

Taxes

Westchester County collects property taxes and sales taxes to finance services to its residents. Most of the money collected goes to pay for state-mandated programs such as Medicaid. A small percentage (about 20 percent) pays for discretionary programs, such as parks, public safety, senior programs and buses.

The county government portion of the property tax is about 15-18% of a property owner's total bill. The remaining property tax is collected by local governments, school districts and special districts (such as water , sewers).

The total sales tax varies in Westchester, as the county's largest four cities (White Plains, Yonkers, New Rochelle and Mount Vernon) collect a sales tax of their own. In addition, the state levies a sales tax.

Westchester also collects a tax on hotel occupancies.

Business Taxes

Westchester County offers the following tax advantages to businesses:

- no local corporate income tax
- no local personal income tax (except in Yonkers)
- no personal property tax
- no commercial rent tax
- no unincorporated business tax

Although a number of factors will ultimately determine an organization's tax liabilities, some generalizations can be made regarding taxes. New York State's maximum corporate income tax rate is 7.1%. In addition, tax savings may result from investment income treatment. Unlike in New York City, Sub Chapter S corporations are recognized for tax purposes.

The following sales tax rates apply in Westchester County:

- State sales tax (4%)
- Metropolitan Transportation Authority tax (0.375%)
- County sales tax (except in Mount Vernon, New Rochelle, White Plains and Yonkers) (3%)
- County sales tax (in Mount Vernon, New Rochelle, White Plains and Yonkers) (1.5%)
- Municipal sales tax (in White Plains) (2.25%).
- Municipal sales tax (in Yonkers, Mount Vernon and New Rochelle) (2.5%).\

*an additional 2.5% in the cities of Mount Vernon, New Rochelle, and Yonkers. An additional 2% in the City of White Plains.

Tax information is courtesy of New York State Empire Development Corporation, a division of New York State Department of Economic Development.

Resident Taxes

The County of Westchester does not collect a personal income tax, a factor which helps companies attract skilled, highly-paid employees. The personal income tax is assessed by New York State. New York City and the City of Yonkers assess an additional graduated income tax on residents. Connecticut also has a state income tax.

Residential real property tax rates vary throughout the cities, towns, and villages in Westchester because each jurisdiction, school district and special district has the authority to levy its own taxes. Generally speaking, the greater proportion of the real property tax supports school districts. All such taxes are collected by towns and cities. Variations in these taxes in the county can reflect the presence of ratables (nonresidential tax base), the type and level of services provided, and the value of a community's real estate. Personal property is not subject to ad valorem taxation.

NEW YORK STATE AND LOCAL TAXES

The following section outlines some of the more important provisions of the tax laws of New York State. It is designed to provide information in a convenient form and to facilitate comparisons of New York taxes with those of other states. This is not a complete listing of all taxes levied by the State, but does include those taxes and mandated costs which are most likely to affect business.

Taxes on Corporate Net Income or Alternatives

Franchise tax on business corporations

New York State imposes a franchise tax (maximum of 7.1%) on most domestic and foreign general-business corporations for the privilege of exercising its corporate franchise, doing business, owning or leasing property within New York State. (Utilities, banks, insurance, transportation companies, companies subject to the gross receipts taxes and other corporations which are taxed differently, are not covered under this outline.)

Corporations pay the highest tax computed on the following four alternative bases:

1. A tax of 7.1% on allocated entire net income. 6.5% for qualified New York State manufacturers.
2. A tax of 0.178% on allocated business and investment capital (maximum tax of \$350,000 for manufacturers and \$1 million maximum for non-manufacturers.
3. A tax of 1.5% on allocated minimum taxable income; and
4. A separate minimum tax, at fixed dollar amounts, ranging from \$100 to \$1,500 based on gross payroll.

An additional tax of 0.09% applies to a corporation's allocated subsidiary capital.

MTA Surcharge

In addition to the franchise tax on business corporations, New York imposes a 17% surcharge on the State corporation tax liability for firms doing business in the Metropolitan Commuter Transportation District (comprised of several counties in New York, including Westchester). The surcharge is determined by allocating the State tax liability derived from doing business within the district through a three-factor formula (sales, property and payroll, all equally

weighted). Payments are made along with those related to the state corporate franchise tax.

Allocation

Effective for tax years beginning on or after January 1, 2007, corporations allocate income taxable to New York using a single sales factor (i.e., 100% receipts).

All firms, whether multi-state or not, are allowed to apportion investment income and capital, and subsidiary capital. Investment income and capital are allocated on the basis of an issuer's allocation percentage. This percentage is based on the New York activities of the entity which issues securities. Subsidiary capital is apportioned by the New York allocation ratio of the subsidiary. (If a subsidiary does not do business in New York, and thus is not subject to State taxation, the ratio is zero.)

Alternative Minimum Tax

As noted above, corporations must pay tax on the highest of four bases, one of which is the minimum taxable income base. A taxpayer generally can use tax credits to reduce tax to as low as the alternative minimum tax (AMT), imposed at the rate of 1.5%. The calculation of the minimum taxable income base is calculated by adding to entire net income certain federal tax preference items and reducing entire net income by certain New York preference items.

