

2008-09 Enacted Budget Property Tax Commission

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Enacted Budget

DOB is now projecting that the national economy is in a recession

- Four consecutive months of declining private sector employment in the United States, with job losses totaling 300,000 nationwide during that time period;
- The continued weakening of the housing market. Average new home prices fell 8.9 percent in the first quarter of 2008 across the United States; and
- The crisis on Wall Street related to sub-prime mortgages has further worsened. Financial service firm write-downs now total over \$200 billion, industry layoffs have reached over 63,000, and bonuses are expected to decrease by 11.1 percent in 2008-09.
- Since the Executive Budget was introduced, the Division of the Budget has reduced its forecast for base 2008-09 General Fund receipts by \$1.13 billion.
- For 2008-09, base tax receipt growth is projected to increase by 2.6 percent, compared to growth of 6.0 percent in 2007-08.

\$6.1 billion of actions to close a 2008-09 General Fund gap of \$5.2 billion and fund \$873 million in new initiatives.

- ***Savings Actions (\$2.8 billion):***
 - health care savings (\$828 million) includes tobacco tax
 - across-the-board reductions proposed by Governor Paterson (\$710 million)
 - delaying a planned increase in the STAR rebate and other changes to that program (\$354 million).
- ***Revenue Actions (\$1.3 billion):***
 - improved audit and compliance efforts (\$487 million)
 - closing tax loopholes (\$429 million)
 - increasing fees (\$203 million)
 - abandoned property accounts (\$150 million)
- ***Non-recurring Resources (\$1.4 billion)***
- ***Labor Reserves (\$620 million)***

The gap-closing plan does not utilize any of the State's \$1.2 billion in rainy day reserves. Overall, the State is projected to end the year with \$2.0 billion in total reserves.

Highlights of Enacted Budget

- Health care –
 - Child Health Plus expansion
 - No cuts in benefits
 - Trend factors reduced by 35%
 - Shift reimbursement rates to encourage out patient, preventive care rather than in hospital services
 - Doctors Across New York

Enacted Budget, cont

- Education—
 - Year Two of the CFE Settlement – \$1.8 billion historic increase in state aid to education
 - Phase in slowed down slightly
 - No long term “fix” to formula problems
 - Investment in preK
 - Shares not broken –
 - High Tax Aid doubled

Enacted Budget, cont

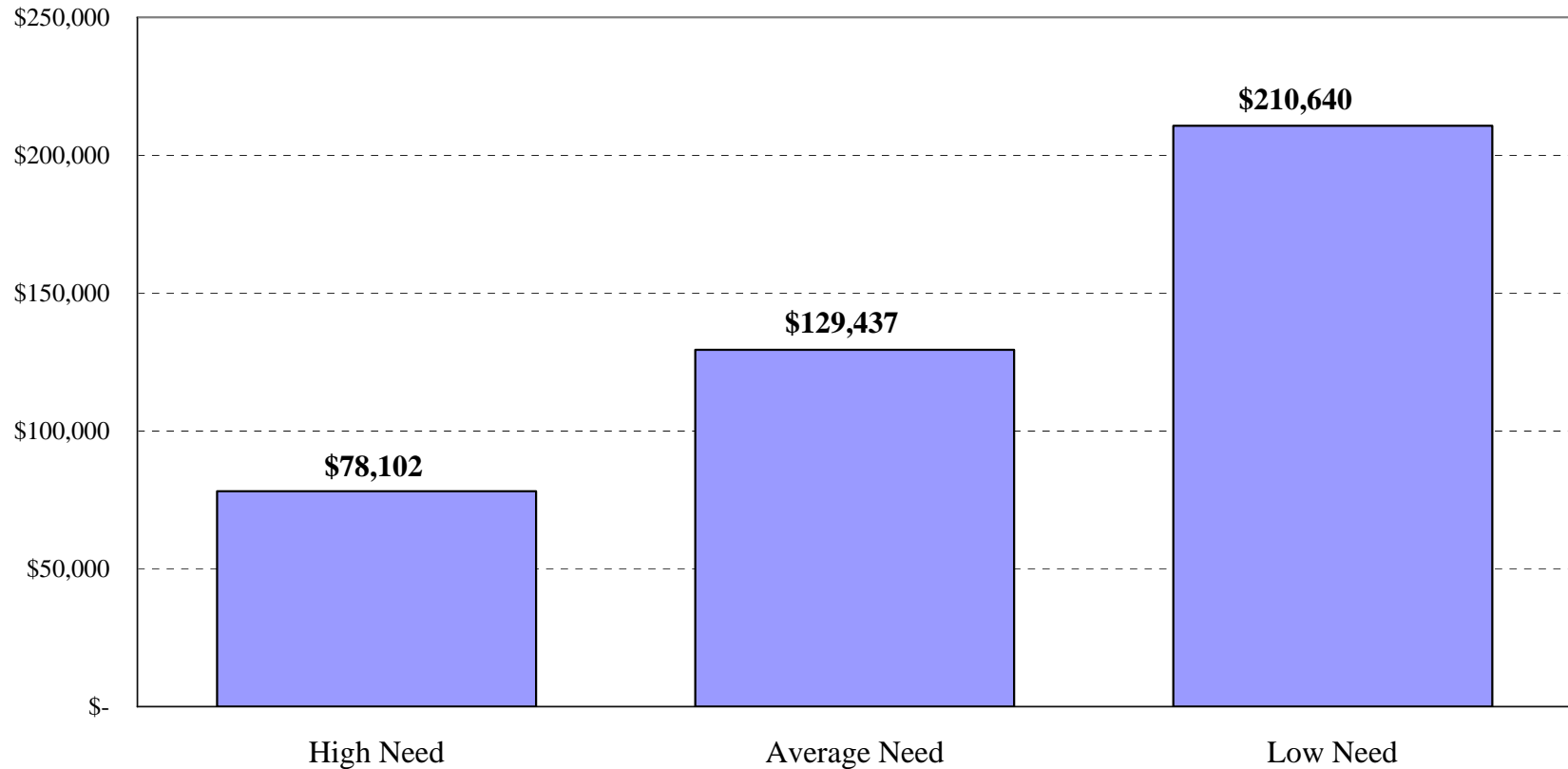
- Across the Board 3.5% cut in state operations and 2% cut in aid to localities
 - Entitlements exempted from across the board
 - No shift in local share of cash assistance
 - No increase in the welfare grant
 - Child care taken out of the Flexible Fund for Family Services
- Postponed expansion of STAR rebate program
- No millionaire's tax

Should state aid to education should be distributed proportionately to the share of students?

