the paper files. FOIL compliance requires adherence to statutory deadlines so that the necessary staff must be pulled from other tasks. FOIL does not permit compensation for the time of staff or the cost of data processing done by agency staff; we can only charge \$0.25 per page for copying. In 2015, the Office of Administrative Tax Appeals received 222 FOIL requests.

Nonprofit Exemptions. As in 2014, in 2015 the Department of Finance sent notices requesting renewal of property tax exemptions to not-for-profit organizations requiring them to provide updated information to establish their eligibility for exemption. In 2015, this resulted in 183 such applications protesting the denial or reduction of exemptions. These matters required additional outreach to those claiming exemption, in-person hearings and extensive documentation of the exempt status of the organizations and use of the premises. Many of these organizations are not represented and do not have professional staff so the Tax Commission spent a considerable amount of time explaining the requirements for exemption and how to present the facts needed to prove their claim.

Personal Exemptions. In 2015, the Tax Commission received 743 and resolved 609 applications for review of denials of personal exemptions including STAR, Enhanced STAR, Senior Citizen, Disabled, Veteran and Clergy exemptions.

Planned or Implemented Improvements or Modifications

The Tax Commission has fully integrated the New York City Tax Appeals Tribunal professional and support staff into the process of reviewing Tax Commission applications. This enabled the Tax Commission to continue to manage the increased volume of applications without diminishing the quality of review.

The Tax Commission continued to expand its use of technology for information gathering and has found a wealth of material on the Internet. Property sales prices, leasing activity, income and expense data and demographic information have been found and used in determining property values for specific properties and in establishing internal guidelines. In addition, members of the Appraisal & Hearings Group continue to perform inspections and field visits to enhance their knowledge of neighborhoods and the use of specific properties.

The Tax Commission together with the Law Department, the Office of Court Administration, and the Real Estate Tax Review Bar Association worked to establish a program for electronic filing of Article 7 petitions in Supreme Court, New York County and expanded the program to cover the other four counties in the City. This provided a highly efficient system for filing and tracking Article 7 petitions filed in 2015.

The Tax Commission continued its emphasis on the efficient delivery of service to applicants in 2015 by:

- In cooperation with representatives, allowing additional time for representatives to screen their cases and decline hearings on those matters for which merits review is not requested. This resulted in fewer non-meritorious cases being scheduled and allowed hearing officers to focus on those cases requiring their attention.
- In response to requests by the Department of Finance and property owners' representatives, holding hearings on certain condominium properties earlier in the season so that determinations can be made and assessments corrected prior to the issuance of the first RPT bill. This reduced the substantial time and effort required of

the Department of Finance, representatives and property owners in obtaining refunds for individual condominium unit owners.

- Continuing to work with various professional and industry organizations on the practices, procedures and policies employed in the annual assessment review process. In particular, the Tax Commission worked with the New York State Society of CPAs to accept wording on the accountants' certification in compliance with revised AICPA standards.
- Speaking at programs and events hosted by professional, industry and community organizations to explain the assessment review process.
- Joining with the Department of Finance at a series of outreach programs following mailing of the notices of property value at which property owners can receive information, forms and guidance on filing applications for correction with the Tax Commission. Twelve such sessions were held in 2015, at least two in each borough during the day and in the evening.
- Providing the opportunity for taxpayers to have hearings in the Bronx, Brooklyn, Queens and Staten Island borough offices of the Tax Commission located within the Department of Finance's Property Division offices. All applicants appearing on their own behalf could opt for a hearing in the borough where they live *or* where the subject property is located. Applicants and representatives also could request that a hearing be held at the Tax Commission's offices in Manhattan.
- Conducting a briefing on January 29, 2015 on policies and practices for representatives who regularly appear at the Tax Commission to inform them about the agency's rules of practice, other changes introduced in 2015, and the agency's requirements of professional conduct and integrity, and to help them avoid common mistakes that prevent their clients' applications from being considered on the merits. Over 180 people attended the briefing including representatives filing most of the applications received in 2015.

