



Business Investment Tax Exemption

General	Section 485-b of the Real Property Tax Law provides a partial exemption for certain business improvement to be effective unless reduced by local law or resolution			
Eligibility	New construction commenced after January 1, 1976 and completed after July 1, 1976. Property must be used for commercial, business or industrial activity including hotels or motels, but excluding residential property.			
Exemption Schedule	<u>Year of Exemption</u> 1 2 3 4 5	<u>% of Exemption</u> 50 45 40 35 30	<u>Year of Exemption</u> 6 7 8 9 10	<u>% of Exemption</u> 25 20 15 10 5
Further Qualifications	The cost of the new construction, alteration, installation or improvement must exceed \$10,000. Ordinary maintenance and repairs cannot be included.			
Procedure	Application by the owner to the local assessor on a form prescribed by the State Board: original to the assessor, copy to the State Board. Approval is by the local assessor. A change in use to an ineligible purpose will result in loss of exemption.			
Approval or Modification	If a local taxing authority takes no action under this law, the exemptions provided therein automatically are available. If the local taxing authority wishes to reduce the percentage of exemption, it may do so by local law in the case of a county, city, town or village; or by resolution of a school district. The taxing authority may establish a board to advise the governing board regarding the desirability of reducing exemptions.			
Note:	The above summary is for convenience only. For complete evaluation, advice of counsel is recommended.			