Professional Service Corporation

The alternatives used to compute the corporate franchise tax payable by such a firm are the same as a corporate taxpayer.

Unrelated Business Income Tax

The income of a religious, charitable or other tax-exempt corporation, association or trust, derived from activities unrelated to the purpose for which such organization was established, will be subject to an unrelated business income tax.

Small business corporations

General business corporations that file as S corporations for federal tax purposes may also elect S status for New York State franchise tax purposes. This election requires the shareholders to report their proportional share of S corporation income or loss and deductions on their personal income tax returns.

S corporations are subject to an entity level tax equal to the fixed dollar minimum tax under Article 9-A taxpayers.

Recent Changes to Subchapter S corporation Tax Law: New York has conformed to the Federal tax treatment for Subchapter S corporations ("S corporations") and in large part to changes in the treatment of qualified Subchapter S subsidiaries ("QSSS"). Under New York tax law separate corporate existence of the QSSS may be disregarded, which results in the QSSS being treated as a flow through entity. A QSSS is required to be included on the return of its parent, if the parent is a New York S corporation.

Returns, Declarations and Payments

Every domestic business corporation, and every foreign corporation exercising its corporate franchise, having officers or employees in the State, doing business, employing capital, owning or leasing property, or maintaining an office in this State (except an office maintained by an officer who is not an employee of the corporation, if the corporation otherwise does not meet the foregoing criteria), is required to file an annual report with the New York State Tax Commission, whether or not subject to the franchise tax. The tax return must be filed within two-and-one half months after the close of the firm's fiscal year. The entire balance of tax due for the tax year, less any payment of estimated tax previously made, must accompany the tax return.

If a corporation's preceding years tax liability is in excess of \$1,000, the taxpayer must pay with its return an amount equal to 25 percent of the preceding year's tax as the first installment of the subsequent years' estimated tax payments.

Taxes on other income

Personal income tax

This tax is levied against the taxable income of residents and the taxable income of nonresidents, allocable to New York. The starting point in computing New York taxable income is adjusted gross income as reportable for Federal income tax purposes, with certain modifications. In general, capital gains and losses are treated in the same manner as for Federal tax purposes except that no preferential tax rate applies. Taxpayers with annual incomes of \$4,000 or less are exempt from filing of a tax return.

Exemption: The personal exemption deductible to arrive at net taxable income is \$1,000 for each dependent other than the taxpayer's spouse. Taxpayers at least 59 ½ years old may exclude up to \$20,000 of pension and annuity income. Government pensions are fully exempt.

Deductions: Other deductions from gross income generally are those allowable for Federal tax purposes, with some exceptions. However, New York does not permit the deduction of New York State or local income taxes. Deductions or additions of certain interest expenses and income production expenses must be adjusted to conform to State regulations.

A state taxpayer may itemize deductions on his New York return if the deductions were itemized on the Federal return, or may take the standard deduction in lieu of itemizing. For 2007, the standard deduction is \$15,000 for a married couple filing jointly, \$7,500 for a single person, and \$10,500 for a head of household.

Rates of Tax: Personal income tax rates effective for 2007 start at 4%, and increase to a maximum of 6.85% of income above \$40,000 (married-joint), \$20,000 (single) or \$30,000 (head of household). Bracket widths also increase by different amounts depending upon filing status. Taxpayers with New York adjusted gross income of over \$100,000 pay a supplemental tax which recaptures the value of the graduated tax rates below the maximum.

Credits: Credits are deductible from the computed tax. Other benefits are: Credits are deductible from any tax already paid for the year, whether withheld by an employer or prepaid by taxpayer.

Credit is available for an allocable portion of any income paid by a resident taxpayer to another state or locality on income which is both derived from such state or locality and is subject to New York state tax. Nonresident taxpayers may not claim this credit.

For more information: “General Information on NYS and NYC Income Tax Credits for Individuals”. Link to www.nystax.gov

New York has an investment tax credit for tangible property used in the production of goods and industrial waste treatment facilities at a rate of 4%, and research and development property at a rate of 7%.

A credit is allowed against New York personal income tax for certain household and dependent care expenses for which a federal credit is allowed. The credit is a percentage of the federal credit and ranges from 20% (for taxpayers whose New York adjusted gross income is \$65,000 and above) to 110% (for taxpayers whose New York adjusted gross income is \$25,000 and below).

A household credit is available, ranging from \$75 if household gross income is less than \$5,000 to no credit if such income is \$28,000 or over (single) and \$32,000 real property tax circuit breaker credit (other filing status). Certain taxpayers may be eligible for a credit up to stated maximums (\$85,000 for house cost; \$450 month rental fees) if real-estate taxes paid on their residences are in excess of a stated percentage of household gross income of up to \$18,000. Any excess of credit over the personal income tax payable will be refunded. Beginning after December 31, 1997 taxpayers have been allowed to contribute up to \$5,000 a year (exempt from state tax) and \$10,000 for married couples to a "Family Tuition Account" for their children's college education.

