

NYC Department of Finance intends to impose financial penalties for RPIE non-compliance; RPIE filings now must include rent rolls.

Often at this time of year, property owners and their accountants are filing the annual Real Property Income and Expense (RPIE) forms with the New York City Department of Finance (Finance). Most owners of income-producing properties are required to electronically file an annual RPIE. The RPIE-2009 must be e-filed at nyc.gov/rpieform by September 1, 2010. Finance uses the RPIE information to estimate market values of properties for tax assessment purposes.

Property owners and their accountants should know about two new developments as of this June 2010.

Non-filing or Late-filing Penalties

Starting with this year's RPIE-2009, owners of income-producing properties (not otherwise exempt from RPIE filing) who fail to file on time will face a penalty of up to 3 percent of the actual assessed value of their property.

Financial penalties are not new – they were contained in the original RPIE legislation. However, it is noteworthy that Finance has this year, with specificity, stated that these penalties will be applied.

Also, properties that fail to timely file forfeit their right to a 2011/12 NYC Tax Commission hearing to review the 2011/12 assessed valuation set by Finance.

Rent Roll Requirements

Owners of income-producing properties with (1) a final 2010/11 actual assessed value of \$750,000 or more, and (2) leases in place during the reporting period (typically the calendar year 1/1/09-12/31/09), must submit the April 2010 rent roll as part of their RPIE-2009 filing due September 1, 2010. Rent roll information must be submitted online using the eRPIE form.

The rent roll requirement is new this year. Rent roll submissions are to include the following information, and all dollar amounts are “per year,” not “per month”:

- **For Commercial Properties:** Tenant's Name*; Tenant's EIN; Floor Number or Range; Rentable Square Feet*; Primary Use*; Lease Start Date; Lease Term*; Current Rent*; Electrical Charges; Pass Through Charges; Next Step-up Date; Rent After Step-up.
- **For Residential Properties:** Number of Regulated Apartments*; Total Rent – Regulated Apartments*; Number of Unregulated Apartments*; Total Rent – Unregulated Apartments*; Pass Through Charges; Average Rentable Square Feet; Number of 1-Year Leases*; Number of 2-Year Leases*. Note that residential property owners are required to submit this information separately for each apartment type (e.g. studio, one-bedroom, two-bedroom,

etc.), not for each tenant.

* Required fields

For more detailed information on both the new penalties and rent roll requirements, as well as “Instructions” and “Frequently Asked Questions,” please visit Finance’s website at nyc.gov/rpie.

Benjamin M. Williams is an attorney at Podell, Schwartz, Schechter & Banfield, LLP, a New York law firm concentrating in the reduction of real property taxes. His e-mail address is bwilliams@pssb-law.com.