



TAX COMMISSION OF THE CITY OF NEW YORK
1 Centre Street, Room 2400, New York, NY 10007

TC109INS
2016

**2016 INSTRUCTIONS FOR FORM TC109
APPLICATION FOR CORRECTION OF ASSESSED VALUE OF
TAX CLASS TWO OR FOUR CONDOMINIUM PROPERTY**

Who should use this form? Condominium owners, or a condominium board of managers acting as the agent of the condominium owners, claiming a reduction of the 2016/17 tentative assessed value of condominium property classified on the assessment roll in tax class two or four (including two-unit condominiums and condominiums owned by cooperative apartment corporations). A single form may include reduction claims for one unit, multiple units or all units of a condominium, *provided all units are on one tax map block.*

Do not use this form to claim; (a) an exemption or a change in tax class (use Form TC106 together with Form TC200), or (b) a reduction in the assessment of a tax class one property (use Form TC108).

What authorizes a condominium board of managers to be an agent? The authority of the condominium board of managers to file *Application Form TC109* as the agent of the unit owner may be contained in (a) the condominium's by-laws, (b) a power-of-attorney, or (c) an individual authorization, valid under applicable law. Only one *Application Form TC109* for a unit will be reviewed by the Tax Commission. If the unit owner and the board file separately for the unit, they will be notified that one of the applications must be withdrawn.

When and where should *Application Form TC 109* be filed? The Tax Commission must actually receive *Application Form TC109* on or before 5:00 p.m. on March 1, 2016. The City Charter prohibits review of late applications. If filing the form by hand, deliver it to the Tax Commission in Room 2400 on the 24th floor of One Centre Street in Manhattan or to a Department of Finance Business Center located in each borough at addresses found in Tax Commission Form TC600 and on the Department of Finance website at <http://www1.nyc.gov/site/finance/taxes/property.page>, or by calling 311.

If filing the form by mail, send it to the Tax Commission, Room 2400, One Centre Street, New

York, NY 10007. **Applications received after the deadline are not valid even if they were mailed before that date.** A copy of the application should be kept for reference. Applications may not be filed by fax or e-mail.

What is needed to prove the application was filed on time? Tax Commission *Receipt Form TC10* is the only proof the application was received by the Tax Commission on time. Submit this form with the hand delivered *Application Form TC109* and the Tax Commission will date and return it. If *Application Form TC109* is being mailed, send a stamped self-addressed *Receipt Form TC10* along with it and the Tax Commission will date and return *Receipt Form TC10* by mail. **A post office or express company receipt is not proof.**

What other forms should be filed with *Application Form TC109* and *Receipt Form TC10*?

A. Form TC203. An application filed by a Board of Managers must also have an *Income and Expense Schedule for Cooperatives and Condominiums Form TC203*, **but if the condominium began operation after July 1, 2015, or if it is exclusively residential with six or fewer units, it need not file Form TC203.**

B. Forms required of applicants, other than the Board of Managers, who claim a reduction of the 2016/17 assessed value:

1. Form TC200. Applicants for a single residential unit, irrespective of the value of the entire condominium, must also file an *Addendum to Application for Correction Form TC200*. Claims must be based on factors specific to the unit, such as unit rent, potential unit rent, or the unit's percentage of common interest;

2. TC201. Applicants for rented residential or commercial condominium units must also file an *Income and Expense Schedule for Rent Producing Property Form TC201*, but applicants for only one or two rented residential units instead must submit copies of the leases;

3. TC203. Applicants for condominium units owned by a cooperative apartment corporation

must also file an *Income and Expense Schedule for Cooperatives and Condominiums Form TC203*;

4. TC208 & TC201. Applicants for hotel condominium units operated by the applicant or a related person must also file an *Income and Expense Schedule for a Hotel Form TC208* and if the units are partially rented also must file a *Form TC201*;

5. TC214 & TC201. Applicants for department store, theater or parking site condominium units operated by the applicant or a related person must also file an *Income and Expense Schedule for Stores, Theaters and Parking Sites Form TC214* and if the units are partially rented must also file a *Form TC201*.

C. TC230. All applicants for condominium units that have been sold or transferred after January 5, 2014 must also file a *Transfer or Sale Statement Form TC230*.