For more information: Please see NYS Tax Department Publication 80, “General Income Tax Information for New York State Residents”
www.tax.state.ny.us/pdf/publications/income/pub80_1207.pdf

Preferred income tax

Certain Federal tax preference items are taxable at the rate of 6%. A specific deduction of \$5,000 (\$2,500 for a married person filing a separate return) applies. Any tax paid to the State on taxable personal income is also deductible.

Returns and declarations

Income-tax returns must be filed by April 15th of each year or three and one-half months after the close of the taxable year. Taxpayers must pay estimated tax on a quarterly basis when they expect to owe, after withholding and credits, NYS, NYC, or Yonkers tax of at least \$300 for the current tax year and their withholding and credits are expected to be less than the smaller of: 90% of the tax shown for the current year; or, 100% of the tax shown on the prior year's return.

Taxes on Property or Other Assets

Property tax

Real-property taxes are levied only by local jurisdictions. Ad valorem taxation of both tangible

and intangible personal property is prohibited by law.

Exemptions

Real-property tax exemptions for business are available as follows:

Statewide: Industrial or commercial facilities financed by a local industrial development agency (a tax-exempt organization) are exempt from ad valorem taxation. Often, however, payments in lieu of real-property taxes are negotiated with the municipalities.

Statewide: Pollution-control facilities are exempt from local real-property and ad valorem levies (upon application by taxpayer to local taxing authorities) to the extent of any increase in value resulting from the construction or reconstruction of such facilities to comply with New York State environmental conservation laws, codes and regulations. The New York State Commissioner of Environmental Conservation must certify that the facilities are in compliance.

New York City: Industrial or commercial construction or reconstruction in designated areas of New York City may be eligible for an exemption from payment of real-property taxes. The exemption for industrial projects in any area of New York City and commercial projects in "special exemption" areas of the city begins at 100% of the increase in assessed value for the first 15 years and declines by ten percentage points in each of the succeeding nine years. For commercial projects in "regular exemption" areas, the exemption begins at 100% for the first eleven years and declines by 20 percentage points in each of the succeeding four years. For commercial projects in "deferred areas," the exemption begins at 100% for the first three years and declines by 20 percentage points in each of the succeeding four years; for the succeeding three years the full taxes are paid and in addition beginning in the eleventh year, the deferred taxes are repaid at the rate of 10% per year until all such deferred taxes are repaid at the end of the twentieth year. Commercial projects in "excluded" areas and residential projects anywhere in the City are not eligible for exemption. For more information on the NYC Industrial and Commercial Incentive program, see the New York City Department of Finance web site at: http://www.nyc.gov/html/dof/html/property/property_tax_reduc_incentive.shtml

State outside of New York City: Construction or reconstruction of commercial property at a cost of more than \$10,000 may be eligible for exemptions starting at 50% in the first year declining by 5% for the following nine years. For more information please link to: www.orps.state.ny.us/assessor/manuals

Empire Zone Real-Property Tax Exemption: Under Section 485-e of the Real Property Tax Law, businesses or homeowners constructing, reconstructing or improving real property located within an empire zone may be eligible for a partial exemption from real property taxes during the life of the zone for up to ten years. The exemption begins at a total exemption of the improvement to real property for up to seven years and is reduced by 25% per year over the next three years (a 10-year average exemption of 85%).

For more information: www.orps.state.ny.us/assessor/manuals

This exemption is at local option, and is available from each local taxing jurisdiction the zone.

This credit cannot be combined with the real property tax exemption under Section 485-b of the Real Property Tax Law.

Statewide: Solar or wind energy-producing equipment installed to provide a business with heating, cooling or hot water and meeting standards set by NYSERDA – New York State Energy Research Development Agency.(Link to: www.nyserda.gov) may be exempt for up to 15 years from assessment for real property tax purposes.

Taxes on Retail Sales or Use

Sales and Use

New York imposes a state sales tax at a rate of 4.25% with an additional Westchester County tax rate of 1.5% . An additional 0.25% is added in the New York metropolitan area for the to help finance the MTA. There is an additional tax of 2.25% in White Plains, and 2.5% in Yonkers, Mount Vernon and New Rochelle. The sales tax is on the retail sale of tangible personal property, commercial, nonresidential utility services, restaurant meals, take-out foods, admission charges and dues, and other specified services including total room occupancy). A complementary use tax is levied at the same rate. Exemptions include food, medicines and health aids, newspapers and periodicals.

In addition, the following are exempt when purchased or used in manufacturing, mining, agriculture, experimentation or laboratory research and development:

- Machinery and equipment
- Tools, parts and supplies used directly and predominantly in such activities;
- Ingredients, components and articles for resale;
- Fuels and utilities used or consumed directly and exclusively in such activities;
- Installation, repair and maintenance of machinery and equipment; and
- Non returnable packing materials.

Purchases by a contractor of materials which become part of a building constructed for a local industrial development agency ("IDA") are exempt, as are certain other purchases made by recipients of IDA financial assistance. Purchases of building materials that will become an integral part of non-retail commercial or industrial real property located in an empire zone are exempt from the state sales/use tax and may also be exempt from the local sales/use tax if a new local law authorizes such an exemption.

