

June 1998

**TO:** County, City, Town and Village Chief Fiscal Officers  
School District and BOCES Business Officials

**FROM:** New York State Office of the State Comptroller, Division of Municipal Affairs

**SUBJECT:** Accounting for the State TAX Relief (STAR) Program

**PLEASE GIVE COPIES OF THIS BULLETIN TO OTHERS WHO NEED THIS INFORMATION.**

**Please note that some of this information does not apply to you and is only being provided for your information. If you have accounting questions, please contact my office by calling (518) 474-6023.**

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### **SUBSIDIARY REVENUE ACCOUNTS**

Two general fund subsidiary revenue accounts (A1085 and A3089) are affected by the STAR program.

To record state payment of real property taxes, school districts should use a new account:

**A1085 School Tax Relief Reimbursement** - Amount received from New York State under the State Tax Relief (STAR) program.

To record aid to offset the cost of administering the STAR program, units should use:

**A3089 State Aid Other (specify)**-State aid not covered in other categories.

### **SAMPLE JOURNAL ENTRIES -SCHOOL DISTRICTS ONLY**

In recording the tax levy, you will need to differentiate the amount to be paid by taxpayers and the amount to be paid by the State. The amount receivable from the State will be recorded in A440 Due From Other Governments. The amount receivable from taxpayers will continue to be recorded in A250 Taxes Receivable, Current. In recording revenues, the portion of the tax levy paid by the State will be recorded in subsidiary account A1085, instead of A1001. For example, the following entry would replace Journal Entry 7(G) on page A-60 of the Uniform System of Accounts for School Districts, assuming that the School Tax Relief Reimbursement will pay \$185,000 of the \$985,000 tax levy and taxpayers will pay \$800,000.

*Continued*

<u>Account Code and Title</u>	<u>Subsidiary Ledger</u>	<u>General Ledger Debit</u>	<u>Credit</u>
<b>To record the real property taxes levied for the general fund budget and other levies:</b>			
A250	Taxes Receivable, Current	\$800,000	
A440	Due From Other Governments	185,000	
A630	Due to Other Funds		\$ 20,000
	Library Fund	20,000	
A631	Due to Other Governments		201,000
	Central High School District	201,000	
A692	Deferred Revenues -		
	Planned Balance		25,000
A980	Revenues		739,000
	A1001 Real Property Taxes	504,000	
	A1085 School Tax Relief		
	Reimbursement	185,000	
	AR1001 Real Property Taxes -		
	Repair Reserve	50,000	

**To reclassify revenue estimates in the budget:**

510	Estimated Revenues	\$185,000	
	1085 School Tax Relief	185,000	
	Reimbursement		
510	Estimated Revenues		\$185,000
	1001 Real Property Taxes	185,000	

**To record the School Tax Relief Reimbursement from NYS:**

200	Cash	185,000	
	440 Due From Other Governments		185,000

**- End of Bulletin -**