



# BOARD BULLETIN

May 16, 2022<sup>1</sup>

## CO-OP TAX EXEMPTIONS

This Bulletin details the various co-op tax exemptions been passed to the Corporation by the City of New York. The Corporation recently received an updated schedule of these exemptions and is distributing these exemptions equally, over three maintenance billing cycles, starting with the June 2022 maintenance bill.

### *Veterans Exemptions*

Certain shareholders have applied for and are eligible for Veterans Exemptions. These exemptions will be passed on to eligible shareholders over a three-month period in their June, July, and August bills. The Veterans Exemption is **not** offset by an assessment by the Corporation.

### *Senior Citizen Exemptions*

Certain shareholders have applied for and are eligible for Senior Citizen Exemptions. These exemptions will be passed on to eligible shareholders over a three-month period in their June, July, and August bills. The Senior Citizen Exemption is **not** offset by an assessment by the Corporation.

### *Disabled Homeowners Exemption*

Certain shareholders have applied for and are eligible for Disabled Homeowner Exemptions. These exemptions will be passed on to eligible shareholders over a three-month period in their June, July, and August bills. The Disabled Homeowners Exemption is **not** offset by an assessment by the Corporation.

### *New York State School Tax Relief Program (STAR) Exemption and Credit*

Certain shareholders have applied for and are eligible for either the Basic STAR Exemption/Credit or the Enhanced STAR exemption. These exemptions will

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<sup>1</sup> This is a two-sided document. Please be sure to read the reverse side.

be passed on to eligible shareholders over a four-month period in their June, July, August, and September invoices (except for shareholders who applied for the STAR exemption after March 15, 2015). Shareholders who applied for STAR after March 15, 2015 should receive a credit (STAR credit) in the form of a check from the New York State Tax Department. All shareholders with combined income of \$250,000 or less should be eligible for at least the basic STAR exemption, while shareholders with combined income of \$500,000 or less should be eligible for at least the basic STAR credit, as long as they meet the residency requirements prescribed by New York State.

The total Basic STAR exemption is \$291.00, and the total enhanced STAR Exemption is \$647.00.

This year, the corporation will offset the STAR exemption/credit with an assessment of \$2.50 per share, or \$0.8333 per month for the three-month period. This equates to approximately \$250 per apartment, which is less than the Basic STAR exemption/credit.

### *Co-op Abatement Exemption*

Shareholders who have their Bell Park Gardens address as their primary residence (as they must) and who bought their unit on or before January 5, 2021 are eligible for the Co-op Abatement Exemption.

The amount of the Co-op Abatement exemption for the entire complex is \$1,009,609, which will be divided up among eligible shareholders' accounts (as per NYC's calculation) over a three-month period in their June, July, August, and September invoices.

The Corporation will apply an assessment, approximately equal to the Co-op Abatement Exemption, of about \$4.013111 per share per month, in the months of June, July, and August. When the City started the Co-op Abatement Exemptions, it increased the assessed value of our property and the tax rate. This change effectively increased the property tax bill of the Corporation. To minimize the out-of-pocket impact on shareholders, instead of raising maintenance to cover the increased property tax bill, the Corporation assessed shareholders for the amount of the abatement exemption. This is a common practice, done at most cooperatives in our area.

Without the assessment, the corporation would have to increase maintenance to generate over \$1,000,000 revenue through a maintenance increase. This would represent about a 15% increase in maintenance for each shareholder. To avoid this,

and to ensure our budget is balanced, the Corporation, along with most other cooperatives in the area, assesses shareholders for the amount of the Co-op Abatement Exemption. Timing the assessment with the abatement exemption prevents shareholders from facing higher bills in the months of the assessment.

The primary driver of rising costs at Bell Park and our neighboring cooperatives is real estate taxes. Unlike private homes, the law in New York does not protect co-ops like ours with a tax cap (a legal protection that limits how high property taxes can increase in a certain period of time). Therefore, there is no limit to how much our already high property taxes can increase.

This year, due to the further unexpected and uncontrollable increased costs of utilities and insurance, the Board is offsetting the STAR credit with an assessment.

Though The Board is actively involved in fighting the unfair tax practices of cooperative developments by the City of New York, we need your help. The Board urges shareholders to contact our local elected officials to express concern with how cooperatives are treated very unfairly in terms of how our property taxes are assessed, and how there is no tax cap to protect us from egregious increases.

Thank you for your time. Please contact the office ([office@bellparkgardens.nyc](mailto:office@bellparkgardens.nyc)) or the Board ([board@bellparkgardens.nyc](mailto:board@bellparkgardens.nyc)) with any questions you might have.

### *Some Good News*

Every year, the Board retains qualified counsel, Jeffrey Golkin Partners, to challenge New York's City's tax assessment on Bell Park Gardens. As a result of the settlement of tax certiorari proceedings in 2021, the coop achieved a total tax savings of \$309,466. Since a portion of the savings was retroactive to July 1, 2020, the total tax savings achieved, \$209,955.53 was received as a refund with the balance of the tax savings reflected in reduced tax savings to the coop.

We continue to do everything we can to minimize our expenses.

Thank you for the trust you have placed in us

Board of Directors

Brian S. Sokoloff, Esq., President

Michelle Boniello, Vice President

Benjamin Wong, Treasurer

Cathy Chimenti, Secretary

Nelson Beltrand, Member

William Daks, Esq., Member

Felicia Chi, Member