D. TC109 & TC244. All applicants whose *Form TC109* is signed by an agent must also file an *Agent's Statement of Authority and Knowledge Form TC244*

E. TC309. All applicants whose unit or units are assessed at \$1,000,000 or more must also file an *Accountant's Certification Form TC309*.

Most Line-by-line instructions. (Additional instructions are provided on Form TC109 itself)

Part 1: What information is required to identify the property? List all lots on one tax map block covered by the application in the boxes and on the lines provided. Use a separate form for lots on a different tax map block. Unless (a) only a single lot is covered, or (b) all lots are covered, list the covered lots on the range lines provided. A range is a sequence of consecutively numbered lots, with no omissions other than those that actually are omitted on the assessment roll itself. If one of the lots in a range is not included in the application, skip over it by ending the range at the preceding lot and start another range at the next covered lot. If more space is needed, attach additional sheets that use a similar format.

Part 5: Hearing request

You can ask to have an in-person hearing at the Tax Commission's main office in Manhattan, or you can ask to have the application reviewed based only on the papers submitted with Form TC108. Check the box to the left of your choice.

Check only one box. If no box is checked, the application will be reviewed on the papers submitted without an in-person hearing.

FEE FOR CERTAIN PROPERTIES

A \$175 fee is required for all applications where the assessed value on the notice of property value for 2016/17 is \$2 million or more. If multiple condominium units file on a single application, the fee will apply if the aggregate assessed value is \$2 million or more. No fee is due if the applicant or representative waives review of the application before it is scheduled for review. If any fee is unpaid, review of your application may be denied and any offer of correction revoked. The fee will be included on the Real Property Tax bill. DO NOT PAY THE FEE WITH THIS APPLICATION.

Part 7: What information is required to describe construction or major alteration work?

Construction or major alteration work includes any work that (a) increases the enclosed floor area or cubic content of a building, (b) renovates a substantially vacant building (c) converts the use of one or more floors of a building, such as from office to residential use, (d) completes renovation, interior demolition, or tenant installations affecting at least 25% of a building's area, (e) installs or replaces HVAC, elevators, electric wiring or plumbing, (f) replaces at least one of the exterior faces of the building, or (g) costs or is expected to cost an amount that equals or exceeds the tentative total actual assessment under review.

Part 8: What approximate gross floor area information is required?

Entire condominium gross areas include a total of the gross floor area of each floor measured from exterior wall to exterior wall. If the application covers a single unit this part may be left blank.

Applications should be complete in all respects at the time of filing. Review may be denied if material information is omitted. However, omissions can be cured and corrections or additions can be made by submitting an *Affidavit in Support of the Application Form TC159* prior to the hearing or at the hearing itself.



APPLICATION ON FORM TC109 FOR 2016
SUPPLEMENTAL INSTRUCTIONS FOR CONDOMINIUM
UNIT OWNERS REPRESENTING THEMSELVES

NEW FEE FOR CERTAIN PROPERTIES

A \$175 fee is required for all applications where the assessed value on the notice of property value for 2016/17 is \$2 million or more. If multiple condominium units file on a single application, the fee will apply if the aggregate assessed value is \$2 million or more. No fee is due if the applicant or representative waives review of the application before it is scheduled for review. If any fee is unpaid, review of your application may be denied and any offer of correction revoked. The fee will be included on the Real Property Tax bill. DO NOT PAY THE FEE WITH THIS APPLICATION.

Assessment Inequality. Showing us that assessments of other units in your building are lower, that units with a higher estimated market value by the Finance Department have a lower assessment, or that your neighbors are assessed at a lower percentage of Finance's estimated market value than you are will not establish your right to a reduction.

Who can take care of neighborhood variations in assessment? It is worth speaking to the borough assessing office of the Finance Department. Finance is in the best position to explain your assessment and to consider the circumstances both of your property and those of your neighbors' for the following year.

Underassessment of other properties does not establish a grievance since your property may not be paying more than its fair share of taxes. If we were to reduce an assessment below the average for all class two properties in the City, we would not be promoting the goal of uniformity of assessment.

The criteria for granting your claim for a reduction in the assessment. The law governing the assessment of condominiums requires that they be valued as if the whole building were operated as rental property. This is not a simple task. It is preferable for the board of managers to apply to correct the assessment of the entire condominium, but you may apply for your own unit by the filing deadline, whether or not they have done so. If you both apply, you and your board will receive a notice that one of the applications must be withdrawn for either to receive review. Check with your board before the filing deadline.

