



Department of Finance

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ANNUAL REPORT

New York City

Reduced Interest Rate and Standard Payment Property Tax
Payment Plans

Calendar Year 2023

Division of Treasury & Payment Services

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Introduction

Under Local Law 36 of 2023, the New York City Department of Finance (DOF) is required to report information relating to property tax payment plans to the mayor and speaker of the city council. Local Law 36 also created a new type of property tax payment plan that reduces the interest rate charged to certain property owners.

This report covers calendar year 2023 using data available as of December 31, 2023. The source of the data is the Department of Finance's Property Tax System (PTS).

The report below also covers the reporting requirements under Administrative Code Section 11-224.1(h-1)(ii).

Summary

The Department of Finance offers payment plans that allow taxpayers to pay delinquent and current property taxes over time, instead of paying the full amount all at once. There are three types of payment plans available to taxpayers: standard, reduced interest rate, and Property Tax and Interest Deferral (PT AID) Program payment plans.

The **standard payment plan**, which has existed for many years, is available to all individuals and businesses who owe property taxes regardless of property value, income, or residency status. In choosing the terms of the payment plan, a property owner can make a down payment as low as zero dollars, choose the length of the plan between one and 10 years, and choose the payment frequency of either monthly installments or quarterly installments.

Eligibility requirements for the **Reduced Interest Rate Property Tax Payment Plan**:

- The property must be a single-family home, condominium, or other tax class 1 property with an assessed value of \$250,000 or less.
- The property must have been the primary residence of the owner for at least one year.
- The total annual income of all owners may not exceed \$200,000.

Eligibility requirements for the **Property Tax and Interest Deferral (PT AID)** payment plan:

- Property must be a single-family home, condominium, or other tax class 1 property.
- The property must have been the primary residence of the owner for at least one year.
- The total annual income of all owners may not exceed \$86,400.

PT AID payment plans were created by Local Law 45 of 2019. The amount a participant can defer is limited to a maximum of 25% of the equity they have in their property unless it is a condominium unit, in which case the maximum is up to 50% of the equity. There are three payment plan options within PT AID: Low-Income Senior (LIS), Fixed-Term Income-Based (FTI), and Extenuating Circumstances Income-Based (ECI) payment plans.

Local Law 36 recognizes that the Department of Finance has already confirmed the income for property owners participating in PT AID or receiving the following personal exemptions: Senior Homeowners’ Exemption (SCHE), Disabled Homeowners’ Exemption (DHE), and Enhanced STAR (E-STAR). Property owners who receive one of these personal exemptions and who request a payment plan automatically receive the reduced interest rate, as do PT AID participants. These property owners do not need to submit an application if they are enrolled in a standard or PT AID payment plan, are up to date on their payments, and receive the Enhanced STAR credit or exemption, the Senior Citizen Homeowner’s Exemption, or the Disabled Homeowners’ Exemption.

To highlight the availability of payment plans to assist homeowners with their property tax bills, in 2023, the Department of Finance’s Outreach Unit held 84 events. This included events with elected officials, community boards, and community-based organizations. The outreach events were especially targeted for New York City council districts with higher homeowner populations. DOF’s outreach team provided materials regarding the three available payment plans.

This report will review the Reduced Interest Rate Property Tax Payment Plan statistics and, where appropriate, provide relevant statistics for the standard and PT AID payment plans, in accordance with the reporting requirement of New York City Administrative Code Section 11-322 and Section 11-224.1.¹

Part I: Payment Plans Executed During Calendar Year 2023

For the year ending December 31, 2023, the Department of Finance has executed 1,170 applications for property tax payment plans. An executed payment plan means the applicant has signed the contract. Out of 1,170, 774 were standard payment plans and 396 were reduced interest rate plans, including the properties that received the reduced interest rate automatically. From the table below, we see that Queens has the largest number of executed plans, followed by Brooklyn.

Borough	Reduced Interest Rate Applications Executed	Total Standard property tax payment agreements with AV \$250K or less Applications Executed	Total Number of Payment Plans
Manhattan	24	11	35
Bronx	33	25	58
Brooklyn	104	107	211
Queens	183	78	261
Staten Island	52	15	67
Total:	396	236	632

¹ For this report required by New York City Administrative Code Section 11-322, the relevant interest rate section referenced in 11-322(c) for criteria (B) is being interpreted to refer to paragraph (i) of subdivision (e) of New York City Administrative Code Section 11-224.1.

The chart below shows the total number of standard property tax payment agreements for properties with an assessed value of \$250,000 or less, per Administrative Code Section 11-224.1(h-1)(ii), that were in effect on July 1, 2023.

Borough	Total Standard property tax payment agreements with AV \$250K or less in effect on July 1st
Manhattan	3
Bronx	14
Brooklyn	65
Queens	42
Staten Island	8
Total:	132

The chart below shows the total number of standard property tax payment agreements for properties with an assessed value of \$250,000 or less, per Administrative Code Section 11-224.1(h-1)(ii), that were in effect in calendar year 2023 that are current or defaulted.

Borough	Current Standard Payment Agreements with AV \$250K or less	Defaulted Standard Payment Agreements with AV \$250K or less
Manhattan	8	3
Bronx	14	11
Brooklyn	63	44
Queens	38	40
Staten Island	8	7
Total:	131	105

Part II: Reduced Interest Rate Property Tax Payment Plans That Were in Effect on July 1 of the Preceding Calendar Year

The legislation establishing the Reduced Interest Rate Property Tax Payment Plan took effect on July 1. As of that date, there were 67 property owners who met the following criteria to automatically receive the reduced interest rate: their existing property tax payment plan was in good standing, and they were receiving a personal property tax exemption, thus meeting the income eligibility requirement. In addition, 327 PT AID Program participants qualified to receive the reduced interest rate. The breakdown below shows that the borough of Queens has the most plans automatically receiving the reduced interest rate, followed by Brooklyn.

