

REAL PROPERTY INCOME AND EXPENSE STATEMENTS (RPIE)

Every September 1st, income-producing property owners in New York City are required to file annual Real Property Income and Expense (RPIE) statements with the Finance Department, unless the properties are specifically excluded from the filing requirements by law. This is a legally required disclosure of the property's income and expense and other operating information. This year's RPIE must be filed no later than Wednesday, September 1, 2010.

The Finance Department uses the information from these statements to estimate the market value of property for tax purposes, and may use data that is specific to a particular parcel or data from comparable properties. For this reason, owners of income-producing properties who are not legally required to file an RPIE may still want to provide information about their properties.

This year there are several important changes to the filing requirements:

Non-filing or Late-filing Penalties

The City is legally entitled to assess a penalty of up to 3% of your Actual Assessed Value of your property for failure to timely file an RPIE (or 5% for consecutive non-filings). This may equate to a substantial tax increase.

Rent Roll Requirements

Owners of properties with an actual assessed value of \$750,000 or more must submit the current rent roll as part of their annual RPIE filing.

The City has also announced that all filed RPIEs are subject to audits and erroneous filings will be penalized in accordance with the law.

We recommend that every owner file the RPIE, even if it is only to claim an exemption from the filing requirement (e.g., new owners, completely owner-occupied property). Properties that do not file the RPIE (i) may receive an actual assessed value that is substantially higher than comparable properties; and (ii) will be denied a Tax Commission hearing to review your property's assessment for tax year 2011/12.

If you have any questions about the matters covered in this Client Alert, or wish to schedule a private consultation, please call Terrence A. Oved, Esq. of Oved & Oved LLP by telephone at 212.226.2376 or contact by email at terry@ovedlaw.com

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