NYC SECOND HOMES · TAX YEAR 2026–27 ONWARD

Samuel's Pied-à-Terre Tax Cheat Sheet

A plain-English summary of New York City's annual surcharge on high-value homes that are not used as a primary residence.

WHAT IT IS

New York State Tax Law Article 30-C (§§ 1350–1356) imposes an annual surcharge, beginning July 1, 2026, on certain high-value NYC homes that are not a primary residence. The NYC Department of Finance (DOF) administers it. It is separate from regular property tax, and property tax abatements, credits and exemptions do not reduce it.

WHO IT CAN APPLY TO

Class I: one- to three-family homes

Phase 1 threshold: DOF market value of $5 million or more. Vacant land is not covered.

Class II: condos and co-ops

Phase 1 threshold: a unit DOF market value of $1 million or more. For a co-op, the value is the unit's share of the building's value.

Not covered (excluded property): homes that require a certificate of occupancy that has not been issued, and condo or co-op units still unsold under a sponsor's offering plan.

TIMELINE

May 28, 2026
The law takes effect (DOF).

July 1, 2026: Phase 1 begins
Phase 1 covers tax years 2026–27 and 2027–28 (July 1, 2026 to June 30, 2028).

August 30, 2026
Statutory deadline for DOF's first notices to owners of homes it found were not a primary residence.

October 13, 2026 (passed)
DOF's deadline to apply for a 2026–27 exemption.

January 1, 2027
The surcharge appears on the property tax bill due January 1, 2027.

March 1, 2027 (Class Two) · March 15, 2027 (Class One)
The NYC Tax Commission deadlines for surcharge appeals for 2026/27 and 2027/28.

July 1, 2028: Phase 2 begins
All covered homes use a $5 million threshold. Condos and co-ops are valued by comparable sales.

June 30, 2031
Article 30-C is repealed on this date unless it is extended or replaced.

Dates verified October 27, 2026, against NY Tax Law §§ 1350–1354, the DOF non-primary residence surcharge page and the NYC Tax Commission surcharge appeal page.

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THE RATES

Phase 1: July 1, 2026 to June 30, 2028

Based on the "phase one market value": DOF's market value for the tax year. For a co-op unit, it's the building's market value times the unit's share of the total shares.

CLASS I: ONE- TO THREE-FAMILY HOMES

DOF MARKET VALUE	RATE	APPROX. ANNUAL SURCHARGE
Under $5,000,000	**None**	$0
$5,000,000 or more, up to and including $15,000,000	**0.8%**	$40,000 to $120,000
Over $15,000,000, up to and including $25,000,000	**1.05%**	About $157,500 to $262,500
Over $25,000,000	**1.3%**	About $325,000 and up

CLASS II: CONDO UNITS AND CO-OP APARTMENTS

DOF MARKET VALUE	RATE	APPROX. ANNUAL SURCHARGE
Under $1,000,000	**None**	$0
$1,000,000 or more, up to and including $3,000,000	**4.0%**	$40,000 to $120,000
Over $3,000,000, up to and including $5,000,000	**5.25%**	About $157,500 to $262,500
Over $5,000,000	**6.5%**	About $325,000 and up

Phase 2: from July 1, 2028

Based on the "phase two market value". For condos and co-ops, DOF sets it using sales of comparable condo and co-op units. One schedule applies to all covered homes.

DOF MARKET VALUE (ALL COVERED HOMES)	RATE	APPROX. ANNUAL SURCHARGE
Under $5,000,000	**None**	$0
$5,000,000 or more, up to and including $15,000,000	**0.8%**	$40,000 to $120,000
Over $15,000,000, up to and including $25,000,000	**1.05%**	About $157,500 to $262,500
Over $25,000,000	**1.3%**	About $325,000 and up

> The bracket boundaries follow the wording of Tax Law § 1353. DOF's own table words them as "or greater, but less than", which differs only at exactly $3M, $5M, $15M and $25M; confirm a value at an exact boundary with DOF or a tax professional. DOF lists each rate as a percentage of the full DOF market value. The surcharge column is rate × value, rounded.