- Resources – income and property not magically distributed the same as students
- Cost of providing a sound basic education is not uniform across students
 - Regional cost of living differences
 - Higher cost of educating low-income students
 - Sparsity – higher fixed costs for very small schools (consolidation/geography?)
- State aid tries to “equalize” – help communities with high costs and low resources

Long Island districts have on average a \$161,000 adjusted gross income per student while districts in the rest of the state have just \$131,440 in adjusted gross income.

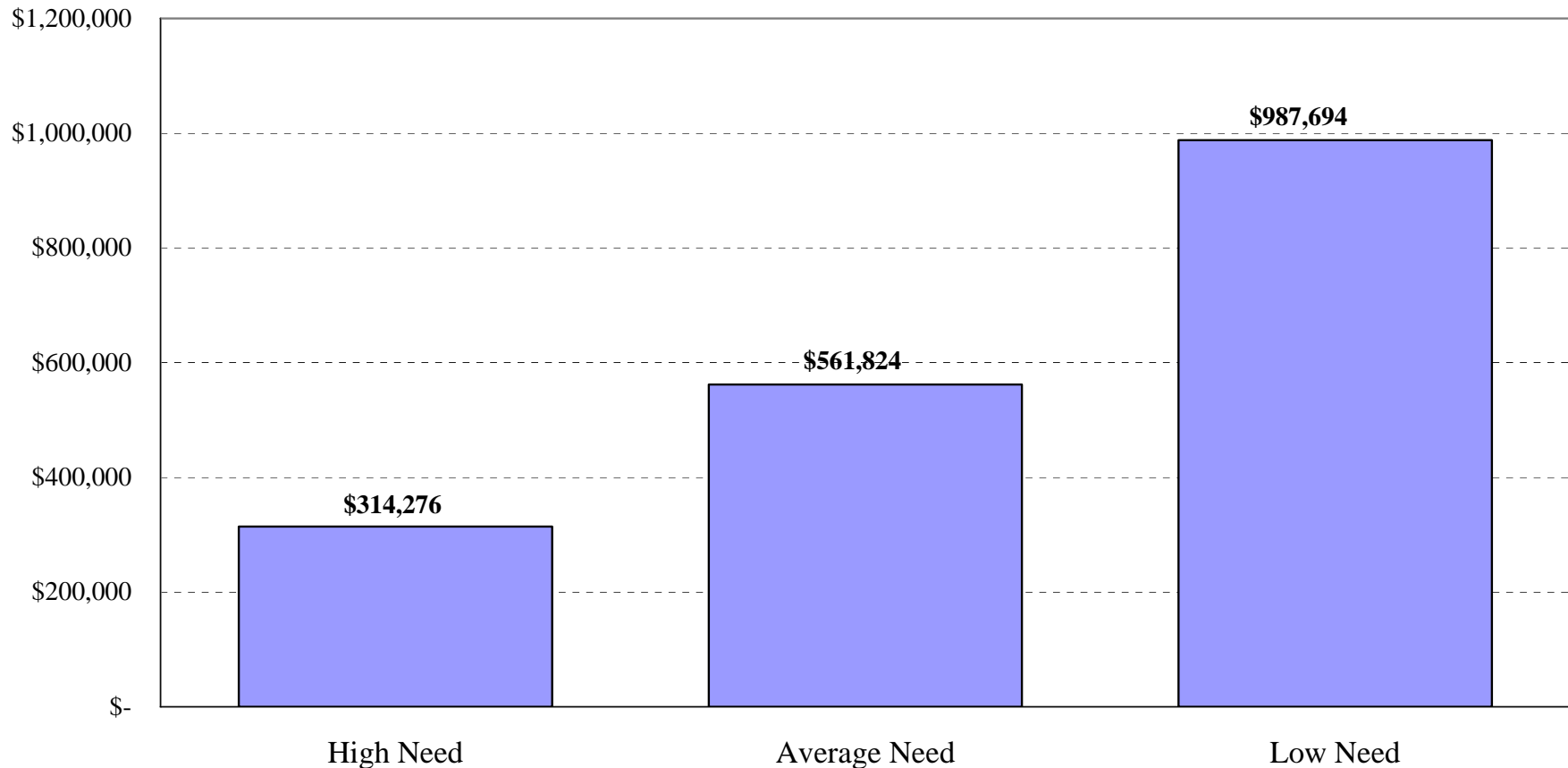
2004 Income per Student: Long Island



Source: SED, 2004 Adjusted Gross Income per 2005-06 pupils, used in 2007-08 School Aid Formula.

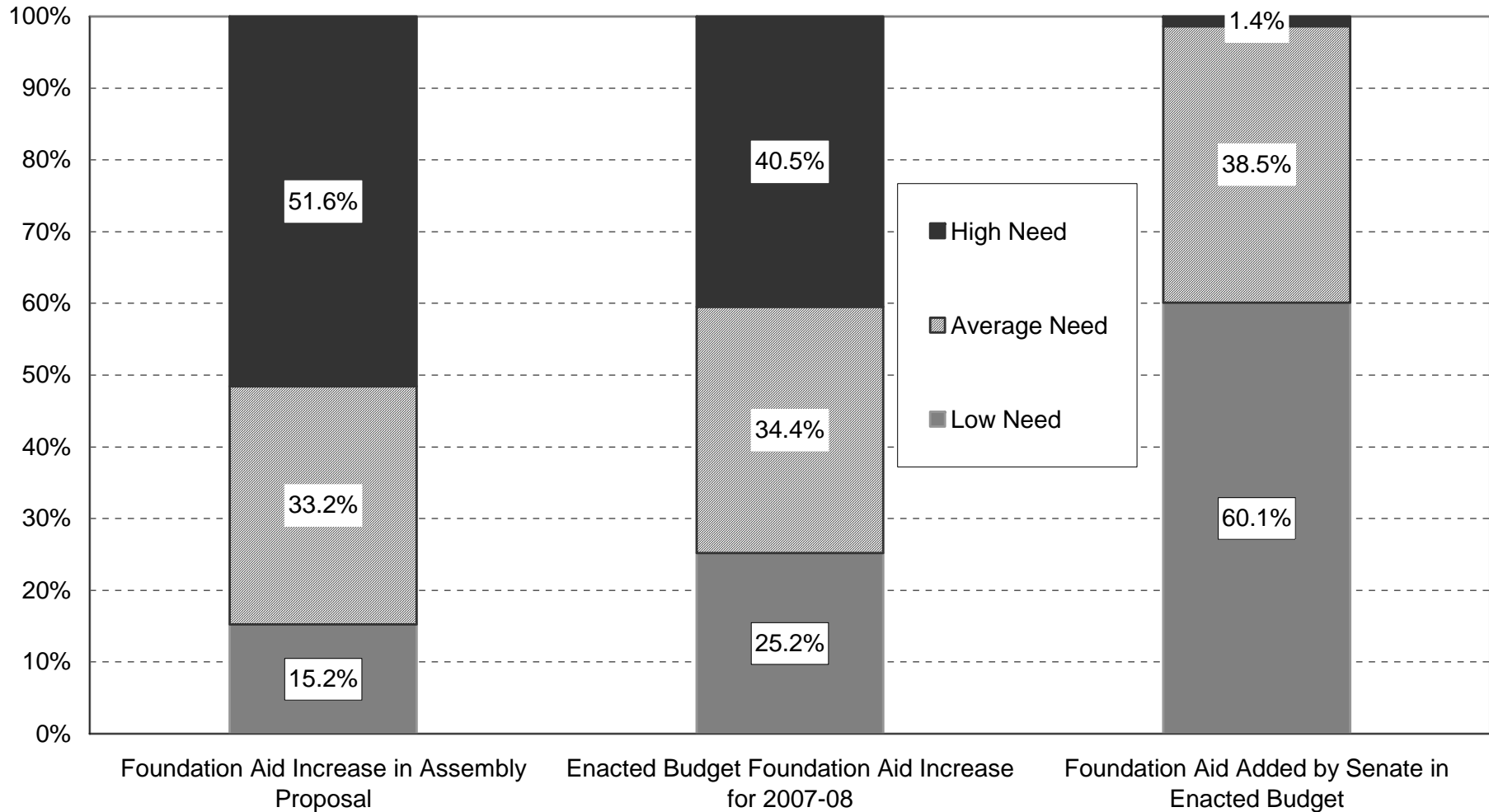
On average Long Island districts have \$730,000 property value per student while districts in the rest of the state have just \$364,000 in property value

