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This Week in State Tax (TWIST)

November 16, 2026



New York City: Appellate court dismisses challenge to implementation of pied-à-terre tax for lack of standing

A Brooklyn appeals court reversed a trial court judgment blocking implementation of the New York City pied-à-terre property tax surcharge. (See August 10, 2026 TWIST for more information on the surcharge.) The appellate court held the plaintiffs lacked standing because they had not suffered any injury-in-fact from the actions taken to date by the City Department of Finance in implementing the surcharge. Those actions included the issuance of initial determination notices to 17,000 property owners and requiring the owner to produce documentation if the notice was in error, as well as publishing a supplemental roll identifying more than 900,000 properties and owners. Reversing the lower court, the appeals court held that the time and expense of seeking an exemption were ordinary compliance costs and had not been quantified, while alleged harms from publication of the supplemental roll, including confusion, public scrutiny, and ridicule, were too speculative to establish standing. (See our October 5, 2026 TWIST for a discussion of the lower court ruling.)

Meanwhile, a separate lawsuit seeking to overturn the tax in its entirety remains undecided. The plaintiffs in that case, both of whom reside outside New York but own residences in New York City, allege that the tax unconstitutionally discriminates against nonresidents.

Please contact Alec Schwartz or Jennifer White with questions about the New York City pied-á-terre property tax surcharge or *In the Matter of O'Brien*.

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