



Press Release

Contact:

Ron Deutsch, New Yorkers for Fiscal Fairness (518) 469-6769
Gioia Shebar, Tax Nightmare.org (845) 256-0082
Susan Zimet, Ulster County Legislator and Zimet Group Consulting, (845) 527-5309
John Whiteley, NYS Property Tax Reform Coalition, (518) 585-6837
Robert McKeon, Tax Reform Effort of Northern Dutchess (TREND) (845) 399-4582
Frank Mauro, Fiscal Policy Institute, (518) 786-3156

For immediate release:

November 15, 2011

Property Tax Reformers Hold Summit at Mohonk Mountain House State Raises Property Taxes for Working Class Families While Cutting Taxes for Millionaires Group Asks: This is the Solution to Our Tax Problems?

(Albany, NY) Property Tax Reformers held a conference yesterday at Mohonk Mountain House in New Paltz, New York with a 150 people in attendance. This is the second summit that the Omnibus Consortium (www.omnibustaxsolution.com) has held at Mohonk Mountain House. The first summit was held in 2008 and marked the birth of a movement to enact meaningful property tax relief and reform that continues to this day.

Groups participating in the summit include League of Women Voters of NYS, Fiscal Policy Institute, NYS Assessors Association, NYS Property Tax Reform Coalition, NYS PTA, taxnightmare.org, New Yorkers for Fiscal Fairness, education activists, affordable housing advocates, property tax reform groups and many, many more.

The Consortium continue to call upon Governor Cuomo and Legislative Leaders to champion real property tax relief for the nearly 700,000 New Yorkers (charts attached) that pay double digit percentages of their income in property taxes. They urged Governor Cuomo and Legislative Leaders to enact real reforms that provide meaningful and targeted relief (in the form of a circuit breaker) to those that need it most. They also urged that the state pick up more of the costs they have been passing onto to counties to help ease the pressure on the property tax.

An examination of residential property taxes (with incomes below \$100,000 per year), which was conducted by the Fiscal Policy Institute based on the U.S. Census Bureau's American Community Survey (ACS) shows:

- More than 240,000 households pay at least 20 percent of their income in property taxes.
- More than 675,000 New York households pay 10 percent or more of their income in property taxes.
- More than 30 percent of households with incomes of \$100,000 or less fall into this group, as do nearly half (47 percent) of those with incomes of \$50,000 or less.
- In the \$25,000 and less income range, 64 percent of the home-owning households--270,000 households--paid more than ten percent of their income in property taxes. About 170,000 of these households had property tax bills that represented 20 percent or more of their income.

"These are the same data that underlie the Tax Foundation work cited by Governor Cuomo in his presentations on the proposed property tax cap," said **Frank Mauro, Executive Director of the Fiscal Policy Institute**. "Households that pay an inordinate share of their income in property taxes are the most in danger of being forced out of their homes."

"Tax caps may make for a nice sound bite, but they are not a sound solution to the property tax problems facing our state's residents. Some of our state leaders have decided that middle and working class families in NYS need a tax increase while millionaires in NYS need a tax cut. It simply defies logic," said **Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness.**

John Whiteley of the New York State Property Tax Reform Coalition commented, "There are many aspects of the property tax system that can and should be improved, but the system will never be fair because it's very foundation is flawed -- the false premise that an increase in the value of one's home means they should be able to pay higher taxes on it. We should be using this archaic system less -- but instead we are using it more. We must begin NOW to chart a new funding system, especially for schools, that will gradually but significantly reduce dependence on the property tax. And since this major reform will take time to accomplish, we must enact circuit breaker relief NOW to help save people's homes while the reform efforts move forward. This relief and reform imperative is the crux of our agenda."

"We in the Omnibus Consortium are ready to continue holding Albany's feet to the fire of tax equity and economic justice which is raging worldwide-nowhere more so than in NYS. Watch out for powerful, lavishly funded advocates for the richest 1% as they attempt to wipe out the last vestiges of the progressive income tax in place in the state- the "millionaires (and billionaires) tax". They want this desperately needed surcharge killed as do their hired hands in Albany. Lobbyists for the greediest of the 1% flat out don't give a damn that their actions would increase already ruinous property taxes thereby diminishing further what's left of the middle class. But we DO care; and we will resist; and we will prevail," stated **Gioia Shebar, Coordinator Taxnightmare.org.**