2004 Property Wealth per Student: Long Island

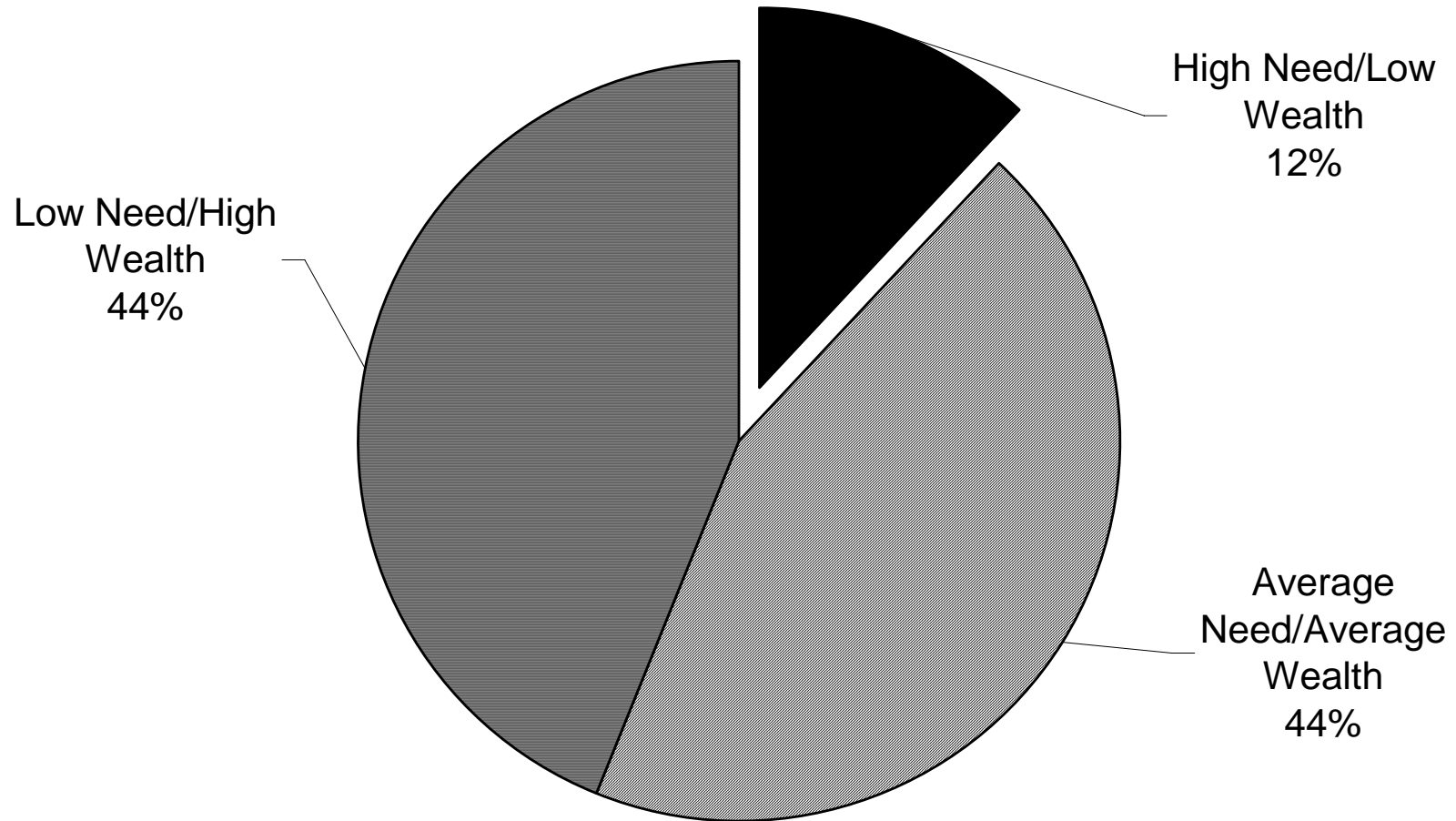


Source: SED, 2004 Full Value per 2005-06 pupils, used in 2007-08 School

The changes the State Senate negotiated in the school aid formula benefited wealthy districts on Long Island at the expense of needy districts on Long Island with little change for Average Need districts



On Long Island, only 12 percent of the High Tax and Supplemental Public Excess Cost Aid added to the School Aid Budget went to High Need Districts

