



Instructions for Form RP-421-p-rmd

Application for Real Property Tax Exemption for Newly Constructed or
Converted Rental Multiple Dwellings
(Real Property Tax Law § 421-p)

General information

Real Property Tax Law, § 421-p, allows a city, town, or village to adopt a local law providing an exemption from taxation and special ad valorem levies (but not special assessments) for the construction or conversion of rental multiple dwellings located within a designated benefit area set forth in local law. After a city, town, or village has initially adopted a local law to authorize this exemption, any other municipal corporation in which the designated benefit area is located may likewise authorize the exemption by local law or, in the case of a school district, by resolution.

For the property to become eligible for this exemption, the following eligibility requirements must be met:

- The property **must** be a structure, other than a hotel, consisting of ten or more dwelling units, where all of the units are rented for residential purposes.
- 25% of the units in the structure **must** meet affordability criteria adopted by the municipality in accordance with the law.
- Any new construction **must** take place on vacant, predominantly vacant or under-utilized land, or on land improved with a non-conforming use, or on land containing one or more substandard, structurally unsound dwelling or a dwelling that has been certified as unsanitary by the local health agency. This requirement does not apply to any new conversions.
- The construction or conversion **must** begin on or after the effective date of the local law, ordinance, or resolution.
- The building service employees that are employed by the applicant or by a covered building service employer **must** receive the applicable prevailing wage determined in accordance with the law for the duration of the benefit period, unless;
 - the dwelling contains less than 30 dwelling units, **or**
 - the construction or conversion is carried out with the substantial assistance of grants, loans, or subsidies provided by a federal, state, or local governmental agency or instrumentality pursuant to a program for the development of affordable housing.

When submitting its application, the applicant must also submit a sworn affidavit certifying that it shall comply with the applicable prevailing wage requirement or that it is exempt from it. If the applicant is not exempt, then once its application has been approved, it shall submit a sworn affidavit annually to the Commissioner of Labor certifying its compliance with the prevailing wage requirement.
- In the case of a newly constructed or converted property that is used partially as a rental multiple dwelling and partially for commercial or other purposes, the portion of the property that is used as a rental multiple dwelling shall be eligible for the exemption authorized by this section if:
 - the square footage of the portion used as a rental multiple dwelling represents at least 50% of the square footage of the entire property,
 - the rental units meet the applicable affordability requirements, **and**
 - all other requirements are met.

Duration and computation of exemption

If the exemption is locally authorized, eligible newly-constructed or converted rental multiple dwellings in a designated benefit area are wholly exempt from taxation while under construction, subject to a maximum of three years. Such property shall then be exempt for an additional period of 25 years, provided that the exemption percentage during such additional period of 25 years shall begin at 96% and shall decrease by 4% each year thereafter. However, taxes shall be paid during the exemption period in an amount at least equal to the taxes paid on such land and any improvements thereon during the tax year preceding the commencement of such exemption.

Property may not receive any other exemption at the same time as it is receiving this exemption.

Where and when to file the application

Before the appropriate taxable status date, you should file Form RP-421-p-rmd with your assessor’s office (specified below):

Note: Contact your assessor’s office to confirm the taxable status date in your community.

With:	For:
the city or town assessor	property located outside Nassau or Tompkins County
the village assessor	property located in a village outside Nassau or Tompkins County that assesses property (but file a separate application with the town assessor as well)
the Nassau County Department of Assessment	property located in Nassau County (but for property located in a village in Nassau County that assesses property, file a separate application with the village assessor as well)
the Tompkins County Division of Assessment	property located in Tompkins County

Do **not** file this form with either the New York State Department of Taxation and Finance or the Office of Real Property Tax Services.