Excise, Fees and Licenses

Business licenses

Certain business activities are subject to a State license tax, fee, registration or inspection. These activities include financial operations other than banks, such as professional bondsmen, check cashers, and makers of small loans; the handling of food products, such as milk dealers, canneries, and slaughterhouses; and persons dealing, handling, auctioning or possessing certain animals. Manufacturers, wholesale and retail merchants dealing in drugs and pesticides, and other business activities which may affect the public health and well-being are also subject to license taxes, fees, registration or inspection.

Motor fuel

There is a tax of eight cents per gallon on motor fuel (four cents for buses and taxicabs) and eight cents per gallon on diesel fuel (six cents for buses and taxicabs) sold by distributors within the State. Motor and diesel fuels sold to fire departments, volunteer ambulance or rescue services, Federal, state and local governments are exempt from the tax. The payment is refundable in whole on fuel used for certain non-highway purposes (e.g., aircraft) and by business in local transit services. The tax is paid monthly by the distributor.

Motor-vehicle registration

The motor-vehicle registration fees vary according to type, weight and seating or carrying capacity of the vehicle. Registrations expire on dates determined by the Commission of Motor Vehicles. The fee for a vehicle registered for more or less than a 12-month period is adjusted proportionately.

Highway-use taxes

Highway use tax revenues are derived from three sources: the truck mileage tax, highway use permit fees, and the fuel use tax. For more information please see NYS Tax Department Publication 538: "A Guide to Highway Use Tax and Other New York State Taxes for Carriers".

Truck Mileage Tax

The truck mileage tax is levied on commercial vehicles having a loaded gross weight of more than 18,000 pounds, or an unloaded weight in excess of 8,000 pounds for trucks and 4,000 pounds for tractors. The tax is imposed at rates graduated according to the gross vehicle weight. Under the gross weight method, the tax is calculated by multiplying the number of "laden" or "unladen" miles traveled on public highways of the State by the appropriate tax rate. Miles drive on the toll-paid portion of the NYS Thruway are not subject to the highway use tax.

Highway Use Permits

Highway use permits are used to denote those vehicles subject to the highway use tax. The permits are issued triennially at a cost of \$15 for an initial permit and \$4 for a permit renewal. Additionally, special permits are issued for the transportation of motor vehicles, for automotive fuel carriers, and for trips into New York State not to exceed 72 hours.

Fuel Use Tax

The fuel use tax is a complement to the motor fuel tax and the sales tax, and is levied on commercial vehicles: (1) having two axles and a gross vehicle weight of more than 26,000 pounds; (2) with three or more axles, regardless of weight; or (3) used in combination when the gross vehicle weight exceeds 26,000 pounds. In contrast to the motor fuel tax, which is imposed upon the amount of fuel purchased within the State, the fuel use tax is imposed on fuel purchased outside but used within New York. This tax is levied on the basis of the number of miles traveled on the public highways of the State. The aggregate fuel use tax consists of a fuel tax component, a sales tax component, and a petroleum business tax component. The fuel use tax rates change each quarter based on the average price of fuel in the State. A credit or refund is allowed for motor fuel tax or sales tax paid on fuels purchased but not used within the State.

2008 Tri-State Tax Comparisons: Income – Sales- Occupancy - Unemployment

	New York	New York City	New Jersey	Connecticut	Westchester County
Personal Income: (Top Rates Listed)	6.85%	3.2%	8.97% 6.37% (1)	5.0%	None
City of Yonkers:					See (5) below
Corporate Income: (Top Rates Listed)	6.5%	8.85%	9.0%	7.5%	
Personal Property:	No	No	No	Yes	No
Occupancy Tax:	No	Yes	No	No	No
Unemployment Insurance:					
<u>Base Wage:</u>	\$8,500		\$27,700	\$15,500	
<u>Experience Rates:</u>	1.1% - 9.5%		0.3% - 5.4%	1.4% - 6.3%	
<u>New Employer Rate:</u>	4.1%		2.7%	3.1%	
Sales Tax:					
Totals:	See below	8.375%	7.0%	6.0%	7.375% (2)
New York City Portion		4.0%			
State Portion	4.0%	4.0%			4.0
County Portion					3.0%
MTA Transit Charge		.0375% (3)			.0375% (3)
White Plains					2.25% (4)
Mt. Vernon New Rochelle Yonkers					2.50% (4)

Footnotes:

- (1) 6.37% for income under \$500,000 and 8.97% for incomes above \$500,000
- (2) Westchester tax rate of 7.375% does not include additional locality add ons – see Footnote # 4
- (3) 0.375% is a MTA Commuter Tax Surcharge
- (4) County portion of sales tax limited to 1.5% in Westchester cities which have their own sales tax. Also, a portion of the 3.0% share is distributed by population to Westchester localities and school districts.
- (5) Yonkers levies a personal income tax. Residents pay 10% of their net state taxes and non-residents pay ½ of 1% of their gross earned income earned in Yonkers.

