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To All A.I.S. Clients
From Leonard J. Licari, President
Re City Council Delays Absentee Landlord Tax
Date March 25, 2004

“Council delays absentee landlord tax”

As reported in the Newsday.com article “Council delays absentee landlord tax,” the City Council leaders have agreed to put off for more than two years the controversial 25 percent tax surcharge on private houses whose owners live elsewhere. The Council Finance Committee voted 17-3 to postpone until July 1, 2006 collection of the so-called absentee landlord tax. The full Council is expected to approve the new bill April 1.

The Absentee Landlord Surcharge is a 25% tax increase, retroactive to July 2003 that applies ONLY to Class 1 “investment” properties. These are typically 1-, 2-, 3- family homes or small mixed-use properties (such as stores with apartments attached) that produce rental income AND are NOT occupied by an owner, or an owner’s parent or child.

Virtually every New Yorker who owns and lives in their home is eligible to receive the School Tax Relief (STAR) property tax reduction. As long as the home is an owner’s primary residence, all you have to do to receive the STAR benefit is apply. An existing STAR benefit also lets Finance know that the property is owner-occupied and, therefore, not subject to the Absentee Landlord Surcharge.