

Date: December 11, 2003
To: All Clients and Closers
From: David Gorenstein
Re: NYC Real Estate Tax Adjustment 2003/2004

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The NYC Department of Finance (DOF) entered the 2003/2004 real estate taxes based on the 2002/2003 tax rate and not on the 2003/2004 final tax rate. This action expedited the posting of taxes and was similar to last year. This will effect all real estate taxes due beginning on January 1, 2004.

The following table lists both tax rates for the four tax classes used by DOF in NYC.

<u>Tax Class</u>	<u>Property Description</u>	<u>2003/2004 Initial Tax Rate</u> <u>(02/03 Tax Rate)</u>	<u>2003/2004 Final Tax</u> <u>Rate</u>
I	One, Two and Three Family Real Property (Residential)	14.160	14.550
II	All Other Residential Real Property	12.517	12.620
III	Utility Parcels	12.565	12.418
IV	All Other Real Property (Commercial)	11.580	11.431

To account for the difference between the above tax rates, DOF has adjusted the 3rd and 4th quarter tax (or 2nd half tax) as follows:

- 3rd Quarter tax accounts for the 3rd quarter difference in tax, as well as an equal difference for the 1st quarter tax
- 4th Quarter tax accounts for the 4th quarter difference in tax, as well as an equal difference for the 2nd quarter tax
- 2nd Half tax accounts for the 2nd half difference in tax, as well as an equal difference for the 1st half tax

If any questions, please call NYC Tax group at (718) 291-5900.