§ 1306-a. Effect of school tax relief (STAR) exemption upon school district taxes; state aid. 1. Levy of taxes; determination of taxes due. The amount of taxes to be levied for any school year shall be determined without regard to the fact that state aid will be payable pursuant to this section. In addition, the tax rate for any school year shall be determined as if no parcels were exempt from taxation pursuant to section four hundred twenty five of this chapter. However, the tax rate so determined shall be applied to the taxable assessed value of each parcel after accounting for all applicable exemptions, including the exemption authorized by section four hundred twenty-five of this chapter.

2. Tax savings. (a) (i) The tax savings for each parcel receiving the exemption authorized by section four hundred twenty-five of this chapter shall be computed by subtracting the amount actually levied against the parcel from the amount that would have been levied if not for the exemption, provided however, that for the two thousand eleven-two thousand twelve through two thousand eighteen-two thousand nineteen school years, the tax savings applicable to any "portion" (which as used herein shall mean that part of an assessing unit located within a school district) shall not exceed the tax savings applicable to that portion in the prior school year multiplied by one hundred two percent, with the result rounded to the nearest dollar; and provided further that beginning with the two thousand nineteen-two thousand twenty school year: (A) for purposes of the exemption authorized by section four hundred twenty-five of this chapter, the tax savings applicable to any portion shall not exceed the tax savings for the prior year, and (B) for purposes of the credit authorized by subsection (eee) of section six hundred six of the tax law, the tax savings applicable to any portion shall not exceed the tax savings applicable to that portion in the prior school year multiplied by one hundred two percent, with the result rounded to the nearest dollar. The tax savings attributable to the basic and enhanced exemptions shall be calculated separately. It shall be the responsibility of the commissioner to calculate tax savings limitations for purposes of this subdivision.

(ii) The tax savings applicable to a portion for the two thousand ten-two thousand eleven school year shall be determined by multiplying

the exempt amount applicable to the portion for the two thousand ten-two thousand eleven school year by the tax rate applicable to the portion for the two thousand ten-two thousand eleven school year, with separate calculations for the basic and enhanced exemptions.

(iii) Where a school tax rate was changed in the midst of the prior school year, an annualized school tax rate shall be used for this purpose. The annualized tax rate for this purpose shall be determined by calculating the average of the tax rates in effect at various times during the school year, weighted according to the length of time during which they were respectively applicable.

(b) A statement shall then be placed on the tax bill for the parcel in substantially the following form: "Your tax savings this year resulting from the New York state school tax relief (STAR) program is $_____."

3. State aid. (a) The total tax savings duly provided by each school district pursuant to this section shall be a state charge, which shall be payable as provided herein.

(b) A school district seeking state aid pursuant to this section shall submit an application therefor to the commissioner. The application shall include such information as the commissioner shall require.

(c) Upon approving an application for state aid pursuant to this section, the commissioner shall compute and certify to the commissioner of education the amounts payable to the school district. Such state aid shall be payable upon the audit and warrant of the state comptroller from vouchers certified and approved by the commissioner of education, as provided by section thirty-six hundred nine-e of the education law, as applicable.

(d) The commissioner may audit an application for state aid pursuant to this section within one year after authorizing payment thereon. If the commissioner should discover that a school district has received a greater or lesser amount of such aid than it should have received, the commissioner shall so notify the school district, and shall cause the next payment of such aid to the school district to be adjusted accordingly.

(e) When an improperly granted exemption has been revoked in the manner provided by section four hundred twenty-five of this chapter, the aid payable to the school district pursuant to this section shall be

reduced by the amount of the taxes attributable to the revoked exemption.

4. Installment payments. When school taxes are payable in installments pursuant to law, the tax savings provided by this section shall be applied proportionally against the respective installments.

5. Untimely payment of taxes. (a) When taxes on a property receiving the exemption authorized by section four hundred twenty-five of this chapter are not paid in a timely manner, interest, penalties and any other applicable charges shall be imposed only against the balance due after the tax savings provided by this section have been deducted from the taxes owed.

(b) When a county, city or town is required by section thirteen hundred thirty or thirteen hundred thirty-two of this chapter, or by any other general or special law, to make a payment to a school district on account of unpaid school taxes, the tax savings provided by this section shall be deducted from the amount so payable.

6. When the commissioner determines, at least twenty days prior to the levy of school district taxes, that an advance credit of the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law will be provided to the owners of a parcel in that school district, he or she shall so notify the assessor, the county director of real property tax services, and the authorities of the school district, who shall cause a statement to be placed on the tax bill for the parcel in substantially the following form: "An estimated STAR check has been or will be mailed to you by the NYS Tax Department. Any overpayment or underpayment can be reconciled on your next tax return or STAR credit check."

Notwithstanding any provision of law to the contrary, in the event that the parcel in question had been granted a STAR exemption on the assessment roll upon which school district taxes are to be levied, such exemption shall be deemed null and void, shall be removed from the assessment roll, and shall be disregarded when the parcel's tax liability is determined. The assessor or other local official or

officials having custody and control of the data file used to generate school district tax rolls and tax bills shall be authorized and directed to change such file as necessary to enable the school district authorities to discharge the duties imposed upon them by this subdivision.

7. Inconsistent laws superseded. The provisions of this section shall apply to all school districts, notwithstanding any provision of law to the contrary.