In 2016, Tax Commission plans include:

- Exploring the feasibility and efficacy of electronic recordkeeping for Tax Commission records, comprising six years of applications and accompanying documentation for tens of thousands of properties. Currently, paper Tax Commission files occupy over 100 filing cabinets. Our document retention schedule provides that

Tax Commission files are retained on site for six years and thereafter destroyed. Electronic recordkeeping would:

- Enable quick document access by Tax Commission hearing officers
 - Eliminate misplacement of paper files
 - Allow for simultaneous use of files by multiple hearing officers
 - Permit electronic retrieval of documents for FOIL compliance
 - Enable data capture from scanned documents
 - Prevent the loss of documents due to fire or other catastrophic event through the use of cloud data storage
- Expanding the effectiveness of outreach and information briefings for taxpayers and staff of public officials interested in learning more about the assessment system and protest process and to provide additional information for those coming before the Tax Commission.
- Continuing to improve the quality and the efficiency of the annual assessment review hearings and determinations; expand quality control procedures to protect against potential corruption and ensure consistency and accuracy of determinations; and increase transparency in the assessment review process.
- Working with the Department of Finance to identify issues in the assessment and exemption application process with a view toward achieving the correct assessment and exemption without the need for Tax Commission review.
- Continuing to participate in the development of the Department of Finance computerized property tax system (PTS), which will replace the current Tax Commission computer systems, which are integrated with those of the Department of Finance.
- Applying the resources available to maximize the number of determinations made and conveyed prior to publication of the final assessment roll including early hearings for certain condominium properties.
- Expanding the information gathering efforts of the Appraisal & Hearings Group to ensure the most current and reliable information is available to value properties.

- Continuing to participate in training staff of the City's 311 telephone system to more properly direct inquiries, which will allow Tax Commission staff to focus on answering questions on the assessment review process.

NEW YORK CITY TAX COMMISSION 2015 ANNUAL REPORT

2015 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES BY TAX CLASS

APPLICATIONS				ASSESSMENT REDUCTION OFFERS			ACCEPTED ASSESSMENT REDUCTION OFFERS		
REAL PROPERTY DESIGNATION	COUNT	TAX LOTS COVERED	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
TAX CLASS 1	2,141	3,640	\$ 170,328,392	272	282	\$ 1,550,409	236	246	\$ 1,366,102
TAX CLASS 2	25,596	155,635	\$ 78,363,383,150	4,041	28,438	\$ 1,668,675,538	3,352	19,634	\$ 1,389,280,664
TAX CLASS 3	99	99	\$ 2,772,621,540	5	5	\$ 17,026,350	5	5	\$ 17,026,350
TAX CLASS 4	24,931	36,929	\$ 109,408,604,692	4,870	6,471	\$ 3,173,233,630	3,868	5,246	\$ 2,765,859,069
TOTAL	52,767	196,303	\$ 190,714,937,774	9,188	35,196	\$ 4,860,485,927	7,461	25,131	\$ 4,173,532,185

