

Brookhaven Announces Crackdown on STAR Fraud

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Pictured left to right are Town Tax Assessor James Ryan, Stony Brook Concerned Homeowners President Bruce Sanders, Councilwoman Connie Kepert, Councilman Dan Panico, Supervisor Ed Romaine, Deputy Town Attorney David Moran, Councilman Neil Foley, Stony Brook Concerned Homeowners member Tony DaRosa, Councilwoman Jane Bonner and Town Chief Law Investigator Paul Degen

Farmingville, NY - Brookhaven Supervisor Ed Romaine today announced a town-wide crackdown on homeowners fraudulently receiving the STAR property tax exemption. Those found to be improperly benefitting from the exemption will be charged on the next year's tax bill for the difference, along with a penalty levied by the Town Assessor. Repeat offenders will be referred to the Suffolk County District Attorney's office for prosecution.

"The STAR program helps thousands of Brookhaven's working families by reducing the amount they need to pay for school taxes on their primary residence. Unscrupulous landlords and vacation homeowners who defraud the system by taking improper exemptions cost the state millions of dollars annually," said Supervisor Romaine. "Our Assessor is vigorously investigating any reports of fraud, and taking action when it is discovered that a STAR exemption has been improperly obtained. We will collect the back taxes owed, assess a penalty and - if this is a repeat offender - refer the case to the Suffolk County District Attorney's office for criminal prosecution."

Supervisor Romaine pointed to a rash of actions recently taken in the Stony Brook area against landlords in the community who were taking the STAR exemption for houses they were renting to students.

Councilman Dan Panico said, "The Town will not allow those who improperly receive a STAR exemption to keep a reduction in their taxes that is not warranted. Additionally, we will pursue all civil penalties under the law and those egregious cases will be referred to the District Attorney."

Councilwoman Jane Bonner said, "The people who fraudulently file a STAR exemption are taking money out of the pockets of our school districts, who really cannot afford it. Let this be a warning that if you are not eligible for the exemption, the Town will do whatever we can to collect the money owed and prosecute to the fullest extent of the law."

Councilman Neil Foley said, "The STAR exemption was created to help homeowners, but unfortunately some people don't follow the law and it's the taxpayers who suffer. I commend the Supervisor for taking this action to recoup the

money that is owed and prosecute those who break the law."

"I strongly support this endeavor which will allow enforcement actions to be taken against those who abuse the STAR tax exemption system by wrongly obtaining exemptions on non-owner occupied homes, summer homes, and vacant dwellings," stated Councilwoman Connie Kepert. "The STAR exemption's intent is to assist the moderate-to-low income taxpayers of Brookhaven Town with their school tax expenses. When individuals take wrongful advantage of these exemptions, it places a fiscal burden on the school districts that work diligently to educate every student and balance their budgets every year. I commend Supervisor Romaine and the entire Town Board for working to put a stop to those who commit these fraudulent acts against the Town and its taxpayers while ensuring that all taxing districts receive their fair share."

Councilwoman Valerie M. Cartright said, "Over the past year, I have been working diligently with the Town Board to deal with the rising issue of unscrupulous landlords. Our efforts have made a difference in the number of illegal rentals across the Town but particularly in Council District One, however, our efforts must continue. This crackdown on STAR Fraud is the next logical approach towards sending a message to unscrupulous landlords that they cannot continue to engage in fraudulent behavior. Landlords must comply with local and state laws related to their rental properties and failure to do so will result in potential criminal consequences."

If you suspect that a house is receiving an improper STAR exemption, please report it to the Town by calling 451-TOWN.

Penalties for intentionally providing misinformation to an assessor can be as much as \$2,500. A homeowner receiving improper STAR benefits can be required to repay up to six years of fraudulent exemptions. Taxpayers whose STAR exemption is revoked will be unable to receive the exemption for six years after the revocation. An additional \$500 processing fee will be imposed whenever an improper exemption granted after April 1, 2013 is revoked.

New York lost \$13 million in 2010-11 because of improper exemptions and double dippers, according to a report by New York State Comptroller Thomas DiNapoli, with an estimated 20 percent of exemptions being improperly granted. The Comptroller projected the state would lose an additional \$73 million through the 2015-16 fiscal year. Individuals intentionally filing fraudulent applications could face felony charges for grand larceny and offering a false instrument.

Enacted in 1998, the New York State STAR program provides over \$2 billion in tax relief every year for the primary homes of eligible state residents. Most STAR recipients save approximately \$1,500 due to the Basic or Enhanced STAR exemptions. Basic STAR is available for owner-occupied, primary residences where the resident owners' and their spouse's income is less than \$500,000, and exempts the first \$30,000 of the full value of a home from school taxes. Enhanced Star provides a similar but increased benefit for the primary residences of senior citizens (age 65 and older) making \$83,300 or less, and exempts the first \$65,300 of the full value of a home from school taxes as of 2015-16 school tax bills (up from \$64,200 in 2014-15). STAR exemptions apply only to school district taxes. They do not apply to property taxes for other purposes, such as county, town or city.

Division of Public Information * Office of the Supervisor

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