Personal Income Taxes:
Top Tax Rates by Residence Location

	Residence:	Residence:	Residence:	Residence:
Work Location	New York City	New York State (outside NYC)	Connecticut	New Jersey
New York City	6.85% (NYS)	6.85% (NYS)	6.85% (NYS)	6.85% (NYS)
	3.2% (NYC)		5.0% (CT)	8.97% (NJ)
New York State (outside NYC)	6.85% (NYS)	6.85% (NYS)	6.85% (NYS)	6.85% (NYS)
	3.2% (NYC)		5.0% (Ct.)	8.97% (NJ)
Connecticut	6.85% (NYS)	6.85% (NYS)	5.0% (Ct.)	8.97% (NJ)
	3.2% (NYC)	5.0% (Ct.)		5.0% (Ct.)
	5.0% (Ct.)			
New Jersey	6.85% (NYS)	6.85% (NYS)	8.97% (NJ)	8.97% (NJ)
	3.2% (NYC)	8.97% (NJ)	5.0% (Ct.)	
	8.97% (NJ)			

Important Notes:

- Most jurisdictions of residence allow a credit to the extent that taxes are paid to another jurisdiction.
- Tax rates listed above are graduated and are the maximum rates for 2008.
- In general, the residence of the individual determines the primary jurisdiction of taxation. In addition, the location of where services are performed may affect the taxation of such individual.

New York State is a participating member of the International Fuel Tax Agreement (IFTA). The agreement which is in effect in most jurisdiction (states and Canadian provinces), simplifies the reporting of fuel taxes for interstate and international carriers by allowing a carrier to report to its base jurisdiction the total amount of fuel taxes that it owes to all the various IFTA member jurisdictions.

Petroleum Business Tax

Petroleum businesses operating in New York State are subject to a privilege tax based on gallons of fuel sold in the State. The tax is imposed at different points in the distribution chain depending on the product. The rate of the tax also varies by product. Exemptions include residential fuel oil, sales for export, sales to government entities and kerosene, butane, ethane, propane and residential fuels used as bunker fuels.

Mandated Employer Charges

Unemployment Insurance Contribution

An employer with a payroll of at least \$300 in any calendar quarter must pay an unemployment insurance contribution. The rate varies with the employer's experience rating. Current rates range from 1.5% to 9.9% (including supplemental taxes) of the first \$8,500 of wages per year, per employee. The rate for an employer new to the State is 4.1%. Employer's Report for Contributions (Form IA-5), with payment, is due on or before the last day of the month following the close of each calendar quarter.

Special fixed rates of 5.4% are available for employers primarily engaged in the canning or freezing of fresh, perishable, locally grown fruits or vegetables; employers in the construction industry, and employers in the apparel industry. These fixed rates are only granted upon an application by the employer.

Disability Benefits Insurance

The program covers employee sickness and disability not incurred in the course of employment. Employers of one or more persons in at least 30 or more days in a calendar year are subject to the law. Employers may deduct 0.5% of an employee's wages but not more than 60 cents per week, per employee. Any cost of providing disability benefits in excess of the contributions collected from employees is borne by employers. An employer must provide disability benefits protection by either (a) insuring with the State Insurance Fund; (b) insuring with a stock or mutual company; or (c) being an approved self-insurer. Employee contributions are trust funds and can be used by the employer only for the purpose of providing benefits under the law.

Workers' compensation insurance

Workers who become injured in the course of employment are entitled to receive fixed medical and cash benefits. Should death result from such injury, the worker's dependents are entitled to receive fixed medical and cash benefits. Should death result from such injury, the worker's dependents are entitled to receive weekly case benefits. A firm having one or more employees is required to provide insurance against an injury of this type. Any one of the three acceptable methods of providing coverage for disability benefits discussed above can be employed. The employer pays the full cost of the insurance. Premium rates vary according to the nature of the business activity.

Corporate Organization and Qualification Fees

Domestic

Domestic corporations pay a tax of .05% of the face value of authorized stock or 5 cents per share of no-par value stock with a \$10 minimum, plus a \$125 fee for filing incorporation papers. The same rates also apply to any subsequent increase in the number of shares of authorized stock. Certificates of amendment, reinstatement, correction, merger, or consolidation are accomplished upon payment of a \$60 fee. Certain other certificates or certified copies require a fee ranging from \$20 to \$100.

Foreign

A foreign corporation must file an application for authority to do business in New York State. A fee of \$225 is paid at the time of first filing with the New York State, Department of State. Amendments to the certificates or certified copies require a fee ranging from \$20 to \$200.

The initial license fee for a foreign corporation is 0.05% of the face value of allocable issued stock, and 5 cents per share of no-par value stock. The minimum fee is \$10. The tax is levied on issued stock in proportion to total capital employed in New York. The same rates apply when the tax is recomputed because of a change in capital structure, except that credit is allowed for previous taxes paid.

An annual maintenance of \$300 is payable by a foreign corporation (except certain financial and insurance firms) at the time of filing the annual corporate-franchise report. This fee is a credit against any corporation-franchise tax payable by the foreign corporation.