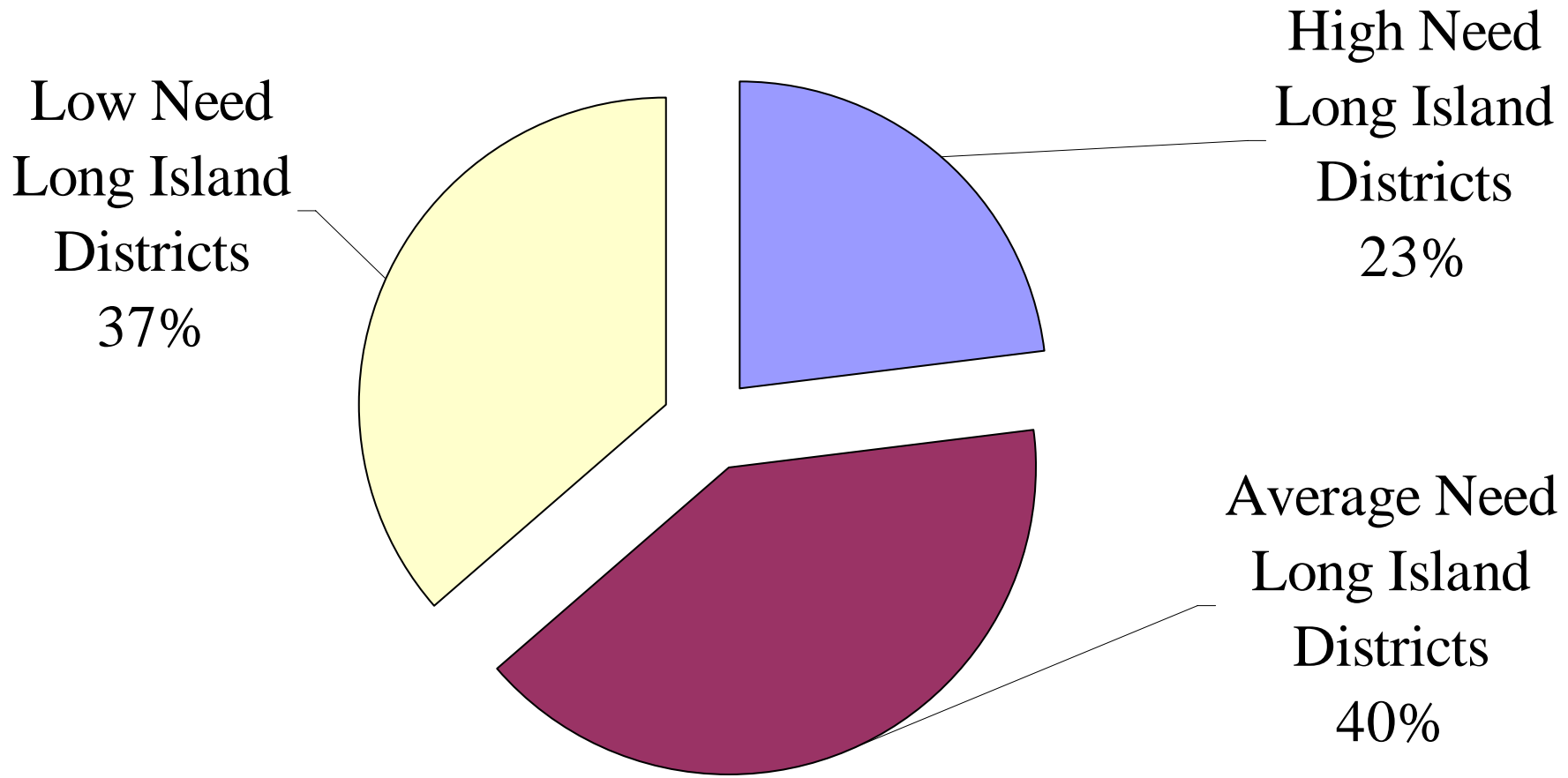


■ High Need/Low Wealth

▨ Average Need/Average Wealth

■ Low Need/High Wealth

This Year High Tax Aid was distributed more fairly.



	Shortfall - counting only districts who got less than promised	Share of Shortfall	High Tax Aid	Share of High Tax Aid	Difference between Foundation Aid Shortfall and High Tax Aid
Statewide	152,329,690		202,344,853		50,015,163
Big Four	17,220,049	11%	-	0%	(17,220,049)
High Needs Urban	44,036,085	29%	40,220,950	20%	(3,815,135)
High Needs Rural	24,377,641	16%	8,838,652	4%	(15,538,989)
TOTAL HIGH NEEDS	85,633,774	56%	49,059,602	24%	(36,574,172)
Average Need	57,581,644	38%	89,330,334	44%	31,748,690
Low Need	9,114,271	6%	63,131,905	31%	54,017,634
Nassau County	8,964,278	6%	55,818,635	28%	46,854,357
Suffolk County	19,566,186	13%	83,230,968	41%	63,664,782
LONG ISLAND TOTAL	28,530,464	19%	139,049,603	69%	110,519,139
High Need Long Island Districts	14,823,977	52%	32,140,743	23%	17,316,766
Average Need Long Island Districts	8,228,507	29%	56,130,552	40%	47,902,045
Low Need Long Island Districts	5,477,980	11%	50,778,308	37%	45,300,328
High Need Districts Outside Long Island	70,809,798	46%	16,918,859	8%	(53,890,939)

Property Tax Commission

A better way to measure property tax burdens is to compare changes in property taxes to changes in income.

Statewide property tax changes per \$1000 in personal income during this ten-year period actually went down 5.32%. In Suffolk County the decrease was 8.72% and in Nassau there was an increase of 1.66%.

Overall Combined Levy as Apportioned Among County Parts of School Districts Minus STAR Per \$1000 of Personal Income	1995	2000	2005	Average Annual Percent Change			Total Change 1995-2005
				1995-2000	2000-2005	1995-2005	
Nassau	\$63.39	\$54.21	\$64.44	-3.08%	3.52%	0.17%	1.66%
Suffolk	\$68.71	\$54.32	\$62.72	-4.59%	2.92%	-0.91%	-8.72%
NYS Excluding NYC	\$56.61	\$46.70	\$52.94	-3.78%	2.54%	-0.67%	-6.48%
New York City	\$35.67	\$27.42	\$34.76	-5.12%	4.86%	-0.26%	-2.53%
Statewide	\$47.38	\$38.09	\$44.86	-4.27%	3.32%	-0.54%	-5.32%

By many measurements, property taxes in NY are high.

