

Data and Methodology

The data on ICIP exemptions is drawn from the RPAD Recordbook File from the city's Department of Finance. We captured all parcels with an exemption code of 1985 or 1986 and an exempt value greater than 0 between the years of 1988 and 2008. An individual parcel can have more than one ICIP exemption and we report the number of exemptions, not the number of tax lots throughout the report. For each exemption, we calculated the associated tax expenditure using the appropriate tax rate for that year. We used the State and Local Government Deflator to adjust for inflation.

We also used the Department of Finance Exemption Master for 2008, which included all ICIP exemptions valid in 2008. We coded the parcels based on property type, location, and benefit type. We used the benefit start year and years of exemption in this file for some of our models of tax expenditure savings to the city from ICIP reforms.

We used a list of tax blocks in the ICIP Special Area, from the New York City Economic Development Corporation, to create the ICIP Special Area boundaries shown in our report's map, as well as to flag parcels with ICIP exemptions as being within the special area or not.

The building type classification is based on the two character building class (i.e. F2 or R5). The building class can change from year to year and so we assigned each parcel to a building type based on the code in a specific year and a parcel could move from one building type to other (for example, from vacant, which would be in other, to retail).

One methodological challenge was breaks in ICIP history for parcels. For example, a parcel would receive the ICIP exemption for a couple years, have a year without an exemption, and then the exemption would restart the following year. We considered an exemption continuous as long as the break was only one year. If the break was two or more years, then we considered the restart a "new" exemption. We chose not to impute an exemption value for the missing year because the Department of Finance tax bills were calculated excluding the exemption in those years.