Other Taxes

Real Estate Transfer Tax

Most realty transfers are taxed at the rate of \$2.00 of for each \$500, or fraction thereof, of the selling price of the property conveyed. If the consideration received for the property is less than \$100, there is no tax. An additional tax of 1% is levied on the consideration received for residences selling for \$1 million or more.

Mortgage Recording Tax

The tax payable for the recording of a mortgage on real property is composed of three parts. The first part is a tax of 50 cents per \$100 of the principal amount . The second part is an additional tax of 30 cents per \$100 of the principal amount, except for the first \$10,000, for a one or two family residence. The tax is collected at the county level. Counties not members of a transportation district may elect to suspend the imposition of this additional tax. The third component is a special additional recording tax of 25 cents per \$100. In addition, the City of Yonkers imposes a recording tax at the rate of 50 cents per \$100 of secured debt. Corporations may receive a credit against the corporate franchise tax for any special additional tax paid.

Principal State Tax Agency
New York State Department of Taxation and Finance
Building No. 9
State Office Campus
Albany, New York 12227
<http://www.tax.state.gov>

TAX INCENTIVES - NEW YORK STATE

New York State offers a variety of tax credits, deductions and/or exemptions to encourage business expansion. For more information about New York State's tax credits, exemptions and abatements, contact the following web site:

http://www.empire.state.ny.us/Tax_and_Financial_Incentives/Taxes_and_Incentives/default.asp

Investment Tax Credit

A credit against the corporation franchise tax on business corporations is available at 5% of up to \$350 million, and 4% of investments over \$350 million of new capital invested for buildings and/or depreciable tangible personal property used primarily in production by manufacturing, processing, assembling, and certain other types of activities. The credit first applies to the tax payable for the year the investment is made. A qualified new business may elect to receive as a refund any unused part of the tax credit earned. All businesses may carry forward any unused portions of the credit earned for up to 15 years. Retail enterprises incurring investments in rehabilitation or renovating structures which qualify under Section 38 of the Internal Revenue Code may also claim this credit. In this case, credits are applicable to the investment in structures which have had no prior construction or rehabilitation for a period of 30 years.

Employment Incentive Tax Credit

A corporation which qualifies for the investment tax credit may also be eligible for an additional credit. The employment incentive tax credit is a two-year credit which may be deducted by a corporation, provided its average number of employees in New York State (exclusive of general executive officers) in each year the credit is available, is greater than the comparable average in the year immediately preceding the year of the investment. The credit is 1.5% if employment is at least 101%, but less than 102% of employment in the base year, 2.0% if employment is at least 102%, but less than 103% greater, and 2.5% if employment is 103% or greater.

A corporate taxpayer, who was not subject to the tax and does not have a taxable year immediately preceding the taxable year in which the investment is made, may determine his eligibility by using the year the investments were made as the base period for calculating the employment change in each of the two succeeding years. Any excess of credit may be carried forward for up to fifteen years. New businesses can take a refund for unused or excess tax credit for not more than 5 years. All businesses may carry forward any unused credits until they are used or exhausted.

Empire Zone Investment Tax Credit

A credit against the corporation franchise tax is available for new capital invested in buildings and/or depreciable tangible personal property used primarily in production by manufacturing, processing, assembling, pollution-control and certain other activities in a designated Empire

Zone (Zone). The one Empire Zone in Westchester County is in Yonkers and is coordinated by Lisa Mrijaj and Mary Alice Brady (Yonkers EDZ , Suite 416 Yonkers NY 10701 914 377-6136 377-6003 mbrady@emi.com).

The credit under the corporation franchise tax is 10% of the cost or other basis of eligible property employed in such zone. The eligibility requirements are the same as those for the regular investment tax credit. For most corporations, no amount of this credit may be taken as a refund. An unused zone credit may be carried forward until exhausted. However, a new business may elect to receive 50 percent of the amount of credit that cannot be used as refund. The Zone Investment Tax Credit is taken in place of the regular investment tax credit or the research and development tax credit, and cannot reduce the corporate tax due below the greater of the alternative minimum tax or the statutory minimum tax.

Empire Zone Employment Incentive Credit

A corporation which qualifies for the Zone Investment Tax Credit may qualify for an additional credit. The rate of the credit is 30% of the Zone Investment Tax Credit, and is deductible by corporations from the tax payable in each of three years following the original Zone Investment Tax Credit. The credit is available if the firm maintains an average employment in the Zone, in each year of 101% of the average number of employees employed by the taxpayer in the Zone, in the year immediately preceding the year of the eligible investment in the Zone.

A credit against the corporation franchise tax, personal income tax, insurance tax or bank tax is available to eligible firms who create full-time jobs in Empire Zones. The credit for "targeted" employees is \$3,000 for the first year and for each of the four succeeding taxable years. A "Targeted" employee is one receiving Zone wages who is eligible for targeted jobs tax credit, eligible under the Workforce Investment Act (WIA), a recipient of public assistance, or a person whose personal income or family's income is below Federal government poverty guidelines and whose rate of pay exceeds 135% of the State minimum wage. The wage credit in any year cannot exceed 50% of the tax otherwise due, without regard to other available tax credits, but unused zone wage tax credits may be carried forward until exhausted. New businesses may get a refund on 50% of the credit.