2005 Property Taxes Per Capita

Ten Highest States

Rank

1	New Jersey	\$2,217
2	Connecticut	\$2,052
3	New Hampshire	\$2,034
4	New York	\$1,773
5	Wyoming	\$1,758
6	Rhode Island	\$1,706
7	Vermont	\$1,705
8	Maine	\$1,640
9	Massachusetts	\$1,608
10	Illinois	\$1,469

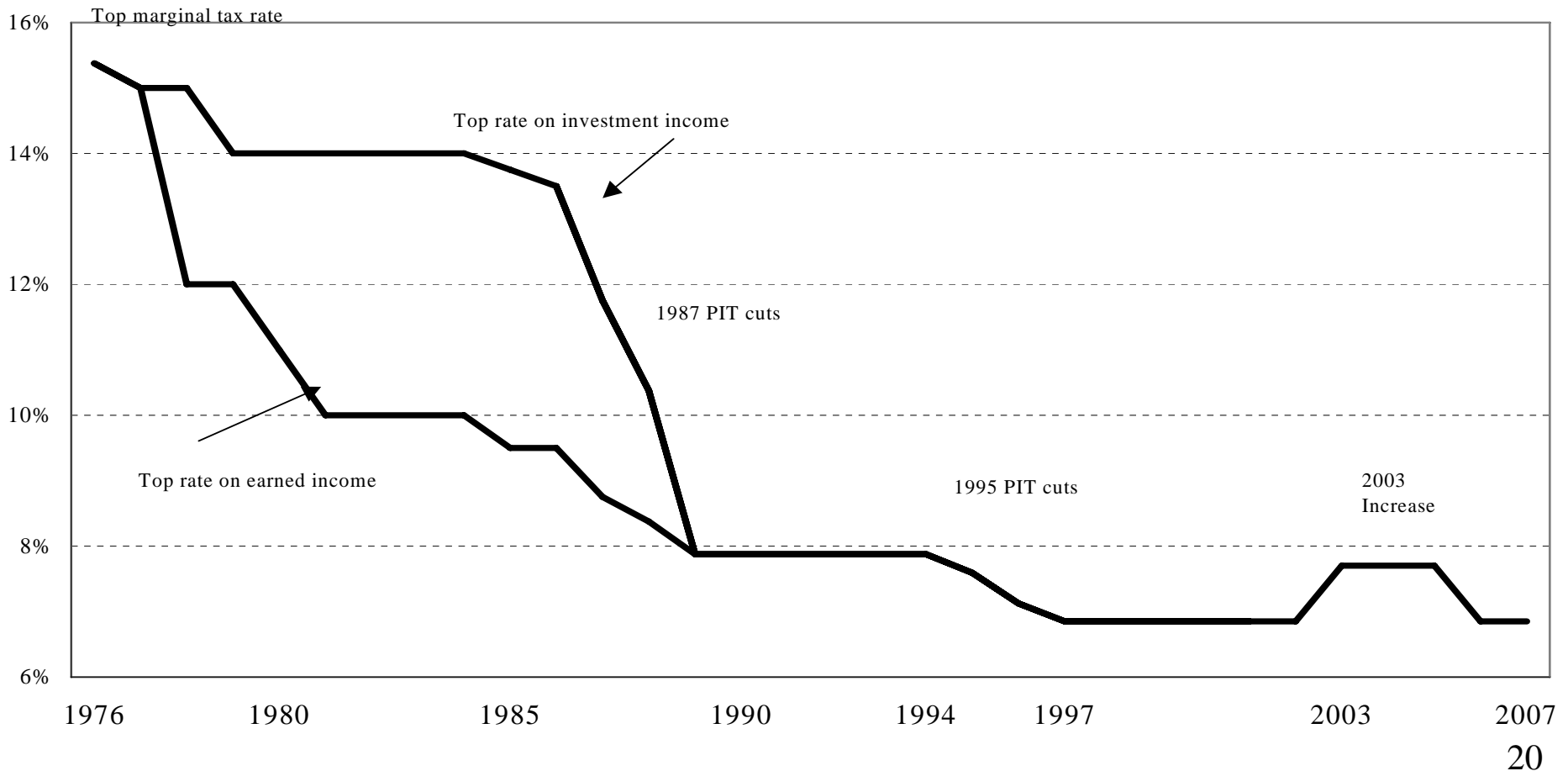
Ten Lowest States

Rank

41	Tennessee	\$650
42	Hawaii	\$646
43	Delaware	\$578
44	West Virginia	\$558
45	Louisiana	\$540
46	Kentucky	\$539
47	Oklahoma	\$486
48	New Mexico	\$450
49	Arkansas	\$423
50	Alabama	\$395

Yet New York's top income tax rates have been greatly reduced over the past 35 years and are not at the high end of the spectrum.

New York State has cut its top personal income tax rate by more than 50 percent over the last 30 years -from 15.375% to 6.85%.