We do not review Finance's estimated market value; we review just the assessed value. The ratio of assessment for class two is 45%. We will reduce the units in your building, because of the percentage of common interest assigned to your unit by the

assessment if you can show that it is higher than 45% of the current market value of your property, according to the income approach to value.

To prove your claim, it is important to understand the income method of valuation that applies to your property. Under the law, condominium units in class two and four are regarded as rental property which must be valued primarily by the income method, one of three recognized appraisal methods. The income method of valuation assumes that the real estate market looks to the stream of income the property generates or could reasonably generate on the open market.

Therefore, we do not rely on prices at which condominium units are purchased for owner-occupancy to establish their value for assessment purposes. To calculate value for assessment purposes, net income of the whole building is divided by the appropriate rate of return demanded by the market, according to the formula of "Income divided by Rate = Value". When the Tax Commission reviews your application, your unit's assessment will be offered a reduction if: (a) we determine the entire building's value is less than the value indicated by the total assessed value of the building, or (b) you show that your unit has specific factors affecting its value, such as differences in size, location or amenities.

How to win a reduction in your assessment. You have the burden of proof to show that the assessment is too high. You can do that at the hearing with evidence of the open-market rental value as of January 5, 2016 of your building and/or unit. Formal rules of evidence do not apply; any relevant information can be offered orally or in writing and will be considered.

Evidence of total rental income and expenses for comparable rental buildings is necessary to establish value. Without proof of income and expenses from comparable rental buildings, we cannot consider offering a reduction in assessment. The rental buildings should be comparable to yours in age, number and mix of apartments, number of floors, and location. Because proof of comparable rental value is not readily available to most individuals, unit owners are advised to join in a single application by their board of managers.

Unit specific claims. If you claim that the assessment of your unit is substantially out of line with most other

condominium declaration or the Finance Department allocation of value, provide a copy of the relevant

portions of the condominium declaration describing the property, including your unit. In addition to evidence of rental value of your building and/or unit, the declaration may support your claim. However, the Tax Commission cannot direct the Finance Department to change its allocation formula. We review just the assessment for the year at issue.

Unit owners who rent their unit, in addition, must provide documentary proof of rent income, such as the signed lease and a copy of a rent check. Owners who rent three or more units may file Form TC201 instead of leases.

Potential sources of information. The Tax Commission cannot advise you on whom you should

rely for information, advice or representation. You may choose to consult a local real estate broker, appraiser, property tax advisor or attorney for information. There are also commercial services that obtain income and expense data from the Finance Department. Information about rental income for some buildings may be available from the Department of Finance or Tax Commission, if the owner filed an income and expense schedule with an application for correction of its assessment.

Evaluate your own claim. The first step is to look at your Notice of Value from the Finance Department to see if you should file an application with the Tax Commission.

WORKSHEET FOR CONDOMINIUM UNIT VALUATION FOR ASSESSMENT PURPOSES

Look at your Notice of Value from the Finance Department . Find these two items:

“tentative assessment” and “estimated market value”.

Write them on Line 1 and 2 below.

- 1. Tentative 2016/17 Assessment _____
- 2. Estimated market value. _____

You must prove that your unit’s value for assessment purposes is less than line 2 to win an appeal of the assessment. Complete Lines 3 through 8 to calculate the approximate value of your unit for assessment purposes.

- 3. The amount of rent you earn or would earn from a tenant on the open market each month _____
- 4. Monthly common charges (do not include real estate taxes) _____
- 5. Net monthly income (Line 3 minus Line 4) _____
- 6. Annual income (Multiply Line 5 by 12 months in a year) _____
- 7. Divide Line 6 by **.1428**

This formula reflects a reasonable rate of return plus a factor for real estate taxes (8.91% plus 5.37%=14.28%)

- 8. Line 6 multiplied by 7 = the approximate value of your unit for assessment purposes _____

9. Compare the amount on Line 2 with the amount on Line 8
 If Line 8 is more than Line 2, an application would not be productive.
 If Line 8 is less than Line 2 go to the next step.

