

Introduction

For newly constructed or reconstructed agricultural structures, New York's Real Property Tax Law (RPTL) ([Section 483](#)) allows a 10-year property tax exemption. Application for the exemption must be made within one year after the completion of such construction. The agricultural structures and buildings will be exempt from any increase in the property's assessed value resulting from the improvement.

Once granted, the exemption continues automatically for ten years. The exemption will terminate before the ten-year period if (1) the building or structure ceases to be used for farming operations, or (2) the building or structure or land is converted to a nonagricultural or nonhorticultural use.

For certain limited-use agricultural structures and temporary greenhouses, the Real Property Tax Law (Sections [483-a](#) and [483-c](#) respectively) provides a permanent exemption. For Historic Barns, Sections [483-b](#) provides a sliding scale exemption. These provisions are discussed later in this pamphlet.

How is eligibility determined?

Eligibility is determined by the assessor or board of assessors with whom the application is filed. If denied, the applicant has the right to an administrative review by the Board of Assessment Review. The following requirements must be met.

- The structure or building must be essential to the operation of lands actively devoted to agricultural or horticultural use.
- The structure or building must actually be used and occupied to carry out the agricultural or horticultural operations.
- The farmland must actually be used in bona fide agricultural or horticultural production carried on for profit.
- The farmland must not be less than five acres in area.
- An application for exemption must be filed within one year of completion of construction.

A structure, building or any portion qualifies for the exemption when it is used directly and exclusively either: (1) in the raising and production for sale of agricultural or horticultural commodities, or necessary for their storage for sale at a future time; or (2) to provide housing for regular and essential employees and their immediate families who are primarily employed in connection with the operation of lands actively devoted to agricultural and horticultural use.

A structure, building or any portion cannot qualify if it is used for:

1. the processing of agricultural and horticultural commodities, other than maple syrup;
2. the retail merchandising of such commodities;
3. the storage of commodities for personal consumption by the applicant; or
4. the residence of the applicant or his immediate family.

The exemption applies only to a structure or building constructed or reconstructed after January 1, 1969 and before January 1, 2019.

Who can apply?

The owner of the building or structure for which the exemption is sought must use application form RP-483 available from the assessor, the County Director of Real Property Tax Services, or the NYS Office of Real Property Services [website](#).

Where and when should the application be filed?

The application must be filed with the city, town, or county assessor on or before taxable status date. If the property is located in a village that assesses, a copy of the application must also be submitted to the appropriate village assessor.

When is a structure considered complete?

A building or structure should be considered "completed" when it can be used for its intended purpose.

What does agricultural or horticultural use mean?

The word "agricultural" means the art or science of cultivating the ground, the raising and harvesting of crops and the feeding, breeding and management of livestock, poultry, or horses.

May an indoor exercise arena for training or exercising horses qualify for exemption?

Yes, if the arena is used by a horse farm or a commercial horse boarding operation. No, if the arena is used by a riding academy or a dude ranch.

When would an agricultural structure or portion be disqualified for processing farm commodities?

A farm commodity is processed whenever something is done to the commodity to prepare it for market, as distinguished from raising or producing it. For example, a building on a dairy farm in which cows are fed and milked would qualify as used directly and exclusively in the raising and production for sale of milk. However, buildings used for processing milk -- in which the milk is pasteurized or put into containers that are ultimately sold to the

consumer -- would not qualify. The slaughtering of cattle is processing, as is the cleaning, sorting and packaging of fruits and vegetables. When the processing carried on in a building is only incidental to the main use of the building or the building is used for processing only on a limited basis, the building may be eligible for the exemption.

When would a building, structure or portion be disqualified for exemption on the basis of being used for the retail merchandising of farm commodities?

Any agricultural structure or portion that is used for the retail sale of an agricultural or horticultural product cannot qualify. A roadside stand or any store or building in which agricultural products are sold to the public is not eligible for the exemption.

What happens if only a portion of a building can qualify?