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EXEMPTIONS AND DISPUTES

When the surcharge does not apply

A home is not subject to the surcharge if it is the primary residence of any of the following, as of the taxable status date (January 5 before the tax year):

1	**Owner**	An owner of the home who is a natural person.
2	**Tenant or subtenant**	A natural person living there under a bona fide lease negotiated at arm's length, with a term of at least one year.
3	**Immediate family**	An immediate family member of the owner (or of a majority interest holder): a spouse, child, sibling, parent, grandparent or grandchild.
4	**Majority owners of an entity**	One or more individuals who together hold a majority interest in the LLC, corporation or partnership that owns the home.
5	**Trust beneficiaries**	The sole beneficiary or beneficiaries of a trust that holds the home.

HOW DOF DECIDES

Each year, DOF makes an initial determination from the information it has. One factor in the law is whether an owner occupied the home for a majority of days in the calendar year. Owners who receive a notice can submit proof of primary residence. Proof DOF lists includes a recently filed federal or state tax return or a DMV-issued ID. Tenants also provide a current lease and one rental document, or a Tenant or Subtenant Affidavit and two rental documents. Family members add a birth or marriage certificate and an affidavit. Entities and trusts provide their operating, partnership or trust agreement (or articles of incorporation) and a Majority Interest Affidavit.

The law allows DOF to impose a penalty of up to 50% of the surcharge for material, inaccurate or misleading documentation submitted negligently or in bad faith.

IF YOU DISAGREE WITH THE VALUE OR THE RESIDENCY DECISION

The law sends review through the procedures in the NYC Administrative Code. Under them, an owner can file a Non-Primary Residence Surcharge Appeal (Form TC107) with the NYC Tax Commission to challenge DOF's market value, its residency determination, or both. For 2026/27 and 2027/28 the deadline is March 1, 2027 for Tax Class Two and March 15, 2027 for Tax Class One. If the residency question went to DOF first, the deadline is that date or 30 days after DOF's final determination, whichever is later. A market value challenge must still meet the March date. Only one surcharge appeal may be filed for any one year.

CO-OP OWNERS

DOF adds each co-op unit's surcharge to the building's account. The co-op corporation then collects it from the shareholder for that unit.

Sources: NY Tax Law §§ 1351(m), 1352, 1354 and 1355; the DOF non-primary residence surcharge page; the NYC Tax Commission surcharge appeal page and TC107 instructions. Verified October 27, 2026.

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RUN THE NUMBERS

How to estimate the annual surcharge

1 **Find the DOF market value.** Search the property by borough and address in the DOF Property Information Portal, then open its market value and assessment details for the 2026–27 tax year. DOF also published a supplemental market value roll related to the surcharge on July 24, 2026, on its Property Assessments page. Being listed on it does not by itself mean the surcharge applies.

2 **Co-op? Work out the unit's value.** Multiply the building's DOF market value by the unit's shares ÷ the building's total shares. The managing agent can confirm the share counts. Use the unrounded share to avoid rounding errors.

3 **Find the bracket and multiply.** Annual surcharge = DOF market value × the rate for its bracket (page 2).

WORKED EXAMPLES (ILLUSTRATIVE NUMBERS, NOT REAL PROPERTIES)

CO-OP APARTMENT, PHASE 1

Building DOF market value $96,491,000 · unit shares 720 of 47,250
720 ÷ 47,250 = 0.0152381 (about 1.5238%)
$96,491,000 × 720 ÷ 47,250 = **$1,470,339** unit value · bracket $1M up to and including $3M → 4.0%
$1,470,339 × 4.0% = **$58,814 per year** if it is not a primary residence.

Rounding the share to 1.52% first would understate the value as $1,466,663.

CONDO UNIT, PHASE 1

DOF market value $3,200,000 → over $3M up to and including $5M → 5.25%
$3,200,000 × 5.25% = **$168,000 per year**

TOWNHOUSE, PHASE 1

DOF market value $5,002,000 → $5M up to and including $15M → 0.8%
$5,002,000 × 0.8% = **$40,016 per year** (at $4,990,000: $0)

Because the rate applies to the full value, crossing a threshold makes a big jump. A Phase 1 condo valued at $999,999 owes $0; at $1,000,000 it owes $40,000.

OFFICIAL LINKS

- NYC DOF: Non-primary residence surcharge
- NYC DOF: Property Information Portal (search by address)
- NYC DOF: Property assessments and market value rolls
- NYC Tax Commission: Surcharge appeals (Form TC107)
- NY Tax Law Article 30-C (§§ 1350–1356), NY Senate
- REBNY: Second-Home Annual Tax tools and fact sheet
- NYS Housing and Anti-Discrimination Notice (Fair Housing)

Questions about a specific property? Call or text Samuel's cell, (929) 988-0432.

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