

TAX COMMISSION OF THE CITY OF NEW YORK
OPINION AND DETERMINATION
ON APPLICATION FOR CORRECTION OF ASSESSMENT

APPLICANT: The Animal Medical Center

PROPERTY: Borough: Manhattan, Block 1458, Lot 1302
Street Address: 1152 First Avenue, Unit 2, New York, NY 10065

NOTIFY: Rafael Dayan, Esq.
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HEARING DATE: On Papers

TAX YEAR: 2023/24

FACTS

The Applicant, Animal Medical Center (“Applicant” or “AMC”), is a not-for-profit corporation which provides compassionate and collaborative veterinary medical care for animals, advances veterinary medicine through clinical research and education, and engages in clinical research for the treatment of various medical issues, including for human medical care. AMC is the largest and busiest veterinary hospital in the United States. AMC operates 24 hours a day every day each year and serves over 50,000 patients annually. The Applicant has its main facility at 510 East 62nd Street in Manhattan. That parcel of real property is not at issue here.

The Applicant also owns a parcel of real property that is one condominium unit in a two-unit¹ condominium in Manhattan, Block 1458, Lot 1302 (“Lot 1302” or “Unit 2”). The Applicant uses Lot 1302, which consists of 16 apartments, to provide housing to members of its staff and visiting veterinary students. The staff members pay rent to the Applicant for occupying these apartment units. As of January 5, 2023, 11 of these apartment units were occupied and five were not.

For several years before the 2023/24 tax year at issue in this appeal matter, the Department of Finance (“DOF”) granted a full real property tax exemption on Lot 1302. In its 2023/24 exemption renewal application to DOF, the Applicant indicated that Lot 1302 was Building Class “R9 – CO-OP WITHIN A CONDOMINIUM”. DOF revoked the Applicant’s exemption for Lot 1302 on the ground that Lot 1302 is a cooperative rather than real property, and therefore ineligible for an exemption from real property tax under Real Property Tax Law (“RPTL”)

¹ Unit 1 consists of the commercial unit on the ground floor of the building at 1152 First Avenue. Unit 2 consists of the residential condominium unit which is comprised of the 16 apartments above the ground floor.

sections 420-a or 420-b. The Applicant subsequently submitted an Application to the Tax Commission to appeal DOF's denial of the exemption.

OPINION

The Applicant's real property tax exemption which DOF revoked was under Real Property Tax Law (RPTL) section 420-b. The Applicant's claim for an exemption appears to be pursuant to both 420-a and 420-b.

RPTL section 420-a(1)(a) provides:

1. (a) Real property owned by a corporation or association organized or conducted exclusively for religious, charitable, hospital, educational, or moral or mental improvement of men, women or children purposes, or for two or more such purposes, and used exclusively for carrying out thereupon one or more of such purposes either by the owning corporation or association or by another such corporation or association as hereinafter provided shall be exempt from taxation as provided in this section.

In order for real property to be exempt from the real property tax, RPTL section 420-a requires that it be owned by an entity organized or conducted for one or more of the enumerated tax-exempt purposes and that it be used "exclusively" for such a purpose. "Exclusively" has been construed to mean that it be used principally or primarily for such purpose (*Matter of Association of Bar of City of NY v Lewisohn*, 34 NY2d 143 [1974]). Tax exemption statutes are to be strictly applied, but "an interpretation so literal and narrow that it defeats the exemption's settled purpose is to be avoided." (*Matter of Symphony Space v Tishelman*, 60 NY2d 33, 36 [1983]). "The burden of establishing that the property is entitled to a tax exemption rests with the taxpayer" (*Matter of Merry-Go-Round Playhouse, Inc. v Assessor of City of Auburn*, 24 NY3d 362, 367 [2014]).

The property owner generally bears the burden of proof on both requirements of RPTL section 420-a (*Matter of New York Botanical Garden v Assessors of Town of Washington*, 55 NY2d 328 [1982]). However, "where the taxing authority seeks to revoke that exemption previously granted, it is the taxing authority that has the burden of establishing that the property is not exempt from taxation" (*Matter of Greater Jamaica Dev. Corp. v New York City Tax Commn.*, 25 NY3d 614, 623 [2015]).

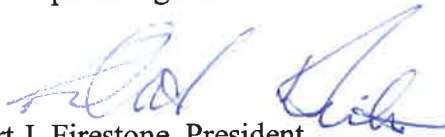
Inasmuch as DOF has revoked the exemption, we conclude the burden is on DOF. Here, there can be no question that the Applicant is a qualifying charitable organization under RPTL section 420-a. The court in *American Soc. for the Prevention of Cruelty to Animals v. Tax Commn. of the City of New York*, 113 Misc.2d 427, 434 (Sup Ct., New York County 1981) held that the ASPCA, an animal care organization, was a charitable organization exempt within the mandatory class of exemptions under what is now RPTL section 420-a stating that "a home or hospital for animals has been held a charitable use" citing *Matter of Hamilton*, 185 Misc. 660 (Surrogate's Ct, Chautauqua County 1945) *aff'd* 270 App. Div. 634 *aff'd* 296 NY 578 (1946). See also *North Manursing Wildlife Sanctuary, Inc. v. City of Rye*, 48 NY2d 135, 139 (1979) (concluding a wildlife sanctuary was a charitable purpose under the statutory predecessor of RPTL section 420-

a). However, DOF contends the Applicant owns shares in a real property cooperative and that such shares are personal property as opposed to real property; therefore, the DOF reasons, the owner of these shares is not an owner of real property eligible for an exemption.

Based on the information presented, the Applicant is the owner of Lot 1302, a parcel of real property which is a condominium unit. Thus, the Applicant is entitled to a full exemption for Lot 1302 for the 2023/24 tax year pursuant to RPTL section 420-a, and this exemption is granted.²

CONCLUSION

For the reasons stated, we conclude that the Applicant is entitled to a 100 percent exemption from real property tax on the subject Property under RPTL 420-a for the 2023/24 tax year, and this exemption is granted.



Robert J. Firestone, President
New York City Tax Commission

Dated: 8/6/2025

² In light of our conclusion the Applicant is entitled to the exemption under RPTL section 420-a, it is unnecessary to determine if Lot 1302 is exempt under RPTL section 420-b.