If only a portion of a building meets the requirements of the statute, then only that portion is eligible for the exemption.

What if a single building or structure combines both a farm use and a non-farm use but the activities are so commingled that the portions devoted to each use cannot be separated?

The building would not qualify since the law requires that the building or portion be exclusively used for agricultural purposes. However, when the "nonfarm use" carried on in a building is only incidental to the main use of the building or the building is used for "nonfarm use" only on a limited basis, then the building may qualify for the exemption.

The exemption applies to housing for regular and essential employees and their immediate families who are primarily employed in connection with the operation of farmlands. Who would be considered regular and essential employees in order for farm worker housing to be exempt?

Regular employees are those who are usually and customarily hired for raising and producing a farm product. Essential employees are those without whose help a necessary aspect of farm production could not take place. Employees can qualify as long as their duties are primarily connected with farming operations rather than with processing, retail sale of commodities or nonfarm operations. Housing for the immediate family of the farm owner is expressly excluded. Separate housing for children of the applicant may qualify if they are regular, essential employees of the farm operation without an ownership interest.

Are there any requirements with respect to the lands on which the structure is located in order to qualify the structure for exemption?

Yes, there are two major requirements:

1. The lands must be used for profitable agricultural or horticultural production. "Profitable" means the intent to make a profit although every year may not necessarily be profitable.
2. The lands must be not less than five acres in area. Lands that are used for cultivating, raising or growing crops, fruits, vegetables, flowers, ornamental trees and plants or lands used for the feeding, breeding and management of livestock or poultry satisfy this requirement.

How is the amount of the exemption determined?

Eligible structures and buildings are exempt from taxation to the extent that the construction or reconstruction increases the assessed value of the parcel. The increase in assessed value because of the new construction or reconstruction is the amount of the exemption. This value is not determined by actual construction costs. The amount is set by the increase in value of the parcel because of the new construction.

What types of taxes are covered by the exemption?

The exemption applies only to county, city, town, village or school district property taxes. Special ad valorem levies and special assessments are not included. Examples of these are assessments for street, water or sewer improvements or levies on behalf of fire, water or sewer districts.

What happens if property upon which an exempt structure or building is located is sold during the ten-year exemption period?

The exemption will continue until the expiration of ten years from the year in which the exemption was originally granted, provided all of the statutory requirements continue to be met by the new owner.

Does the exemption terminate if a structure or building ceases to be used or is converted to a nonagricultural or nonhorticultural use during the ten-year exemption period?

Yes. The law provides that the exemption continues only while the structures and buildings are used and occupied for agricultural or horticultural uses. If a conversion occurs, the property becomes subject to roll-back taxes.

What are roll-back taxes?

The amount of taxes saved as a result of the exemption become roll-back taxes payable to the taxing jurisdiction that previously granted the exemption in the event that a structure is converted to a non-farm use. The roll-back taxes are collected at the same time as other taxes in the year the exemption is terminated.

Certain Limited Use Agricultural Structures: [RPTL Section 483-a](#)

A one-time application form ([RP-483-a](#)) provides a permanent exemption from taxes, special ad valorem levies, and special assessments for certain limited use agricultural structures. The law specifically lists silos, bulk milk tanks, manure storage and handling facilities, farm feed grain storage bins and commodity sheds as qualifying for this exemption. Farm feed grain storage bins and commodity sheds are defined as limited use structures specifically designed for the storage of farm feed grains and other feed components which may have a flat or conical bottom and are designed specifically for on farm storage. With respect to farm feed grain storage bins and commodity sheds, only those facilities designed for the storage of farm feed grains and other feed components qualify. Storage facilities for other types of commodities do not qualify. To apply, a one time application form (RP-483-a) must be completed and submitted to the assessor by taxable status date.

Historic Barns: [RPTL Section 483-b](#)

This exemption is only available after local approval of the exemption. A historic barn is defined as a structure at least partially constructed before 1936 that was originally designed and used for storing farm equipment or agricultural products or for housing livestock. The owner of the barn, using the form prescribed by the State Board (RP-483-b), must file an application with the assessor on or before the appropriate taxable status date.

