

The special assessment that appears on your maintenance bill this month was approved by the Board with the 2011 budget last year. It was discussed in detail at last year's Shareholder Budget meeting and followed up with a mailing to all shareholders. The Board's decision to recapture the tax rebate through a special assessment has been fully transparent and communicated to all shareholders. The consensus of Shareholders and the Board is that this is the least onerous way to raise revenue rather than imposing a larger permanent increase to the base maintenance. For most Shareholders, the out-of-pocket cost of this special assessment will be \$0, since the assessment and tax rebate will appear together on the same maintenance bill.

**WHY A SPECIAL ASSESSMENT?** The special assessment is used by the co-op to recapture property taxes it paid and which now are partly being refunded by the city. As long as the State and City continue to rebate previously paid property taxes, the Board of Directors believes assessing for them is a painless way to raise revenue for the co-op. Since most Shareholders will receive a tax rebate equal to or slightly larger than the assessment, their out-of-pocket net cash flow will be zero.

**EXPLAIN THE TAX REBATES?** The Tax Abatement rebate is issued by the City. Although the co-op corporation pays the property taxes, we are required by law to pass through any property tax rebates it receives to individual shareholders. This process could have been simplified had the City simply reduced the co-op property taxes by the amount of those rebates.

The tax rebates flow to the apartment of record on file with the City of New York as of January 15.

- If you moved out of your apartment into a different one and did not notify the city of your new address, then you will not receive the rebate in your new apartment.
- If you moved into a new apartment and the previous owner filed for your apartment address, you will receive the rebate, but will need to file a new form notifying the city of your address change for next year.
- If you moved into a new apartment and neither you nor the previous owner filed for the rebate in your new address, you will not receive it.

**WHO IS ELIGIBLE FOR THE TAX REBATES**

Owners of up to 3 apartments are eligible for a NYC abatement rebate on all their units. Owners of more than 3 apartments are NOT eligible for the NYC abatement. STAR credits may be received on only a primary residence. This means big landlords have a hefty out-of-pocket expense since they must pay the assessment on all their apartments but receive no off-setting rebates. Shareholders that are eligible for the STAR credits must file the proper form with the city. If you have not received a tax credit in the past and are eligible, you will need to pick up the appropriate form in the management office and file it.

**HOW IS YOUR SPECIAL ASSESSMENT DETERMINED?** The Tax Abatement rebate is an amount set by the City of New York. The Board then sets the special assessment rate at an amount equal to the Tax Abatement plus the STAR credit. The assessment will vary depending on the size of your apartment because the assessment rate is based on the number of shares associated with your unit.

Remember, there are no special favors or discounts for anyone so even volunteer Board members pay all fees. The Board will continue to keep maintenance as low as possible and we have an excellent track record at this. We think we have made the right choices and decisions for the majority of Shareholders living here. We cannot please everyone with every decision but we hope you agree that the special assessment which has a zero out-of-pocket cost is a better way to raise revenue than a permanent maintenance increase. Please feel free to email us at [govonyc@aol.com](mailto:govonyc@aol.com).

Thank you.  
The Board of Directors