"Non-targeted" employees are all other zone employees except corporate general officers. Non targeted zone employees are eligible for a zone wage tax credit equal to 50% of the targeted employee zone wage tax credit or \$1,500. Businesses located in areas that meet the statistical criteria for zones, but are not designated (zone equivalent areas) are eligible for the same wage tax credit above.

Empire Zone Capital Credit

A credit is allowed against the corporation franchise tax or the personal income tax for up to 25% of any of the following investments or contributions:

- Qualifying investments in certified Zone business that employ no more than 250 persons within New York State (not counting general executive officers). Investments made by or on behalf of a partner, proprietor or stockholder in the business are not eligible for the credit.

**2007 Full Value Tax Rates for One, Two and Three-Family Houses
Westchester County, NY**

City/Town	Village	School District	Cty/Twn RAR	Village RAR	County Nom.	Cty/Twn Nom.	Village Nom.	School Nom.	S.D. Nom.	Full Value	Full Value	Full Value	Full Value	Full Value	OVERALL
										County Rate / %	City/Town Rate / %	Village Rate / %	School Rate / %	Special District Rate / %	Effective Tax Rate / %
Pelham	Pelham	Pelham	100.00	100.00	2.90	0.45	5.45	15.11	0.76	2.8962	0.4498	5.4518	15.1099	0.7600	24.6677
	Pelham Manor	Pelham	100.00	100.00	2.90	0.45	5.48	15.11	0.76	2.8962	0.4498	5.4800	15.1099	0.7600	24.6959
Pound Ridge	Bedford		13.20		20.73	11.01		74.91	2.00	2.7362	1.4528	0.0000	9.8876	0.2640	14.3406
	Katonah		13.20		20.73	11.01		109.03	2.00	2.7362	1.4528	0.0000	14.3916	0.2640	18.8446
Rye (City)	Rye City		1.84		134.06	127.24		463.92	35.58	2.4667	2.3412	0.0000	8.5362	0.6547	13.9987
	Rye Neck		1.84		134.06	127.24		575.62	35.58	2.4667	2.3412	0.0000	10.5914	0.6547	16.0539
Rye (Town)	Mamaroneck	Rye Neck	100.00	1.71	2.90	0.12	280.02	12.62	0.90	2.9028	0.1210	4.7883	12.6170	0.9000	21.3292
	Port Chester	Port Chester	100.00	100.00	2.90	0.12	6.42	11.73	0.90	2.9028	0.1210	6.4175	11.7310	0.9000	22.0723
	Rye Brook	Blind Brook	100.00	100.00	2.90	0.12	3.84	12.71	0.90	2.9028	0.1210	3.8390	12.7118	0.9000	20.4746
	Rye Brook	Harrison	100.00	100.00	2.90	0.12	3.84	9.25	0.90	2.9028	0.1210	3.8390	9.2479	0.9000	17.0108
	Rye Brook	Port Chester	100.00	100.00	2.90	0.12	3.84	11.73	0.90	2.9028	0.1210	3.8390	11.7310	0.9000	19.4938
Scarsdale	Scarsdale	Scarsdale	1.64	1.62	187.97		173.86	732.89	47.70	3.0827	0.0000	2.8165	12.0194	0.7823	18.7009
Somers	Lakeland		10.35		26.36	8.47		166.29	17.52	2.7288	0.8770	0.0000	17.2110	1.8133	22.6301
	North Salem		10.35		26.36	8.47		129.32	17.52	2.7288	0.8770	0.0000	13.3851	1.8133	18.8042
	Somers		10.35		26.36	8.47		122.15	17.52	2.7288	0.8770	0.0000	12.6426	1.8133	18.0617
White Plains	White Plains		2.28		93.22	141.93		474.62	23.11	2.1254	3.2360	0.0000	10.8213	0.5269	16.7097
Yonkers	Yonkers		2.56		99.79	120.94		407.49	25.29	2.5546	3.0961	0.0000	10.4317	0.6474	16.7299
Yorktown	Croton-Harmon		1.90		145.05	122.21		849.63	120.60	2.7559	2.3220	0.0000	16.1430	2.2914	23.5123
	Lakeland		1.90		145.05	122.21		905.90	120.60	2.7559	2.3220	0.0000	17.2121	2.2914	24.5814
	Ossining		1.90		145.05	122.21		901.31	120.60	2.7559	2.3220	0.0000	17.1249	2.2914	24.4942
	Yorktown		1.90		145.05	122.21		831.21	120.60	2.7559	2.3220	0.0000	15.7930	2.2914	23.1623

NOTES:

1. The effective tax rates of some village portions may be slightly over-stated because of the inclusion of library districts and special district levies which may apply only to the unincorporated area of the town.