The exemption applies to a reconstruction or rehabilitation that was started after the effective date of the local law or resolution, unless the local law or resolution provides that the exemption applies to such work commenced prior to the effective date.

The exemption authorized by the local law is for a ten year period. In the first year, the eligible barn is eligible for an exemption from taxation equal to 100% of the barn's increase in assessed value that was attributable to the reconstruction or rehabilitation. In the ensuing nine years, the extent of the exemption is decreased annually by 10%.

The Section 483-b exemption does not apply to barns which are receiving an exemption pursuant to Section [483](#) or to barns which received a Section 483 exemption within ten years of the date on which the current application was filed. An exemption may not be granted to a historic barn which is used for residential purposes. The exemption base may not include reconstruction and rehabilitation expenses that materially alter the historic appearance of the barn.

Also see: [A Credit for Rehabilitation of Historic Barns TSB-M-97\(5\)C, \(1\)I \(11/6/98\)](#).

Temporary Greenhouses: [RPTL Section 483-c](#)

A one-time application form ([RP-483c](#)) provides a permanent exemption from taxes, special ad valorem levies, and special assessments for temporary greenhouses. Once an exemption is granted, no renewal is necessary. The law defines a temporary greenhouse as specialized agricultural equipment having a framework covered with demountable polyethylene or polypropylene materials or materials of a polyethylene or polypropylene nature which is specifically designed, constructed and used for agricultural production. A temporary greenhouse may include, but is not limited to, the use of heating devices, water and electrical utilities, and embedded supporting poles.

Farm or Food Processing: Labor Camps or Commissaries

New York's Real Property Tax Law (RPTL), Section 483-d, allows a full property tax exemption for qualified farm or food processing labor camps or commissaries. The owner of a qualified labor camp or commissary must file an application (RP-483-d) with the assessor. The application must be accompanied by all of the following:

- A State Sanitary Code permit to operate a migrant farm worker housing facility.
- A State Labor Department farm labor contractor certificate of registration, permit to operate a farm labor camp commissary, and/or migrant labor registration certificate.
- Proof of compliance with the fire prevention and building code, which may include a copy of the certificate of occupancy, a statement from the code enforcement officer that the structure or building has not been determined to be in violation of the code, and/or a statement from the code enforcement officer that the code does not apply to the structure or building.

A renewal application need not be filed annually with the assessor, but the owner of the labor camp or commissary must be able to annually prove that the camp or commissary continues to comply with all applicable

Property Use Requirements in order to keep the exemption. The assessor should annually ask the property owner to provide a current State Sanitary Code permit, a current State Labor Department certificate or permit, and current documentation concerning compliance with the fire prevention and building code.

A memo that discusses the Section 483-d exemption in more detail is available on our website. (Click on "Tax Policy & Exemptions", then click on "Agriculture, Farms, Land, Buildings & Forests," and finally, scroll down to "Farm Building Exemptions" and click on "[Farm or Food Processing Labor Camps or Commissaries Exemption \(RPTL, §483-d\)](#)."

Questions?

For additional information contact any of the following:

- The local assessor at www.orps.state.ny.us/MuniPro
- The County Director of Real Property Tax Services at www.orps.state.ny.us/cfapps/MuniPro/muni_theme/state/di_raddr.cfm
- Real Property Services Regional Offices at www.orps.state.ny.us/about/regions.cfm

For additional information on other aspects of the agricultural districts program and the land classification system, contact:

Administrator, Agricultural Districts Program
New York State Department of Agriculture and Markets
10B Airline Drive
Albany, NY 12235

STATE OF NEW YORK
David A. Paterson, Governor



Office of Real Property Tax Services
WA Harriman State Campus
Albany, NY 12227

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A publication of the
State Office of Real Property Vcz'Services

www.orps.state.ny.us

May 2009