Borough	Properties Automatically Receiving Reduced Interest Rate as of 07/01/23
Manhattan	24
Bronx	33
Brooklyn	104
Queens	181
Staten Island	52
Total:	394

Part III: Standard Payment Plans That Were in Effect on December 31 of the Preceding Calendar Year

Borough	Total Standard Property Tax Payment Plans with AV \$250K or Less, Executed Dec. 31, 2023, and Earlier
Manhattan	100
Bronx	227
Brooklyn	805
Queens	742
Staten Island	126
Total:	2,000

Part IV: Payment Plan Applications That Were Not Approved

The Department of Finance provided information on standard payment agreements to applicants who were not approved for the Reduced Interest Rate Property Tax Payment Plan.

Below is a breakdown, by borough, of Reduced Interest Rate Property Tax Payment Plans that were denied. From the chart, we see Brooklyn has the most denied applications, followed by Queens. In comparison, we see a smaller number of standard property tax payment plans with an assessed value of \$250,000 or less denied due to not having an income eligibility component.

Borough	Reduced Interest Rate Applications Received	Reduced Interest Rate Applications Not Approved	Standard Property Tax Payment Plans with AV \$250K Received	Standard Property Tax Payment Plans with AV \$250K or Less Not Approved
Manhattan	29	1	13	1
Bronx	36	0	28	1
Brooklyn	119	4	120	8
Queens	192	2	86	2
Staten Island	54	0	17	1
Total:	430	7	264	19

Part V: Property Payment Plan Taxes, Charges, and Revenue Collected

The chart below shows the breakdown of executed reduced interest rate plans by borough, with the total property tax payment plan amounts, average property taxes and charges, and total property tax and charges collected. From the breakdown, we see that Queens has the largest total of \$3,234,428.33 collected property taxes and charges, followed by Brooklyn with \$1,798,287.72 collected property taxes and charges.

Borough	Total Property Tax Payment Plan Amounts	Applicants Approved**	Avg Property Tax and Charges -	Total Property Tax and Charges Collected -*
Manhattan	\$829,150.00	24	\$34,547.92	\$365,619.88
Bronx	\$689,740.23	34	\$20,286.48	\$229,889.04
Brooklyn	\$1,798,287.72	104	\$17,291.23	\$827,564.12
Queens	\$3,234,428.33	183	\$17,674.47	\$1,358,902.63
Staten Island	\$934,374.74	52	\$17,968.75	\$283,710.70
Total:	\$7,485,981.02	397	\$18,856.38	\$3,065,686.37

* Includes down payment

** Includes both automatic and manually approved reduced interest rate payment plans

The chart below shows the breakdown of executed standard payment plans by borough with the total property tax payment plan amounts and average property taxes and charges. From the breakdown, we see that Brooklyn has the largest average property taxes and charges, followed by the Bronx.

Borough	Total Property Tax Payment Plan Amounts	Applicants Approved**	Avg Property Tax and Charges
Manhattan	\$282,130.32	11	\$25,648.21
Bronx	\$709,533.72	25	\$28,381.35
Brooklyn	\$3,159,612.40	107	\$29,529.09
Queens	\$2,245,467.10	78	\$28,788.04
Staten Island	\$204,024.46	15	\$13,601.63
Total:	\$6,600,768.00	236	\$27,969.36

Part VI: Property Payment Plan Taxes, Charges, and Revenue Collected for Reduced Interest Rate Payment Plans That Are Current

A “current” Reduced Interest Rate Property Tax Payment Plan means that the property owner has paid their current property taxes as well as the installment amounts associated with the payment plan. The number of current participants is 380. From the breakdown below, we see that Queens has the most current plans, followed by Brooklyn.

Borough	Current Reduced Interest Rate Property Tax Payment Plans
Manhattan	24
Bronx	32
Brooklyn	99
Queens	176
Staten Island	49
Total:	380

Part VII: Payment Plans That Have Entered into Default (Delinquent)

A “default” means a property owner has not paid six months of their taxes or the installment amount associated with their payment plan. The number of defaulted participants in the Reduced Interest Rate Property Tax Payment Plan is sixteen.

Borough	Defaulted Reduced Interest Rate Property Tax Payment Plans	Defaulted Standard Property Tax Payment Plans with AV \$250K or Less	Defaulted Standard Property Tax Payment Plans with AV \$250K or Less That Were Cured
Manhattan	0	3	1
Bronx	1	11	6
Brooklyn	5	44	13
Queens	7	40	9
Staten Island	3	7	2
Total:	16	105	31

Part VIII: Number of Payment Plans Terminated During the Preceding Calendar Year

At this time, payment plans were terminated only by request, such as when property owners paid their outstanding taxes or sold their properties.

Borough	Terminated Reduced Interest Rate Property Tax Payment Plans
Manhattan	0
Bronx	1
Brooklyn	0
Queens	2
Staten Island	0
Total:	3

Part IX: Number of Renewed Payment Plans

We will begin the renewal process prior to the deadline of July 1, 2024. Renewing a reduced interest rate property tax payment plan will require the property owner to certify that their income level has not changed.

Note: Standard payment agreements do not have a renewal requirement, as there is no income eligibility requirement.

Part X: Terminology

- Defaulted: a property owner has not paid six months of their payment taxes or the installment amount associated with their payment plan
- Executed: processed a signed property tax payment contract
- Payment Plan: an agreement with the Department of Finance to pay your property taxes over time
- PT AID: Property Tax Interest and Deferral
- Renewal: action of agreeing to a payment plan on an annual basis
- Terminated: ended your payment plan agreement