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MEMORANDUM

TO: Edward D. Kinowski, Chairman, Saratoga County Board of Supervisors
John Collyer, Vice-Chairman, Saratoga County Board of Supervisors
Members of the Saratoga County Board of Supervisors
Spencer Hellwig, County Administrator
Andrew Jarosh, County Treasurer
Joanne Bosley, Director, Saratoga County Real Property Tax Services

FROM: Stephen M. Dorsey *JMD*

RE: Prepayment of 2018 Real Property Taxes in 2017

DATE: December 21, 2017

As you may know, our town and city tax collectors, the County Treasurer's Office, Saratoga County Real Property Tax Services, my office and many of you have received telephone calls and emails from County residents inquiring as to whether they can prepay their 2018 property taxes on or before December 31, 2017. These inquiries are the result of the federal tax reform package about to be signed into law, which purportedly limits state income and local property tax deductions to a combined ceiling of \$10,000 starting with 2018 federal tax returns.

In order for your local tax collectors to receive 2018 property taxes prior to January 1, 2018, the following needs to happen:

1. The Board of Supervisors needs to issue its levy for 2018 property taxes. This was done on December 19, 2017 pursuant to Resolution 290-2017 of the Saratoga County Board of Supervisors.
2. The Chairman of the Board needs to sign the tax warrants for each town and city.
3. The date of the warrant must be a date prior to December 31, 2017, but not sooner than the date the Chairman signs the warrant.
4. The warrant must be delivered to the town or city tax collector, who must have the warrant in hand before accepting 2018 tax payments.

Today, Board Chairman Ed Kinowski and the Clerk of the Board Pamela Wright signed town and city tax warrants that state "The effective date of this warrant is December 21, 2017." Once a tax collector has that signed warrant in hand, along with the printed tax bills for his or her municipality, the tax collector may begin accepting 2018 tax payments in 2017.

Unfortunately, 80,000 tax bills have already been printed stating the tax lien date is December 31, 2017. Those tax bills will not be reprinted with a tax lien date of December 21, 2017 due to the cost of such a reprinting. However, the December 21, 2017 tax lien date on the tax warrants signed by the Chairman should be deemed controlling. Nevertheless, the discrepancy in the tax lien dates on the tax warrants and on the tax bills may cause some confusion.

No County employee should make any representation that 2018 property taxes paid in 2017 are deductible on their 2017 tax returns. Anyone making such an inquiry should be directed to consult with their tax return preparer. I would recommend that town and city employees be similarly instructed.

At this point, no one knows for certain whether 2018 taxes paid in 2017 will be deductible on 2017 federal tax returns. However, to the extent taxpayers will be allowed to deduct 2018 taxes on their 2017 federal returns, the foregoing process will allow for the receipt of 2018 property tax payments in 2017. The standard tax warrants signed by the Chairman at the end of each year have stated that the effective date of the warrant is December 31 of that year. The County is modifying the effective date on its tax warrants for this year only, so that County residents may follow through on the tax advice being rendered by tax "experts" through the media.

Please feel free to forward this memo on to your town and city tax collectors, as well as to your town and city attorneys. Ultimately, you should follow the advice of our local counsel on this issue. If your town or city does decide to collect 2018 tax payments in 2017, you may wish to consider issuing a press release notifying your residents of the opportunity to pay their taxes early.

SMD/cfg