- 10. Multiply Line 8 by 45% **X 0.45**

- 11. Line 10 times 45% = approximately what you claim the correct assessment should be at the 45% tax class two assessment ratio _____



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**APPLICATION FOR CORRECTION OF ASSESSED VALUE
 OF TAX CLASS TWO OR FOUR CONDOMINIUM PROPERTY**

READ THE SEPARATE INSTRUCTIONS (TC109 INS) BEFORE YOU BEGIN. COMPLETE ALL PARTS OF THE FORM. Answer "Yes" or "No" to questions marked ◆

NOTE: A \$175 FEE IS REQUIRED FOR APPLICATIONS WHERE THE 2016/17 ASSESSED VALUE ON THE NOTICE OF PROPERTY VALUE IS \$2 MILLION OR MORE. IF MULTIPLE CONDOMINIUM UNITS FILE ON A SINGLE APPLICATION, THE FEE WILL APPLY IF THE AGGREGATE ASSESSED VALUE IS \$2 MILLION OR MORE. DO NOT PAY THE FEE WITH THIS APPLICATION. SEE TC600 FOR MORE INFORMATION.

1. PROPERTY IDENTIFICATION - Describe covered lots accurately. Lots cannot be added later.					9
BOROUGH (Bronx, Brooklyn, Manhattan, Queens or Staten Island)	BLOCK	LOW LOT COVERED	HIGH LOT COVERED	ASSESSMENT YEAR 2016/17	YEAR 2016
FULL ADDRESS OF PROPERTY (WITH ZIP CODE)					
NAME OF CONDOMINIUM				CONDOMINIUM NO.	BOROUGH
This application covers: 1. <input type="checkbox"/> A single lot only. 2. <input type="checkbox"/> The entire condominium. 3. <input type="checkbox"/> All of the lots within a single range of lots.					
4. <input type="checkbox"/> All of the lots within two or more ranges of lots; list ranges in numerical order across the page. 5. <input type="checkbox"/> Additional ranges listed on pages _____					
From lot	To lot	From lot	To lot	From lot	
1 _____	- _____	2 _____	- _____	3 _____	- _____
5 _____	- _____	6 _____	- _____	7 _____	- _____
9 _____	- _____	10 _____	- _____	11 _____	- _____
				12 _____	
2. APPLICANT - Complete Section A or B. An agent other than the board of managers cannot be the applicant.					BLOCK
A. <input type="checkbox"/> Board of managers designated as agent for owners of covered lots for purposes of contesting the assessment.					
Type of designation: <input type="checkbox"/> A by-law <input type="checkbox"/> Individual authorizations.					
◆ If designated by individual authorizations, does the board hold a valid, signed authorization for each owner of covered lots? _____					
◆ Have any unit owners requested that the board not file for their units? _____. If yes, how many? _____					
B. <input type="checkbox"/> Other applicant: <input type="checkbox"/> An owner of one or more condo units. <input type="checkbox"/> A cooperative apartment corporation. <input type="checkbox"/> Other; specify _____					
Name: _____					
Describe location of unit(s) in building and type of occupancy _____					
Approximate floor area of nonresidential space _____ sq.ft., of which ground floor _____, basement _____					
If application is filed after March 1, applicant claims eligibility for review because filing is within 20 calendar days of:					
<input type="checkbox"/> Apportionment notice. <input type="checkbox"/> Notice of increase by the Department of Finance. You must attach a copy of the notice.					
3. REPRESENTATION - Complete this section even if you will represent yourself.					LOT
PHONE NO.	FAX NO.				GROUP #
(_____) _____	(_____) _____				
NAME OF PERSON OR FIRM TO BE CONTACTED				GROUP #, IF ANY	
MAILING ADDRESS			EMAIL ADDRESS		TC109
The person listed is: <input type="checkbox"/> The applicant <input type="checkbox"/> An attorney <input type="checkbox"/> Other representative <input type="checkbox"/> Employee of owner corporation					
4. ATTACHMENTS - List all schedules and documents attached. Number the pages.					DATE RECEIVED
If the applicant is the board of managers of the condominium or a cooperative apartment corporation, submit Form TC203. See instructions for Form TC109 as to necessary income schedules and attachments. You may also attach a statement of facts or other documents or submit them at your hearing.					
_____ _____ _____ Last page number _____					
5. HEARING REQUEST - Check only one box.					↓
<input type="checkbox"/> Review on papers submitted without a personal hearing <input type="checkbox"/> Personal hearing Personal hearings for class two and four condominiums are conducted in the Tax Commission's main office.					