NEW YORK CITY TAX COMMISSION 2015 ANNUAL REPORT

2015 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES - BY PROPERTY TYPE

APPLICATIONS				ASSESSMENT REDUCTION OFFERS			ACCEPTED ASSESSMENT REDUCTION OFFERS		
REAL PROPERTY DESIGNATION	COUNT	TAX LOTS COVERED	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
TAX CLASS 1	2,141	3,640	\$ 170,328,392	272	282	\$ 1,550,409	236	246	\$ 1,366,102
CONDOMINIUMS	64	1,567	\$ 26,230,135	15	25	\$ 128,468	15	25	\$ 128,468
1,2 & 3 FAMILY	1,605	1,602	\$ 112,921,146	243	243	\$ 1,166,527	209	209	\$ 994,944
VACANT LAND	254	254	\$ 7,919,481	5	5	\$ 11,053	4	4	\$ 10,329
OTHER	218	217	\$ 23,257,630	9	9	\$ 244,361	8	8	\$ 232,361
TAX CLASS 2	25,596	155,635	\$ 78,363,383,150	4,041	28,438	\$ 1,668,675,538	3,352	19,634	\$ 1,389,280,664
CONDOMINIUMS	2,171	132,295	\$ 18,358,479,626	426	24,823	\$ 424,215,898	290	16,572	\$ 293,915,178
2-10 FAMILY	4,017	4,014	\$ 1,636,852,800	366	366	\$ 15,544,109	322	322	\$ 14,125,804
COOPERATIVES	4,101	4,088	\$ 22,661,860,567	878	878	\$ 487,389,255	708	708	\$ 422,614,140
RENTAL APTS	15,307	15,238	\$ 35,706,190,157	2,371	2,371	\$ 741,526,276	2,032	2,032	\$ 658,625,542
TAX CLASS 3	99	99	\$ 2,772,621,540	5	5	\$ 17,026,350	5	5	\$ 17,026,350
UTILITY PROPERTY	99	99	\$ 2,772,621,540	5	5	\$ 17,026,350	5	5	\$ 17,026,350
TAX CLASS 4	24,931	36,929	\$ 109,408,604,692	4,870	6,471	\$ 3,173,233,630	3,868	5,246	\$ 2,765,859,069
CONDOMINIUMS	2,350	14,639	\$ 18,174,139,742	459	2,060	\$ 666,943,760	280	1,658	\$ 536,137,162
OFFICES/LOFTS	3,808	3,777	\$ 56,897,673,713	813	813	\$ 1,359,491,982	682	682	\$ 1,250,831,882
STORES	8,195	8,039	\$ 11,957,278,016	1,505	1,505	\$ 402,423,615	1,210	1,210	\$ 349,473,407
INDUSTRIAL	3,902	3,882	\$ 3,875,574,159	978	978	\$ 118,890,304	817	817	\$ 102,521,341
HOTELS	700	687	\$ 9,447,892,797	186	186	\$ 376,436,641	146	146	\$ 319,519,991
VACANT LAND	1,160	1,148	\$ 963,102,112	222	222	\$ 50,999,426	174	174	\$ 35,245,845
UTILITY PROPERTY	157	157	\$ 2,419,205,019	33	33	\$ 43,626,930	31	31	\$ 43,045,030
OTHER	4,659	4,600	\$ 5,673,739,134	674	674	\$ 154,420,972	528	528	\$ 129,084,411
TOTAL	52,767	196,303	\$ 190,714,937,774	9,188	35,196	\$ 4,860,485,927	7,461	25,131	\$ 4,173,532,185

NEW YORK CITY TAX COMMISSION 2015 ANNUAL REPORT

2015 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES – BY REDUCTION RANGE

ASSESSMENT REDUCTION OFFERS				ACCEPTED ASSESSMENT REDUCTION OFFERS		
RANGE OF OFFER AMOUNTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
UNDER \$50,000	2,912	3,250	\$ 70,178,109	2,286	2,524	\$ 54,961,500
\$50,000-\$249,999	3,630	6,443	\$ 431,029,269	3,011	5,102	\$ 358,325,723
\$250,000 AND OVER	2,646	25,503	\$ 4,359,278,549	2,164	17,505	\$ 3,760,244,962
TOTAL	9,188	35,196	\$ 4,860,485,927	7,461	25,131	\$ 4,173,532,185

