



## West Babylon Schools

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To: West Babylon Residents  
From: Jennifer Buscemi, Executive Director for Finance and Operations  
Date: 1/11/2012  
Re: 2% limit on STAR savings increases

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Your property tax bill may have been affected by a reduction in New York State School Tax Relief (STAR). The 2011-2012 New York State Budget, approved by the NYS Legislature and Governor, established a new 2% cap on increases in STAR savings. Beginning with 2011-12 school tax levies, increases in STAR savings were capped at 2% of the prior year savings. The cap was not applied to the exemption amount but on the savings amount. As a result, your STAR savings was reduced if it exceeded the maximum savings for the year, as calculated by the Office of Real Property Tax Services (ORPTS).

**For example:**

*Last year (2010-2011 fiscal year)*

In Town X in School District Y:

- School tax rate \* Basic STAR exemption = \$600

*This year (2011-2012 fiscal year)*

- ORPTS establishes a maximum STAR savings for the Town X segment of \$612 (600 \* 1.02)
- If the school tax rate \* Basic STAR exemption is less than or equal to \$612, the STAR savings and taxes due are computed the same as in prior years
- If the school tax rate \* Basic STAR exemption is greater than \$612, the maximum savings per exemption is \$612

Under the old formula, West Babylon taxpayers would have realized about \$9,985,418 of Basic and Enhanced STAR relief. Under the new formula, capping increases in STAR savings at 2% of last year's savings, West Babylon taxpayers only realized maximum STAR relief of \$8,577,188. This was a loss of over \$1.4 million of tax savings during the 2011-12 fiscal year resulting from the new 2% cap on STAR relief.

School districts and Towns could not show the amount of savings that was lost as a result of the STAR cap on resident tax bills because the information contained on the tax bill is specifically set forth by law. There is no provision in the law to display the amount of savings that would have been received had the cap not been in place. The only note allowed on the tax bill referencing this change in the law was, "This year's STAR tax savings generally may not exceed last year's by more than 2%."

I hope this information can explain why your tax bill may be higher than you originally expected. Please call me if you have any additional questions.