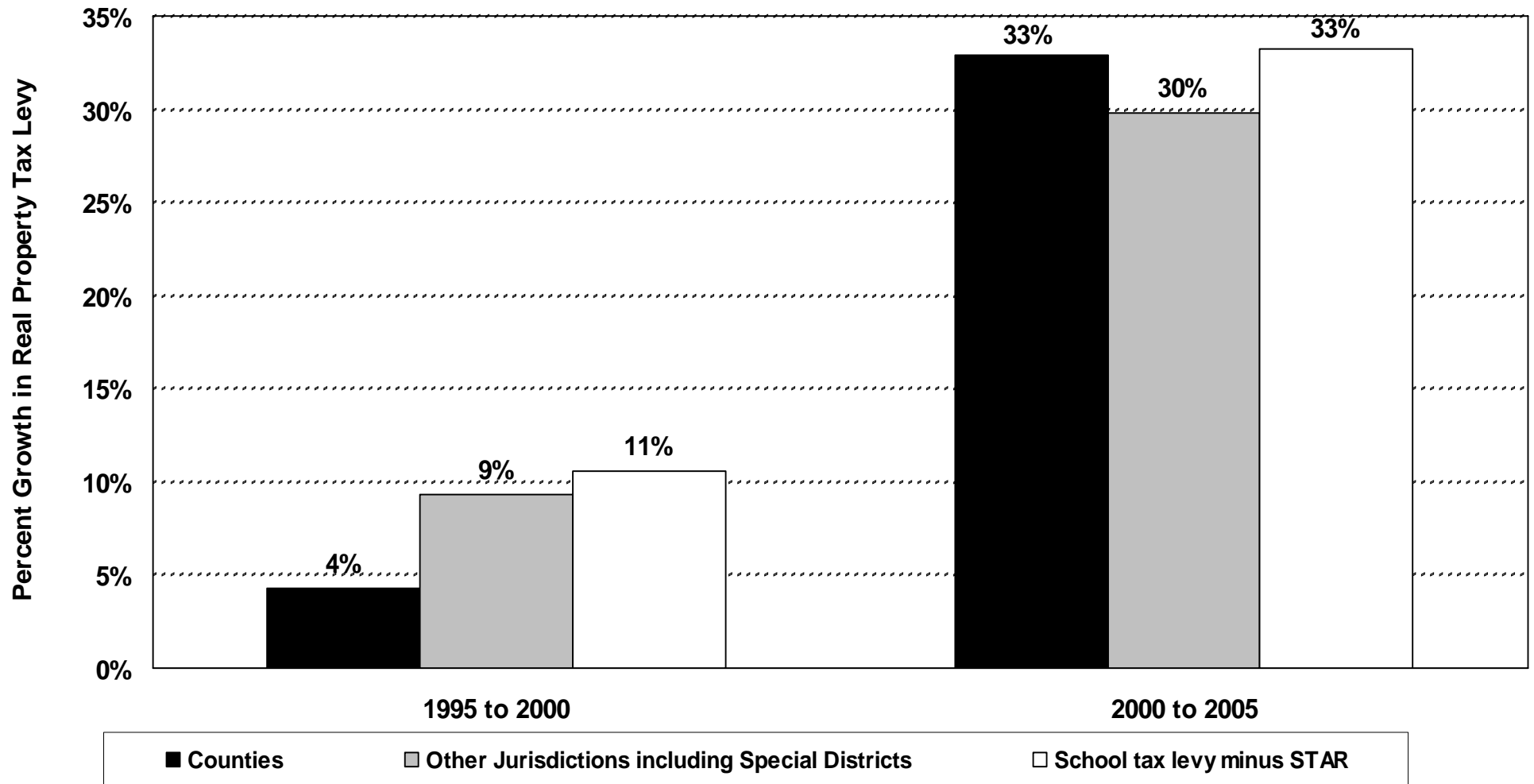


In fact, for the last several years, New York's top state personal income tax rate has been at an historical low relative to New Jersey and Connecticut.

	<u>1976</u>	<u>1985</u>	<u>2003</u>	<u>2004</u>	<u>2006</u>
New York	15.375%	9.5%	7.7%	7.7%	6.85%
New Jersey	2.5%	3.5%	6.37%	8.97%	8.97%
Connecticut	0	0	5.0%	5.0%	5.0%

Note: The tax rates shown above are for wages, salaries and business income. Prior to 1991, Connecticut taxed the interest, dividends and capital gains of high income residents but it did not tax business income, wages, salaries and other income. From 1978 through 1988, New York employed a dual rate system in which it applied a higher top rate to investment income than to wages, salaries and business income. For 1985, the top rate applicable to investment income was 13.5%.

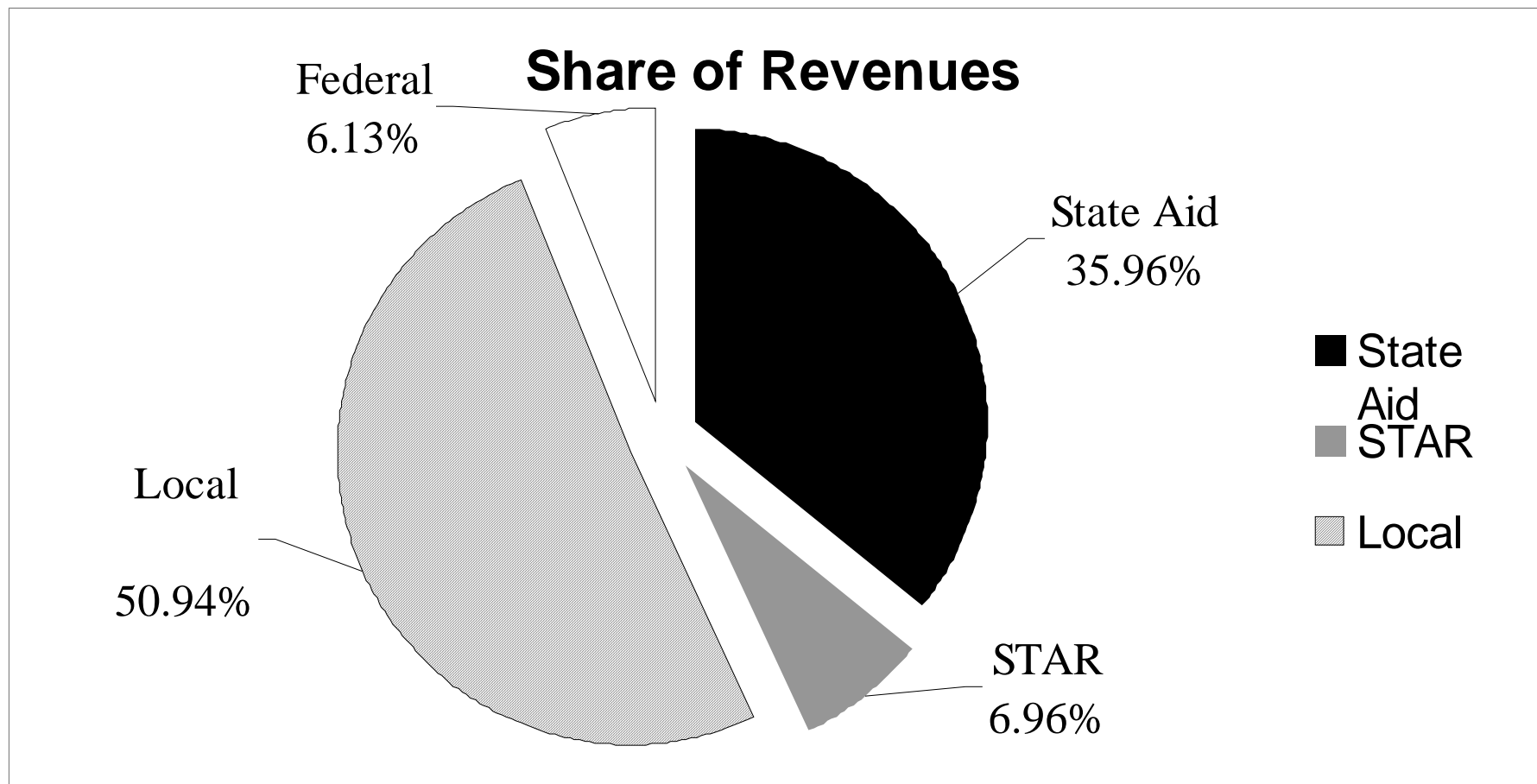
School tax levies are not alone in driving the property tax burden higher. Since 2000, tax levies have grown for **all taxing jurisdictions, not just school districts.**