NEW YORK CITY TAX COMMISSION 2015 ANNUAL REPORT

2015 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES - BY BOROUGH

APPLICATIONS				ASSESSMENT REDUCTION OFFERS			ACCEPTED ASSESSMENT REDUCTION OFFERS		
BOROUGH	COUNT	TAX LOTS COVERED	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
BRONX	6,434	19,711	\$ 7,309,669,605	765	885	\$ 118,831,266	621	728	\$ 99,077,981
BROOKLYN	12,434	28,796	\$ 14,417,322,204	1,740	3,468	\$ 305,250,386	1,423	2,862	\$ 245,831,748
MANHATTAN	21,297	116,856	\$ 149,758,241,007	4,286	27,119	\$ 3,952,734,266	3,479	18,642	\$ 3,413,565,257
QUEENS	10,713	27,578	\$ 17,533,991,137	2,075	3,242	\$ 451,011,549	1,670	2,471	\$ 389,937,718
STATEN ISLAND	1,889	3,362	\$ 1,695,713,821	322	482	\$ 32,658,460	268	428	\$ 25,119,481
TOTAL	52,767	196,303	\$ 190,714,937,774	9,188	35,196	\$ 4,860,485,927	7,461	25,131	\$ 4,173,532,185

NEW YORK CITY TAX COMMISSION 2015 ANNUAL REPORT

PROCEDURAL DELINEATION OF 2015 ASSESSMENT REVIEW APPLICATIONS

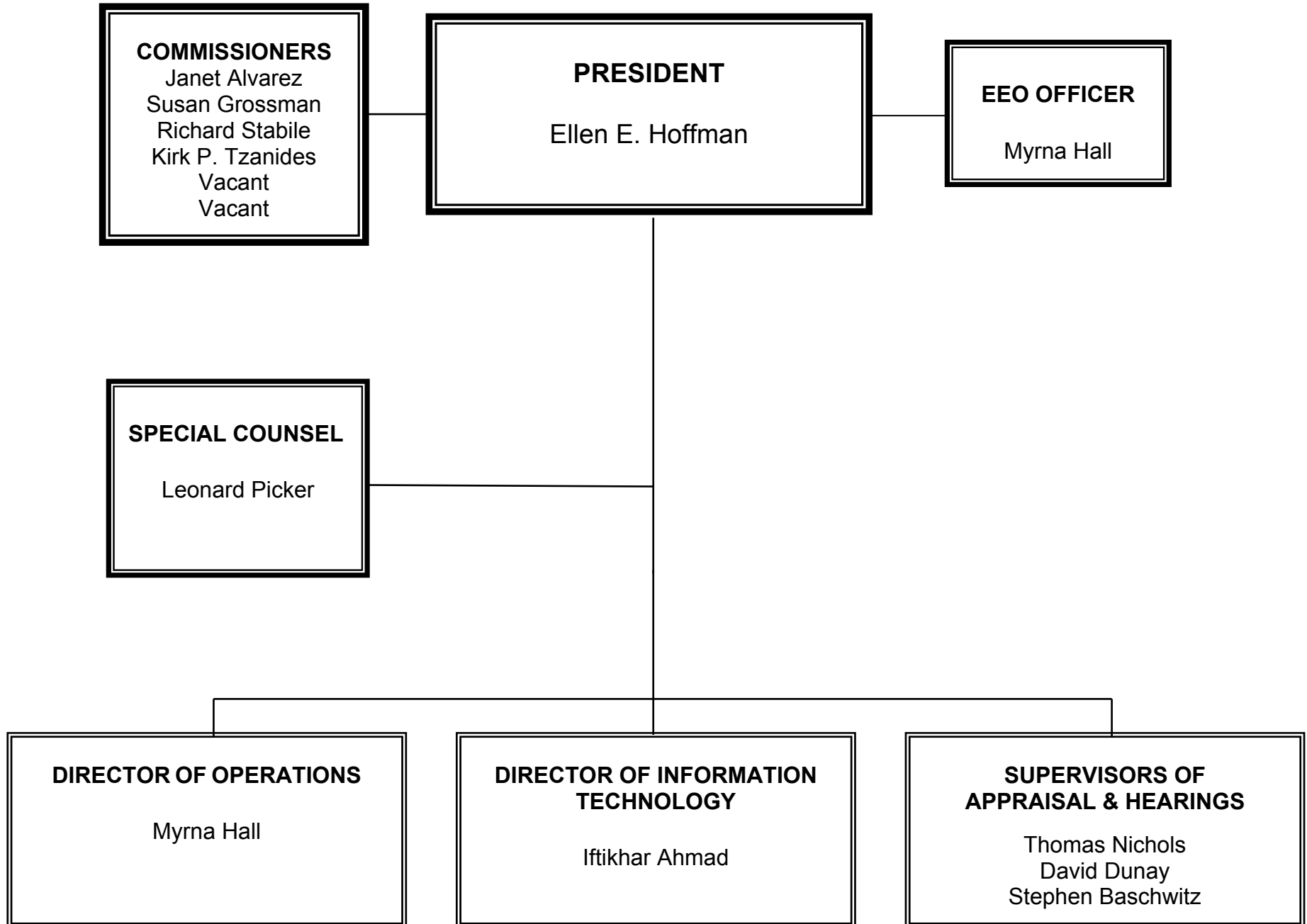
	APPLICATIONS	TAX LOTS
NOT ELIGIBLE FOR REVIEW	6,889	23,200
LATE FILING	66	64
INCOMPLETE FILING	1,006	5,237
REQUIRED DEPT. OF FINANCE INCOME AND EXPENSE STATEMENT ("RPIE") NOT FILED, LATE OR IMPROPER	499	528
REQUIRED TAX COMMISSION INCOME AND EXPENSE FORM ("TCIE") NOT FILED, LATE OR IMPROPER	4,380	16,537
UNEXCUSED NON-APPEARANCE BY APPLICANT OR REPRESENTATIVE AT SCHEDULED HEARING	174	174
WITHDRAWN BY APPLICANT	474	285
OTHER	290	375
ELIGIBLE FOR REVIEW	45,878	173,103
IN PERSON HEARINGS CONDUCTED	25,708	129,167
HEARINGS CONDUCTED BY TELEPHONE	18	18
REQUIRED FACTUAL SUBSTANTIATION NOT SUBMITTED	801	1,965
SUBSTANTIVE HEARING DECLINED AFTER APPLICATION FILED	17,536	39,964
REQUESTED REVIEW ON PAPERS	1,815	1,989
TOTAL	52,767	196,303

