



NEW YORK STATE SENATOR

Andrew J. Lanza

## SENATOR LANZA ANNOUNCES PROPERTY TAX CAP FOR NEW YORK CITY

ANDREW J. LANZA January 27, 2016

| ISSUE: **PROPERTY TAX**



### Residents and Businesses Would Save Hundreds of Millions Each Year

The New York State Senate today passed legislation to give needed tax relief to residents and businesses in New York City by creating a property tax cap that would save City taxpayers \$4.5 billion by 2019. The bill (S3709A), sponsored by Senator Andrew Lanza (R-C-I, Staten Island), limits future tax increases to provide real savings to taxpayers that would create jobs by lowering the cost of doing business, encourage affordable and supportive housing

construction, and give more financial security to small businesses and residents on fixed incomes.

Senate Majority Leader John J. Flanagan said, “The two-percent property tax cap has been a tremendous success and is helping us create new and better jobs by bringing certainty to businesses and taxpayers - except in New York City. By passing this legislation now, we will ensure that this important measure is included in this year's budget discussions.”

Senator Lanza said, “The cost of living for middle class homeowners is too high as a result of property taxes and a myriad of other taxes and fees imposed upon them by New York City. The five boroughs are tapped out. This legislation will put an end to out of control tax increases that are being forced upon us. New York City government needs to live within its means in the same way families are forced to do.”

The bill places a cap on the growth of property taxes at two percent or the Consumer Price Index (CPI), whichever is less. This is consistent with the property tax cap in all other regions of the state that was enacted in 2011 due to Senate Republican efforts to reduce New Yorkers' tax burden. A report that looked at the decades-long trends of school tax increases estimates that the property tax cap has saved taxpayers \$7.6 billion over the past three years. School tax levies have risen by an average of just 2.2 percent annually -- the lowest average growth for any comparable period in New York since 1982.

The Senate previously passed a property tax cap for New York City in 2015 and included it in last year's one-house budget. This past September, Senator Flanagan outlined the Senate's plans to continue advocating for a two-percent City property tax cap during a Crain's New York Business Breakfast Forum.

Without a property tax cap, the City's property tax levy rose 7.7 percent in 2014. Property taxes increased by 6.3 percent the last two years, and conservative estimates see them further increasing by an average of over 6 percent each of the next three years.

If the City started holding itself to a property tax cap starting in 2014, City taxpayers would have saved \$432 million in the 2015 fiscal year, with the cumulative savings growing to \$2.4 billion in the current year. Current financial forecasts predict the tax savings from a cap would grow to \$4.5 billion in 2019.

Without a cap, by 2019 New York City's residential taxpayers face a total of \$1 billion more in taxes than what they currently pay – which equates to an average property tax increase of \$1,000 per year - and businesses are facing a total of \$3.5 billion more.

The bill has been sent to the Assembly.

###