" After the loss of nearly \$2 billion dollars in the STAR program and tax cuts for the wealthiest New Yorkers of far more than that, we are now treated with a mechanism that will only further cement NYS' unfair system of collecting revenue," said **Robert McKeon, TREND (Tax Reform Effort of Northern Dutchess).** "Forty years ago, those making over a million dollars a year paid 15.375% of income to NYS (returning now to 6.85%) while property taxes (without any income based limit) picked up the slack. It's now reached the point where the top 1% pay an effective state and local tax rate of 7.2%, while the middle fifth pays nearly 12%. The cap is just a continuation of the assault on working New Yorkers to the benefit of the rich. When the lay-offs are tallied and homeowners receive an even higher bill next year, the truth about the cap and the correspondingly lower poll numbers will become apparent. Only a circuit breaker can address the emergency situation that nearly 700,000 homeowners find themselves in - their taxes are already above what they can afford."

"Property taxes are impossible for farm families! The Farm Bureau delegates at their yearly meeting voted UNANIMOUSLY to support the Omnibus Circuit Breaker," stated **Bill Trumpbour, a director of Greene County Farm Bureau and Omnibus Member.**

"The over burdened property tax payers are still over burdened. Adding salt to their wounds, the services being paid for with property taxes are being cut. Our homes have decreased in value; we cannot sell them; our services are being cut and our property taxes are still "too damn high". Anger and frustration are on the rise. The rich get caviar (or cake) and we get crumbs," said **Susan Zimet, Ulster County Legislator and Pres/CEO Zimet Group, Inc.**

Nearly Half of New York Households with Incomes of \$50,000 or Less Pay 10% or More of Their Income in Property Taxes.

Households Income Ranges:	Estimated Share of Households Whose Property Taxes Paid in 2009 Were:			
	Less Than 10% of Income	10% to 19.99% of Income	20% or More of Income*	10% or More of Income
\$25,000 or Less	36%	24%	40%	64%
Above \$25,000 but Not Above \$50,000	65%	24%	11%	35%
Above \$50,000 but Not Above \$100,000**	82%	N/A	N/A	18%
TOTAL: All \$100,000 or Less	68%	N/A	N/A	32%

SOURCE: Fiscal Policy Institute analysis of microdata from the US Census Bureau's 2009 American Community Survey. Estimates shown are for homeownership households that meet the 5-year residency requirement in the Galef/Little and Krueger/Engelbright Circuit Breaker bills.

*This column for the \$25,000 or less income category includes 15,945 households with zero or negative income that paid property taxes in 2009.
 **The subtotal of all households in this income range paying 10% or more of income in property taxes in 2009 includes (a) 103,075 households that paid between 10% and 19.99% of income in property taxes; and (b) 81,348 households that paid \$10,000 or more in property taxes and who, because of top coding, cannot be apportioned between the "10% to 19.99% of income" property tax category and the "20% or more of income" property tax category.

Over 675,000 New York Households Pay 10% or More of Their Income in Property Taxes. A Quarter Million Pay 20% or More.

Households Income Ranges	Estimated Number of Households Whose Property Taxes Paid in 2009 Were:				Total Number of Households in Income Range
	Less Than 10% of Income	10% to 19.99% of Income	20% or More of Income*	10% or More of Income	
\$25,000 or Less	150,496	101,851	170,472	272,323	422,819
Above \$25,000 but Not Above \$50,000	404,899	149,117	71,124	220,241	625,140
Above \$50,000 but Not Above \$100,000**	859,739	N/A	N/A	184,423	1,044,162
TOTAL: All \$100,000 or Less	1,415,134	354,043	241,596	676,987	2,092,121

SOURCE: Fiscal Policy Institute analysis of microdata from the US Census Bureau's 2009 American Community Survey. Estimates shown are for homeownership households that meet the 5 year residency requirement in the Galef/Little and Krueger/Engelbright Circuit Breaker bills.

*This column for the \$25,000 or less income category includes 15,945 households with zero or negative income that paid property taxes in 2009. **The subtotal of all households in this income range that reported paying 10% or more of income in property taxes in 2009 includes (a) 103,075 households that paid between 10% and 19.99% of income in property taxes; and (b) 81,348 additional households that paid \$10,000 or more in property taxes but who, because of top coding of the ACS question on real estate taxes, can not be apportioned between the "10% to 19.99% of income" property tax category and the "20% or more of income" property tax category.