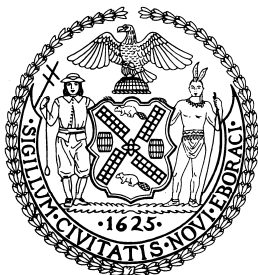
NEW YORK CITY TAX COMMISSION 2015 ANNUAL REPORT

REMEDIAL ACTIONS BY TAX COMMISSION IN 2015 FOR 2014 ASSESSMENTS COVERED BY PENDING JUDICIAL REVIEW PROCEEDINGS

PENDING JUDICIAL REVIEW PROCEEDINGS FOR 2014 ASSESSMENTS		OFFERS TO REDUCE 2014 ASSESSMENTS			2014 JUDICIAL REVIEW PROCEEDINGS DISCONTINUED IN CONJUNCTION WITH ACCEPTED OFFERS TO REDUCE 2014 ASSESSMENTS		
COUNT	COLLECTIVE AMOUNT OF ASSESSMENTS	COUNT	COLLECTIVE AMOUNT OF ASSESSMENTS AT ISSUE	COLLECTIVE AMOUNT OF ASSESSMENT REDUCTION OFFERS	COUNT	COLLECTIVE AMOUNT OF ASSESSMENTS NO LONGER AT ISSUE	COLLECTIVE AMOUNT OF ACCEPTED ASSESSMENT REDUCTION OFFERS
36,339	\$ 103,822,674,483	1,975	\$ 12,289,540,953	\$ 1,006,740,408	1,599	\$ 1,160,418,486	\$ 862,320,700

THE TAX COMMISSION OF THE CITY OF NEW YORK 2015





CITY OF NEW YORK
Bill de Blasio
Mayor

TAX COMMISSION
Ellen E. Hoffman
President