Signer's initials _____ You must initial this page if you do not use a two-sided application form.

6. CLAIMS OF UNEQUAL OR EXCESSIVE ASSESSMENT

Applicant objects to the assessment on the grounds that it is (a) unequal or (b) excessive because the assessment exceeds the full value of the property or statutory limits on increases, as follows:

	Condominium as a whole	Units covered by application
a. Tentative actual assessment	\$ _____	\$ _____
b. Applicant's estimate of market value	\$ _____	\$ _____
c. Requested assessment = line b x 45% assessment ratio	\$ _____	\$ _____
d. Number of tax lots	_____	_____

The applicant reserves the right to allege an assessment ratio lower than 45% and seek a lower assessment in a proceeding for judicial review. Do not use this form to claim unlawful assessment, misclassification, or full or partial exemption; use Form TC106 with TC200.

7. PROPERTY DESCRIPTION - Describe the entire condominium.

NUMBER OF BUILDINGS _____	NUMBER OF STORIES ABOVE GRADE _____	YEAR OF CONSTRUCTION _____
USES (residential, office, retail, hotel, loft, factory, warehouse, storage, garage, theater, etc.): _____		Lot Numbers _____
FLOORS 3 - _____	_____	_____
SECOND FLOOR _____	_____	_____
FIRST FLOOR _____	_____	_____
BASEMENTS _____	_____	_____
OUTDOOR SPACE (e.g. cell tower/telecom equipment, signage, generators) _____		

- ◆ Is any part of the condominium used for vehicle parking? _____ If yes, number of: indoor spaces _____; outdoor spaces _____.
- ◆ Is any part of the condominium used for other nonresidential purposes? _____ If yes, number of retail units _____.
- ◆ Has any construction or major alteration work been done during the past two years? _____ If yes, submit Form TC200.

8. APPROXIMATE GROSS FLOOR AREA AS OF JANUARY 5, 2016.

Floor	All uses (above grade)	Retail	Garage	Offices
FLOOR 3 - _____	sq.ft. _____	sq.ft. _____	sq.ft. _____	sq.ft. _____
SECOND FLOOR	sq.ft. _____	sq.ft. _____	sq.ft. _____	sq.ft. _____
FIRST FLOOR	sq.ft. _____	sq.ft. _____	sq.ft. _____	sq.ft. _____
BASEMENTS	_____	sq.ft. _____	sq.ft. _____	sq.ft. _____
TOTAL AREA	sq.ft. _____	sq.ft. _____	sq.ft. _____	sq.ft. _____

9. OATH

This application must be signed by an individual having personal knowledge of the facts who is the applicant, a fiduciary, an agent, or an officer of a corporation or a general partner of a partnership or a member or manager of a limited liability company, which legal entity is the applicant, or is a general partner or member or manager of the applicant. If an agent signs, attach a notarized power of attorney and Tax Commission Form TC244. If a fiduciary signs, see Form TC600 for instructions on documentation of authority.

Print name of person signing _____ If signing as an officer, general partner or member or manager of an LLC, specify name of entity and person's title.

Name of entity _____ Title _____

- Signer or entity is: The applicant General partner of partnership applicant Member or manager of limited liability company applicant
 Officer of the board of managers. An attorney or other agent. **A notarized power of attorney and Form TC244 must be attached.**

If signing as fiduciary and applicant is a corporation, partnership, or LLC, specify name of entity and name and title of person for whom you are signing.

Name of entity _____ Name and title _____

I have read this form and all relevant instructions, whether on this form, or on another. I certify that all statements made on this application, including all attachments listed in Section 4 above, are true and correct to the best of my knowledge and belief, and I understand that such statements are being relied upon by the City of New York, and that they are subject to verification. I have read this entire form before signing it. I am personally responsible for the accuracy of the information provided on this application, and any attachments. I also understand that the making of any willful false statement of material fact on this application including the attached sheet(s) will subject me to the provisions of the penal law relevant to the making and filing of false statements.

Signed: _____ Date _____

The signer must appear and acknowledge the signature before a notary.

Sworn to before me:

County _____ State _____ Date _____

Signature of person administering oath _____

