

## The time is now for tax relief

By John Whiteley

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If there is any good to come from this year's state school aid cuts and divisive local budget choices, it would be a recognition that New York's antiquated school property tax system must finally begin to be phased out.

Even during good times, the system is fraught with inequities that make it the most burdensome middle-class tax. But in lean years, when the state asserts that it can't afford to hold up its end of the unwritten funding bargain, the system brutally fails both taxpayers and schools.

The state is reluctant to alienate the wealthy by increasing the progressivity of the state income tax to generate revenue. So it instead forces local officials to shoulder the blame for making property taxes even more unaffordable and/or for undermining educational programs.

That's when residents are forced from their homes, school employees worry about their jobs and parents fear the impact of program cuts.

We now also have the nagging concern that this recession may be sufficiently different, with a recovery both a long way off and less robust than usual.

Some argue that the crisis at least has forced schools to tighten their belts. But layoffs and other cuts will inevitably affect program quality without solving the underlying funding problem.

Property taxes are simply not a viable source of additional revenue given the magnitude of the existing burden for so many.

Instead of following the property tax relief commission's recommendation to restructure a portion of STAR to create a badly needed middle-class circuit breaker, the state has simply taken a huge chunk from STAR -- arguably the biggest hit of any program category over the past two years -- with no circuit breaker in return.

A proposed property tax levy cap, which does not reduce anyone's tax bill or even cap it, would fail tens of thousands of residents already paying double-digit percentages of their income in property taxes.

Only the circuit breaker would alleviate that nightmare.

Educators also cannot help but realize that they, too, as well as our children face increasing difficulties under a system that will force more and more property owners to oppose school budgets.

While costs will always be a legitimate issue, no matter what the funding source, education is not something we should shortchange. The Regents' directive to raise test standards comes in striking contrast to this year's major state aid cut.

Although taxpayers' frustration is justified, local school budget battles prefer to rearrange deck chairs on the proverbial sinking ship while allowing state government to sail safely above the fray and to abdicate its responsibility to educate our children.

Novel as it may seem, we property taxpayer advocates and the education community have a common interest in uniting to finally compel the state to wean itself from its overdependence on the property tax.

A gradual transition to a more efficient and cost-effective, largely state-funded system based on taxation better aligned with an ability to pay would eliminate the immoral choice of supporting quality education or keeping one's home. It also would reduce the enormous disparities in district resources and save costs through more centralized funding and through the incentive it will create for the state to scrutinize its mandates and other costs.

School boards should be given more authority, not less, to allocate resources as long as student performance meets acceptable standards.

Overcoming Albany's inertia, and outright opposition from some, will require us to focus on the overriding need for this systemic funding change despite the distraction of the inevitable conflict over costs. Budgets should always get scrutiny and debate, but continued overreliance on the property tax will hurt all of us, no matter what the spending level.

This transition will take years to complete. That's why we must start now, even as state resources are strained, to chart a new course. Albany must be made to do better for taxpayers and schools alike.

Meanwhile, a circuit breaker remains urgent for those most overburdened.

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