2. Special district figures are based on the largest district of each type (fire, water, sewer & refuse) and are approximations only. They do not represent the effective special district tax rates of any specific parcel.

Source: Westchester County Tax Commission.

Municipal Assessors, 2008 Westchester County, NY

	Municipality	Assessor	Mailing Address	Phone Number
Cities	Mount Vernon	Anthony V. DeBellis	1 Roosevelt Square, Mount Vernon 10550	665-2326
	New Rochelle	Louis R. Perone	515 North Ave., New Rochelle 10801	654-2052
	Peekskill	Paul R. Wotzak	840 Main St., Peekskill 10566	737-4190
	Rye	Noreen P. Whitty	1051 Boston Post Rd., Rye 10580	967-7565
	White Plains	Lloyd Tasch	255 Main St., White Plains 10601	422-1223
	Yonkers	Mark B. Russell	40 So. Broadway, Yonkers 10701	377-6200
Towns	Bedford	Thomas Polzella	321 Bedford Rd., Bedford Hills 10507	666-5149
	Cortlandt	Philip Platz	1 Heady St., Cortlandt Manor 10567	734-1040
	Eastchester	Richard D. O'Donnell	40 Mill Rd., Eastchester 10709	771-3345
	Greenburgh	Edye P. McCarthy	320 Tarrytown Rd., Greenburgh 10523	993-1517
	Harrison	James J. Calandrucchio	1 Heineman Pl., Harrison 10528	835-2000
	Lewisboro	Gordon G. Washburn	PO Box 500, South Salem 10590	763-3034
	Mamaroneck	Susan M. Thomas	740 W. Boston Post Rd., Mamaroneck 10543	381-7820
	Mount Pleasant	James J. Timmings	1 Town Hall Plaza, Valhalla 10595	742-2347
	New Castle	John P. McGrory	200 So. Greeley Ave., Chappaqua 10514	238-4722
	North Castle	Anna Maria Marrone	15 Bedford Rd., Armonk 10504	273-3324
	North Salem	Karen Futia	266 Titicus Rd., North Salem 10560	669-5214
	Ossining	Josette J. Polzella	16 Croton Ave., Ossining 10562	762-8274
	Pelham	Michelle C. Casandra	34 Fifth Ave., Pelham 10803	738-2878
	Pound Ridge	Carole K. Long	179 Westchester Ave., Pound Ridge 10576	764-5511
	Rye	Mitchell Markowitz	10 Pearl St., Port Chester 10573	939-3566
	Somers	Glen Droese	335 Route 202, Somers 10589	277-3504
Yorktown	Harold Girdlestone	363 Underhill Ave., Yorktown Heights 10598	962-5722	
Villages	Ardsley	Gennaro Iagallo	507 Ashford Ave., Ardsley 10502	993-1517
	Briarcliff Manor	None	1111 Pleasantville Rd., Briarcliff Manor 10510	941-4800
	Bronxville	Anthony V. DeBellis	200 Pondfield Rd., Bronxville 10708	382-0066
	Buchanan	Village Board	236 Tate Ave., Buchanan 10511	737-1033
	Croton-on-Hudson	Joseph Sperber	1 Van Wyck St., Croton-on-Hudson 10520	271-4783
	Dobbs Ferry	Gennaro Iagallo	112 Main St., Dobbs Ferry 10522	693-2203
	Elmsford	Gennaro Iagallo	15 South Stone Ave., Elmsford 10523	993-1517
	Hastings-on-Hudson	Robert Balog	7 Maple Ave., Hastings-on-Hudson 10706	382-0066
	Irvington	Gennaro Iagallo	85 Main St., Irvington 10533	591-7070
	Larchmont	Susan M. Thomas	120 Larchmont Ave., Larchmont 10538	381-7820
	Mamaroneck	Lloyd T. Wright	123 Mamaroneck Ave., Mamaroneck 10543	777-7721
	Mount Kisco	James M. Palmer	104 Main Street, Mount Kisco 10549	241-0500
	Ossining	Josette J. Polzella	16 Croton Ave., Ossining 10562	762-8428
	Pelham	Michelle C. Casandra	195 Sparks Ave., Pelham 10803	738-2015
	Pelham Manor	Michelle C. Casandra	4 Penfield Pl., Pelham Manor 10803	738-8820
	Pleasantville	Gordon G. Washburn	80 Wheeler Ave., Pleasantville 10570	769-1886
	Port Chester	Mitchell Markowitz	10 Pearl St., Port Chester 10573	939-3566
	Rye Brook	Mitchell Markowitz	938 King St., Rye Brook 10573	939-3566
	Scarsdale	Nanette J. Albanese	1001 Post Rd., Scarsdale 10583	722-1133
	Sleepy Hollow	Robert W. Balog	28 Beekman Ave., Sleepy Hollow 10591	382-0066
Tarrytown	Robert Wheatley	21 Wildey St., Tarrytown 10591	631-3434	
Tuckahoe	Richard D. O'Donnell	65 Main St., Tuckahoe 10707	771-3345	

Source: Westchester County Department of Planning.