School tax levies (excluding STAR) as a percent of total levies: 2005

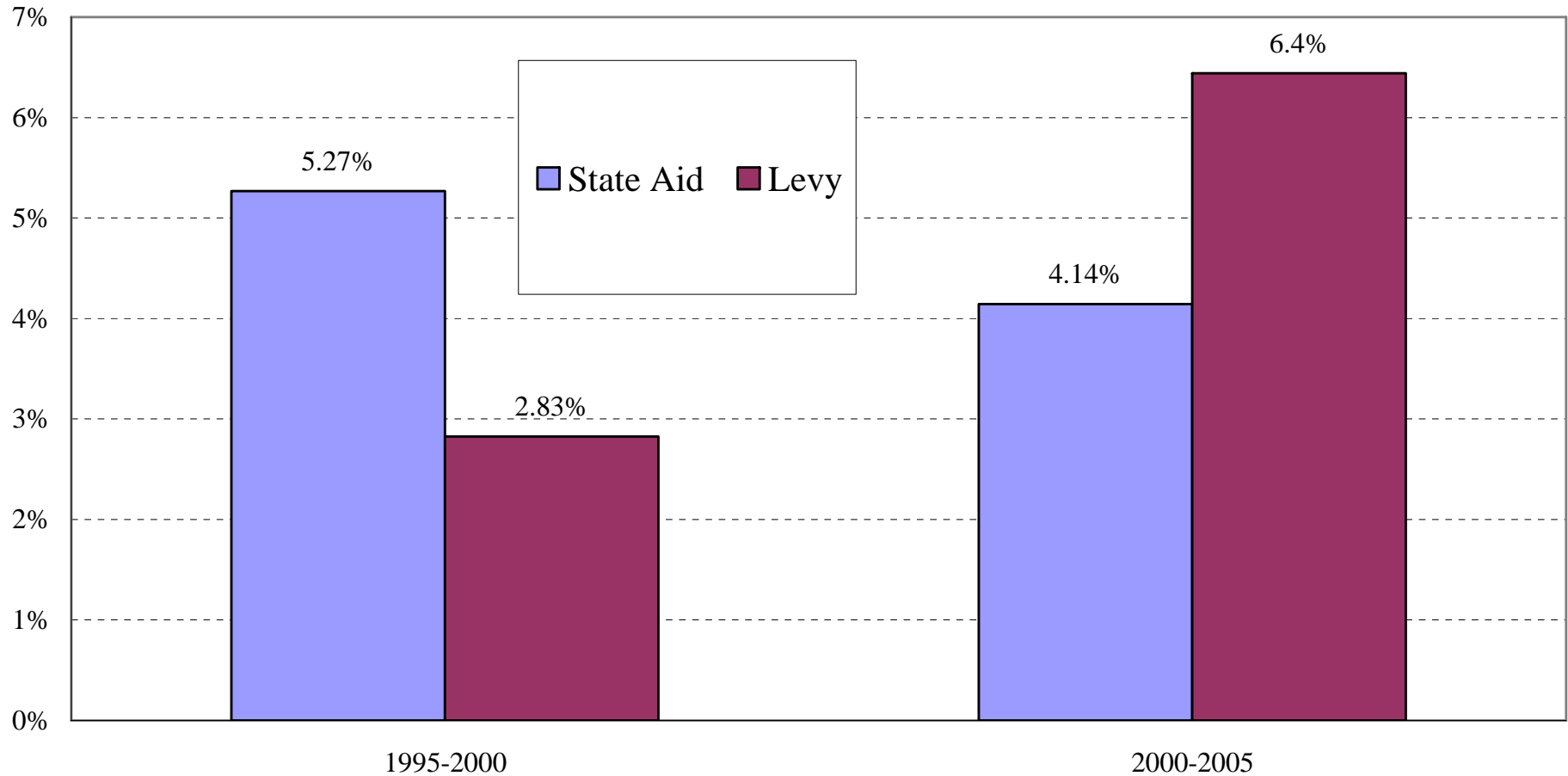
PUTNAM	71%	SULLIVAN	54%	WYOMING	48%
SARATOGA	71%	TOMPKINS	54%	OSWEGO	47%
SUFFOLK	64%	MONROE	54%	HERKIMER	47%
ORANGE	63%	ONONDAGA	53%	CAYUGA	46%
DUTCHESS	63%	BROOME	53%	ERIE	46%
ALBANY	63%	ONEIDA	52%	STEUBEN	46%
ULSTER	61%	WAYNE	52%	YATES	45%
WARREN	61%	LIVINGSTON	51%	CHAUTAUQUA	44%
ONTARIO	61%	ORLEANS	51%	ST. LAWRENCE	44%
ROCKLAND	60%	MADISON	51%	FRANKLIN	44%
NASSAU	60%	ESSEX	51%	SCHUYLER	42%
COLUMBIA	57%	SENECA	50%	CHENANGO	42%
CLINTON	57%	DELAWARE	50%	JEFFERSON	41%
OTSEGO	57%	SCHENECTADY	50%	MONTGOMERY	41%
GENESEE	57%	SCHOHARIE	49%	LEWIS	40%
STATEWIDE TOTAL	56%	HAMILTON	48%	CATTARAUGUS	39%
GREENE	56%	NIAGARA	48%	CORTLAND	39%
WESTCHESTER	55%	WASHINGTON	48%	FULTON	37%
NEW YORK CITY	55%	CHEMUNG	48%	ALLEGANY	37%
RENSSELAER	54%	TIOGA	48%		

State aid is LESS THAN 43% of the total \$46 billion dollar education budget --- one of the reasons why local property taxes are high.



