



NEW YORK STATE SENATOR

William Larkin

Senator Bill Larkin and Senate Republicans Unveil “Homeowner Protection and Property Tax Rebate Act” to Provide New Yorkers WITH Tax Relief This Year

WILLIAM J. LARKIN JR. March 15, 2010

| ISSUE: **PROPERTY TAX, STAR (SCHOOL TAX RELIEF PROGRAM)**

Major Tax Cut Initiative Would Provide Property Tax Rebate Check for Every Middle-Class Taxpayer, Cap Property Taxes, Put in Place Mandate Relief;

Usher in Economic Freedom for Taxpayers

Senator Bill Larkin (R-C, Cornwall-on-Hudson) today announced the "Homeowner Protection and Property Tax Rebate Act," a major new tax cut initiative that would provide a property tax rebate for every middle-class taxpayer. The rebate would reimburse homeowners based on how much they pay in property taxes and how much they can afford. The plan also includes a cap on property taxes, along with significant mandate relief to further reduce costs. The comprehensive package would usher in a new era of economic freedom for New

York's taxpayers.

"Property tax relief has been the Senate Republican Conference's number one priority year after year," said Senator Bill Larkin. "When we were in control of the Senate, we passed dozens of bills to make this priority a reality. However, due to the Assembly Democrats' indifference to this issue, these bills were never signed into law and New York's property tax problem has gotten worse."

"Today we are announcing the "Homeowner Protection and Property Tax Rebate Act" to continue our efforts to deliver serious property tax relief to middle-class homeowners. We've done our part. Now it's time for the Governor and the Legislature's Democratic Majorities to do theirs by either approving this plan or bringing forward a better proposal," Senator Larkin said.

"This new plan provides relief to middle-class taxpayers, many of whom are drowning in high property taxes made even worse by enactment of last year's all-Democrat state budget. Senate Democrats have talked a lot about property taxes in the last 15 months, but the only thing they have done is to take away the STAR rebate check to pay for additional spending. Our plan provides significant relief to homeowners, especially seniors who desperately need it," Senate Republican Leader Dean G. Skelos said.

Under the Senate Republican proposal, homeowners would receive a property tax relief check equal to their 2008 STAR property tax rebate or an amount based on their income through a new property tax relief credit, whichever proves more beneficial.

The STAR rebate would be approximately thirty percent of a homeowner's current STAR exemption, providing hundreds of dollars or more each year in property tax relief. Senate Republicans initiated the STAR rebate check program in 2006 and have been at the forefront

of efforts to provide tax relief for struggling New Yorkers. More than 160,000 New Yorkers signed on to a Republican-led petition drive launched last year to restore the STAR school property tax relief check.

A new "circuit breaker" tax credit would give back 70 percent of all property taxes paid in excess of 6 percent of household income. Under the "circuit breaker," a taxpayer with household income of \$50,000, paying \$5,000 in property taxes, would receive a \$1,400 tax credit. A taxpayer with household income of \$90,000, paying \$9,000 in taxes, would receive a \$2,520 tax credit.

The "Homeowner Protection and Property Tax Rebate Act," also calls for a permanent ban on all unfunded mandates, along with implementation of new reforms at the State Education Department to keep costs down.

In addition, the plan would reduce paperwork for schools, authorize regional transportation and provide school districts with greater flexibility to purchase from existing contracts held by other government entities.

The plan also includes a proposal to freeze property taxes for seniors age 70 or older to help address the problem of seniors living on fixed incomes who are being taxed out of their homes.

The Republican plan also includes a property tax cap to ensure that school districts do their part to hold the line on spending.

Senate Republicans passed a property tax cap in 2008 in an effort to slam the door on skyrocketing property taxes. The chamber approved legislation (S8736) by a vote of 38-20, following recommendations by the Suozzi Commission on Property Tax Relief and Governor Paterson. The Assembly failed to act.

The plan would be paid for with savings generated from passage of a cap on State spending, which Senate Republicans have long advocated for and approved on two separate occasions when they were in the majority. Senate Republicans said they will include the proposal in negotiations over the Governor's \$135 billion budget. Once public conference committees are established, they will outline other savings in the budget that could be utilized to include the rebate in any adopted budget.

Thus far, Democrats have refused to hold any public negotiating sessions on the budget despite Senate Republicans' insistence that Senator John Sampson and Assembly Speaker Sheldon Silver agree on a schedule for an open, public budget process -- as required by law -- that leads to adoption of an on-time state budget.

They noted that a spending cap would have saved taxpayers \$6.4 billion in last year's budget and will produce more than enough revenue to provide property tax relief going forward.

Last year's state budget, passed without a single Republican vote, raised taxes by \$8.5 billion, increased spending by \$12 billion and eliminated the STAR rebate check. If a single Democrat would have broken ranks with his or her New York City leadership, they could have stopped the budget from being enacted. Instead, they voted in lock step to put in place a budget that raised taxes, devastated small businesses and made the State's deteriorating economic situation worse.

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