New York City Department of Finance

Notice of Rule Adoption

Pursuant to the authority vested in the New York City Department of Finance ("DOF") under New York City Charter §§ 1043(a) and 1504, and New York City Administrative Code § 11-208.1, DOF hereby adopts amendments to rules in order to clarify certain real property income and expense reporting requirements for real estate of utility company properties.

Statement of Basis and Purpose of Rule

The New York City Department of Finance ("DOF") is promulgating the following rule change in accordance with the powers set forth in New York City Charter ("Charter") §§ 1043(a) and 1504, as well as New York City Administrative Code ("Administrative Code") § 11-208.1(g). A proposed version of these rules was published in the City Record on March 11, 2026. See City Record at 945-47 (Mar. 11, 2026). DOF held a hearing for public comment on April 13, 2026.

This rule amendment encourages reliable reporting of ownership of real estate of utility company ("REUC") properties, allowing DOF to correctly and accurately assess such properties. Retaining accurate ownership records of atypical and difficult-to-observe real property is critical for DOF's mission, particularly where businesses restructure, such as through a merger or acquisition.

The omission or undervaluation of one or more properties necessarily shifts tax burden onto other properties, because the City must raise adequate revenue to fund its operations. By promoting the accurate identification of REUC properties, through DOF's mandated disclosure requirements, this rule promotes the fair allocation of real property taxes in New York City, even for properties that would not directly be subject to this rule.

Specifically, this rule amends Chapter 33 of title 19 of the Rules of the City of New York ("RCNY"), which establishes rules for filing real property income and expense ("RPIE") statements. DOF uses these RPIE statements to determine the value and property tax for many income-producing properties, in accordance with Administrative Code § 11-208.1.

- Section 1 amends 19 RCNY § 33-01(b)(1)(xxv) to include certain railroad equipment, which is already included in the definitions of "real property," "property" or "land" under RPTL § 102(12)(c). This subparagraph of the City's rules lists types of income-producing utility properties, regardless of whether such properties are owner-occupied. This addition clarifies that certain railroad equipment is considered income-producing, and that owners of REUC properties must file an RPIE statement for this railroad equipment in accordance with Administrative Code § 11-208.1. A corporation providing rail-based freight transportation services submitted a comment arguing that railroad properties do not constitute "income-producing property" as such term is used in Administrative Code § 11-208.1, and instead constitute a form of "specialty property[.]" DOF does not agree with this analysis. Railroad properties are not distinguishable from other owner-occupied REUC properties that are used in business operations, and which are already subject to RPIE filing requirements by rule. *See* 19 RCNY § 33-01(b)(1)(xxv) (including "power plants, generators, telecommunication lines . . . and other equipment defined as real property" pursuant to RPTL § 102(12)). Additionally, this commenter notes an assessment ceiling set by the New York State Office of Real Property Tax Services limits the real property tax that DOF can collect on these properties. However, DOF assesses railroad properties before the ceiling is applied. RPTL §§ 489-c(1), 489-cc(1). Therefore, the commenter's assertion that RPIE statements are not relevant to the determination of these properties' assessed valuation, is unavailing.

- Section 2 amends 19 RCNY § 33-01(b)(2)(viii) to clarify the meaning of "uninhabitable property." This term has been a subject of uncertainty. This clarification allows property owners to identify when their property is uninhabitable, and therefore not income-producing. If a property is uninhabitable, an RPIE filing is optional rather than mandatory.

- Sections 3 and 8 amend 19 RCNY §§ 33-01 and 33-06 to clarify that the word "person" in chapter 33 of title 19 of the RCNY means not only a natural person, but also some types of businesses and associations. This change is being made in order to ensure that the relevant section of the RCNY matches Administrative Code § 1-112(10), which provides a general definition of the term "person" throughout such code.

- Section 4 amends 19 RCNY § 33-02(d)(8) by clarifying the requirement that owners of REUC property, as provided in RPTL § 102(12)(c)-(f) or (i), must include in their RPIE statements properties that were removed from inventory, and the persons who acquired and disposed of these REUC properties. This amendment also requires the RPIE statements to include information sufficient to identify these properties. Sections 5 through 7 amend 19 RCNY §§ 33-02(e)(2)(v)(B) and 33-02(e)(2)(vi) and add a subparagraph (vii) to state that the failure to file a RPIE statement includes a failure to file the statement described in 19 RCNY § 33-02(d)(8). In response to a comment from a large utility company, the final rule also includes an additional amendment to clarify that the § 33-02(d)(8) statement must be filed by June of each year, consistent with existing practices. Sections 4 through 7, as described above, clarify that a failure to file an RPIE statement that includes the content required by 19 RCNY § 33-02(d)(8) — including a failure to report the acquisition, disposition, or location of REUC properties—will result in the application of penalties provided in 19 RCNY § 33-03, in accordance with Administrative Code § 11-208.1(d). The corporation providing rail-based freight transportation services expressed concern that the information solicited by this rule could deviate from federal and state filing requirements. However, these federal and state filing requirements are specific to railroads, do not preempt the DOF, and are not designed to facilitate the city's real property taxation system. DOF seeks to administer its real property system uniformly across REUC properties to the greatest extent possible.

