

March 14, 2008

## Letter: State must work to fix property tax problem

The March 1 editorial, “STAR comes with good intentions, major flaws” noted the STAR program does not address the financial burden and inherent unfairness of property taxes: the fact that people may be “property rich” but cash poor. The editorial goes on to lament that “state legislators have long recognized this problem with property taxes, but have failed to come up with anything more substantive than STAR in response.”

Fortunately, Sen. Betty Little, R-Queensbury, and Assemblywoman Sandy Galef, D-Ossining, have put together a property tax relief proposal that addresses the precise problem you identified. Their middle class circuit breaker (A.1575/ S.1053) would target the homeowners who most need relief—those with the highest tax bills relative to their incomes. Taxpayers with incomes below \$250,000 a year would receive a credit on their state income taxes for 70 percent of the amount by which their property taxes exceed a set percentage of their income (6, 7 or 8 percent, depending on income and place of residence). For example, homeowners with an income of \$50,000 a year and a property tax bill of \$5,000 a year would receive a \$1,400 credit, 70 percent of the \$2,000 by which their property tax bill exceeds 6 percent of their income.

A circuit breaker buys us time; we need to work long term to fix the real cause of skyrocketing property taxes. Caps on local spending, on the other hand, will backfire as a strategy for helping needy districts. Caps actually cement existing inequities—and New York has the largest gap between the resources available in high-poverty and low-poverty school districts of any state in the nation. A spending cap on school budgets would make this gap even worse.

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