



NEW YORK STATE SENATOR

Jeffrey D. Klein

## Senator Klein Calls for Even More Relief for New York City Homeowners and Renters

JEFFREY D. KLEIN February 9, 2015

| ISSUE: **TAXES, PROPERTY TAX**

### *Plan Would Expand Upon Governor's Proposed Property Tax Circuit Breaker*

**ALBANY, NY** - Today, Independent Democratic Conference Leader Senator Jeff Klein (D-Bronx/Westchester) called for broadening tax relief for New York City homeowners and renters that would otherwise not be included in the original property tax circuit breaker first proposed by Governor Andrew Cuomo. In order to provide more meaningful relief to New York City households, Klein unveiled three proposals seeking to enhance the current circuit breaker plan that would: 1) factor in an individual or families' city Personal Income Tax (PIT); 2) increase the maximum benefit to city renters and 3) increase the percent of annual rent that is attributed to property taxes to up to 20%.

Under this new plan more than 375,000 additional New York City residents would likely benefit that would otherwise not receive any tax relief under the Governor's proposal.

**Independent Democratic Conference Leader Jeff Klein said:** "New York City renters and homeowners shoulder one of the highest tax burdens in New York State. We need to provide relief for more New York City households in a way that reflects the reality of what they are paying for a roof over their heads. This plan puts more money back in the pockets of renters

and homeowners with a sensible, realistic approach tailored to the real needs of those who live in New York City and creates a more level playing field between the NYC renters and homeowners.”

New York City, unlike other areas throughout the state, has a more diverse tax mix but draws from a broader range of other taxes to pay for local services. By limiting the circuit breaker to property taxes alone city taxpayers receive less tax relief than their fellow New Yorkers elsewhere across the state. In addition, renters, which constitute a majority of New York City households, would not receive their fair share under the current proposal.

The Klein plan seeks to create parity between renters and homeowners by increasing the maximum benefit from \$750 to \$2,000. In addition, Klein would increase the percent of annual rent that is attributed to property taxes to 20% thereby meeting the general standard of housing affordability threshold - where a tenant would have to pay more than 30% of his/her income in rent to qualify.

For example, under the Klein plan a renter earning approximately \$82,000 and living in New York City with a monthly rent of \$2,300 would see a benefit of about \$600, whereas under the Governor’s plan he/she would receive nothing. Similarly, a homeowner making \$80,000 and paying property taxes around \$4,700 would receive a benefit of approximately \$250, whereas under the Governor’s plan they would not qualify.