



Deadline to protest property taxes extended - by Brad Cronin & Sean Cronin

March 08, 2022 - Long Island



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In the past two years commercial property owners have had to constantly adapt to various COVID environments while still making long-term decisions for the health of their property. Based on increasing expenses, tenant needs and most recently, inflation, owners have made strategic decisions about where to allocate time and resources. The increased risk that owners have been, and are currently navigating must be reflected in the form of refunds for overpayment of property taxes and decreased taxes moving forward. However, in order to obtain this warranted relief, taxpayers must file a valid grievance by the legally imposed deadlines each year.

The Nassau County Legislature and County Executive have recognized the importance of allowing taxpayers the right to avail themselves of this process and extended the grievance deadline to May 2nd this year. The deadline for grieving your assessment in Suffolk County will be two weeks later on May 17th. These dates are absolutely critical, as without a grievance, a property owner will not have any recourse to protest the assessed valuation of their property.

It is important to remember that even if a property's operations have stabilized, taxpayers are still entitled to a tax reduction for the previous time periods when things were less certain. For example, many properties encountered issues with tenants not paying rent and due to the continuously extended New York state eviction moratorium, they were left with no avenue to collect rent, nor the ability to replace that tenant with one that would pay. While the eviction moratorium was lifted in January, the grievances in 2022 for Nassau and Suffolk Counties both protest tax periods when the eviction moratorium was still in place.

While sophisticated owners move forward with these new realities and make the necessary changes to run their property, these pivots are not without costs. The law recognizes this, and just as taxpayers are billed annually for their taxes, the law calls for their values to be analyzed separately each year as well. If operations were impacted by any number of issues last year, the law says that the property tax case must be examined in light of these factors.

The concept of valuing your property on an annual basis is logical in that the positives as well as the negatives must be considered. Particularly in the past two years where some property owners endured some of the most challenging climates in recent memory, property taxes should be adjusted commensurately to recognize these conditions.

If you improve your property or add value by converting its use, municipalities are entitled to reexamine and increase your assessed value. However, until that time that you actually implement the changes, the assessment may not be changed. In the interim, the property must continue to be taxed in its current conditions without regard to the future uses. In Long Island, where approvals and permitting can be a lengthy process, this is an important nuance to recognize. Even owners with a path forward are entitled to have their taxes adjusted prior to that point in time where the actual changes take place. The timing is critical though and taxable status dates are different depending on where the property is located. In order to maximize the benefit to your NOI, you must consult with your expert in order to coordinate these changes with the taxable status dates.

The process of grieving your taxes to recognize these changes works only if taxpayers avail themselves of it. Some taxpayers are entitled to larger adjustments than others, but none of these changes can be recognized unless a valid grievance is filed by the deadline to protest your assessment.

Nassau County should be applauded for providing taxpayers the additional time to file their protest. This allows more taxpayers to have their property reviewed in light of the past year's turbulence. Now that the deadline has been extended, all taxpayers must be sure to file for their property prior to the extended May 2nd deadline for all Nassau County locations and by May 17th for all Suffolk County locations.

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