While this rule seeks to minimize impact on the regulated community, DOF's obligations are primarily to administer its real property tax system effectively.

- This corporation providing rail-based freight transportation services also expressed concern that this rule provides insufficient guidance to taxpayers regarding what information will be treated as sufficient to identify an REUC property. DOF believes that this rule provides adequate administrative flexibility to craft forms that reasonably guide taxpayers towards providing this information. Indeed, this information has already been solicited for the filings that were due on June 1, 2026; however, in order to allow taxpayers to adjust their practices, no penalties will be enforced for a failure to provide this information on such date. This final rule includes a provision stating that this rule applies only to RPIE filings made after January 1, 2027.

New material is underlined.
[Deleted material is in brackets.]
"Shall" and "must" denote mandatory requirements and may be used interchangeably in the rules of this department unless otherwise specified or unless the context clearly indicates otherwise.

Proposed Rule Amendment

Section 1. Subparagraph (xxv) of paragraph (1) of subdivision (b) of section 33-01 of title 19 of the Rules of the City of New York is amended to read as follows:

(xxv) power plants, generators, telecommunication lines, railroads and other equipment defined as real property in paragraphs (c), (d), (e), (f) and (i) of subdivision 12 of § 102 of the Real Property Tax Law, regardless of whether it is owner-occupied, other than special franchise property that is assessed pursuant to article 6 of the Real Property Tax Law.

§ 2. Subparagraph (viii) of paragraph (2) of subdivision (b) of section 33-01 of Title 19 of the Rules of the City of New York is amended to read as follows:

(viii) property that [does not generate income (e.g., abandoned or] is uninhabitable [property)] where such property is in a state of substantial disrepair rendering such property unsafe or unfit for occupancy or use.

§ 3. Section 33-01 of title 19 of the Rules of the City of New York is amended by adding a new subdivision (d) to read as follows:

(d) the term "person" as used in these regulations means a natural person, co-partnership, firm, company, association, joint stock association, corporation or other like organization.

§ 4. Paragraph (8) of subdivision (d) of section 33-02 of title 19 of the Rules of the City of New York is amended to read as follows:

(8) With respect to power plants, generators, telecommunication lines, railroads and other equipment defined as real property in paragraphs (c), (d), (e), (f) and (i) of subdivision 12 of § 102 of the Real Property Tax Law, other than special franchise property that is assessed pursuant to article 6 of the Real Property Tax Law, in addition to the requirement to file [an income expense statement] the items described in section 19 RCNY § 33-01(c) in accordance with the provisions of this chapter, the owner of such property must also file with the Department of Finance, no later than [September] June 1 each year, a statement that constitutes a component of an income expense statement and includes:

(i) a description of the use and the cost of:

[(i)] (A) all such property owned by such owner in the City of New York as of the end of the reporting year;

[(ii)] (B) any such property that was retired during the reporting year; and

[(iii)] (C) any such property that was added to or removed from inventory during the reporting year, including any such property the construction of which remained in progress as of the end of the reporting year.

(ii) with respect to property that was acquired or disposed of in the preceding year, the person from whom such property was acquired or to whom such property was disposed, as applicable; and

(iii) the address or other information sufficient to identify the location of any property reported pursuant to clauses (A) and (C) of subparagraph (i) of paragraph (8) of this subdivision in a format determined by DOF.

§ 5. Clause (B) of subparagraph (v) of paragraph (2) of subdivision (e) of section 33-02 of title 19 of the Rules of the City of New York is amended to read as follows:

(B) failure to provide a complete and accurate and itemized list of income and expense data; [or]

§ 6. Subparagraph (vi) of paragraph (2) of subdivision (e) of section 33-02 of title 19 of the Rules of the City of New York is amended to read as follows:

(vi) [in the event that] if the electronic filing requirement is waived by the Commissioner under 19 RCNY § 33-02(b)(2), failure to use the forms prepared by the Department of Finance, or failure to submit an income and expense statement containing the original signature of the owner(s) (the signature of an agent is not acceptable unless a power of attorney is attached to the statement)[.] ; or

§ 7. Paragraph (2) of subdivision (e) of section 33-02 of title 19 of the Rules of the City of New York is amended by adding a new subparagraph (vii) to read as follows:

(vii) failure to submit a statement required by 19 RCNY § 33-02(d)(8).

§ 8. The opening paragraph of subdivision (a) and subdivision (c) of section 33-06 of title 19 of the Rules of the City of New York are amended to read as follows:

Neither income and expense statements filed in accordance with § 11-208.1 of the Administrative Code and these rules, nor any information set forth or contained in such statements, shall be disclosed to any person [or entity], except:

(c) The Department of Finance shall notify any person [or entity] that has filed an income and expense statement in accordance with § 11-208.1 of the Administrative Code and these rules of any proceeding commenced or motion or subpoena served to compel disclosure of such statement or of any information contained therein within five business days of receiving any papers requesting such relief, except that in the event of a proceeding, motion or subpoena seeking disclosure of more than fifty income and expense statements, the Department of Finance shall give notice to those authorized representatives whose names are on file with the Department of Finance within fifteen business days of receiving any papers requesting such relief.

§ 9. This rule applies to filings made pursuant to 19 RCNY art. 33 after January 1, 2027.