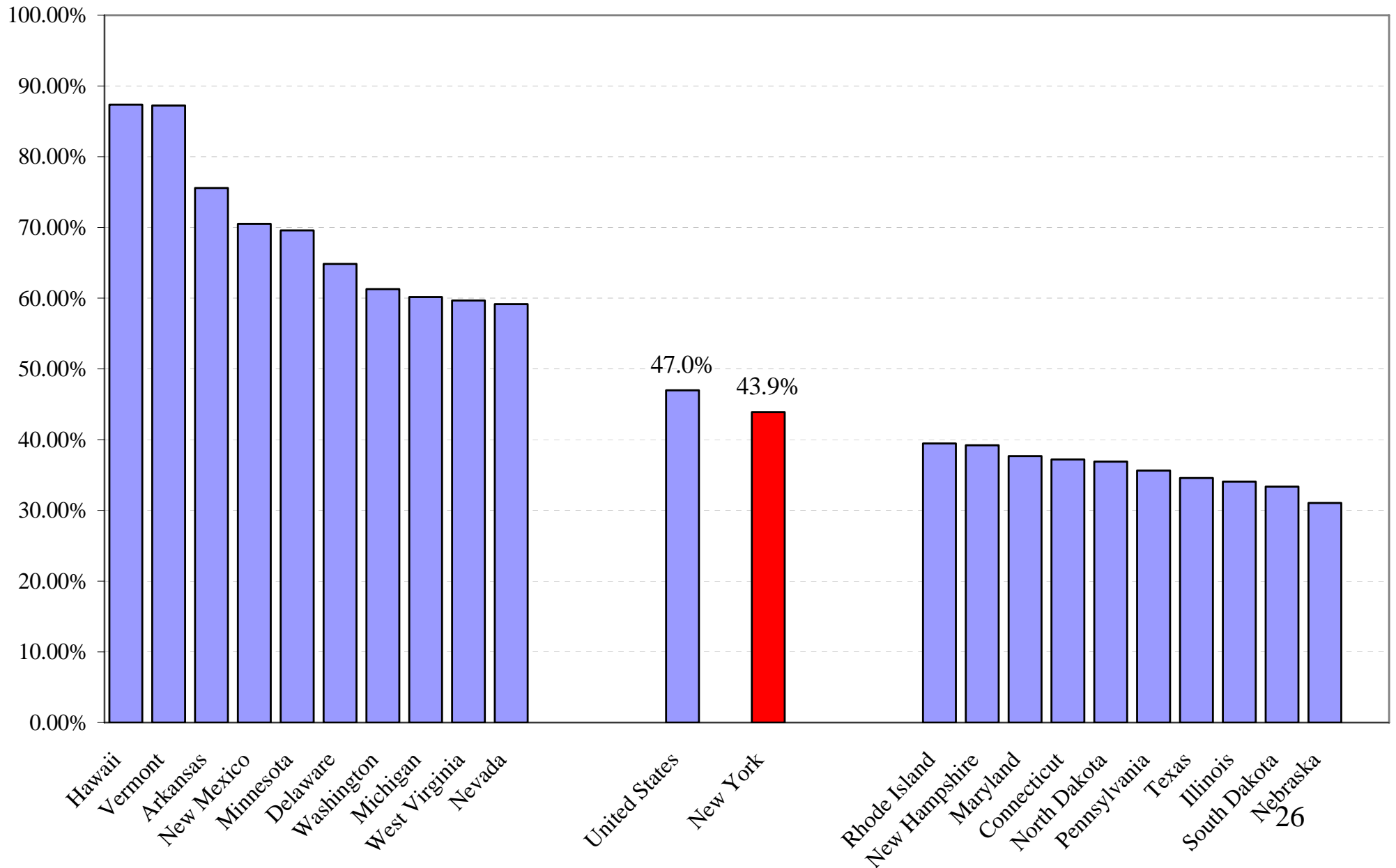
On Long Island, as in Other Parts of the State Growth in the Overall Tax Levy is Inversely Related to Changes in State Aid for Public Schools

Average annual change in total tax levy excluding STAR; State Aid excluding STAR for Long Island.



Sources: State Aid and STAR payments from SED Fiscal Profiles, 1994-95; 1999-2000; 2004-05. Tax levy from appendix of OSC Report, Property Taxes in New York, 2006.

This is related to the fact that New York ranks 31st among the 50 states in terms of the state's share of funding.



Recall that the majority of a taxing district's expenses are related to staffing.

Where to look for the roots?

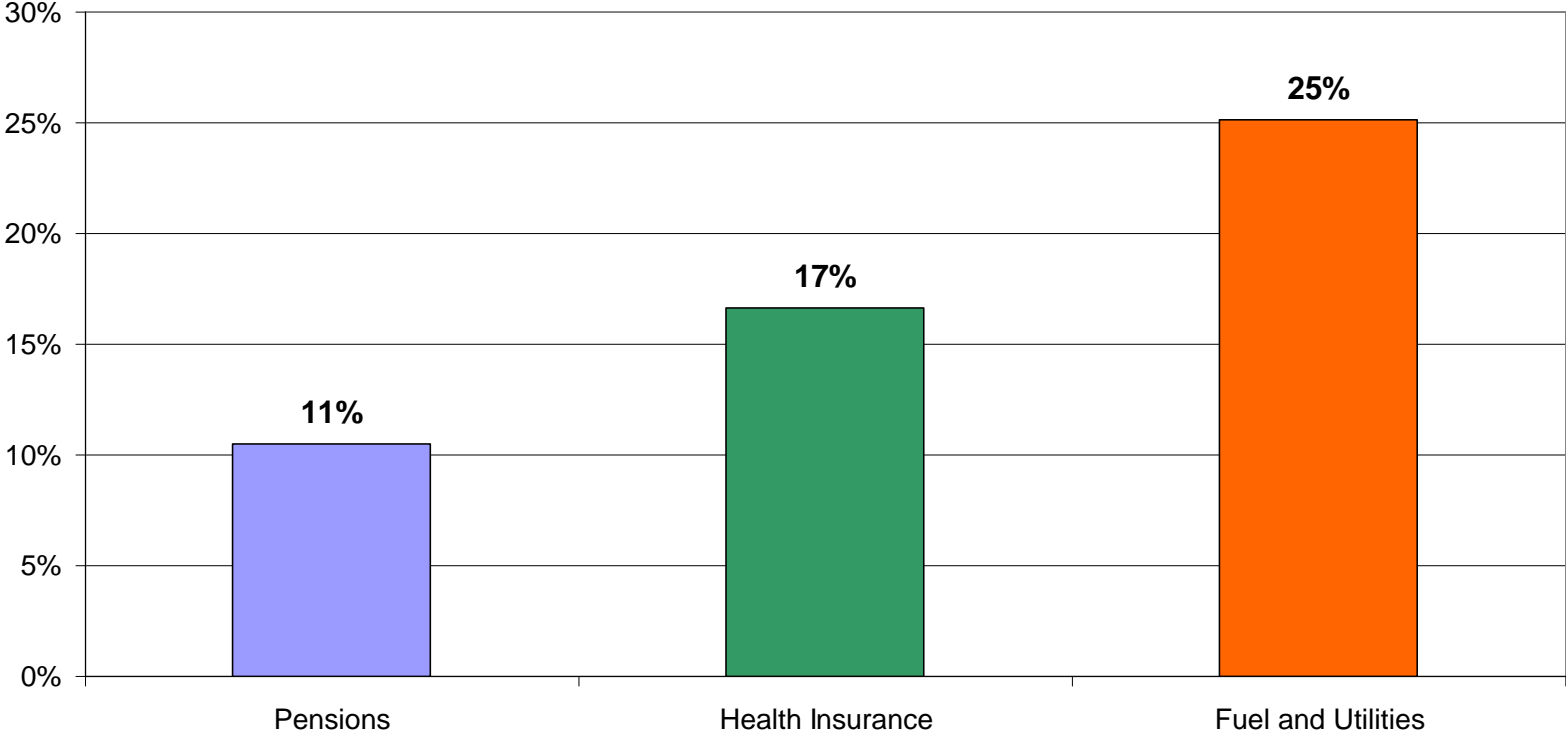
Salaries and benefits as a share of operating expenses*

– School districts	75%
– Cities	71%
– Towns	55%
– Counties	39%

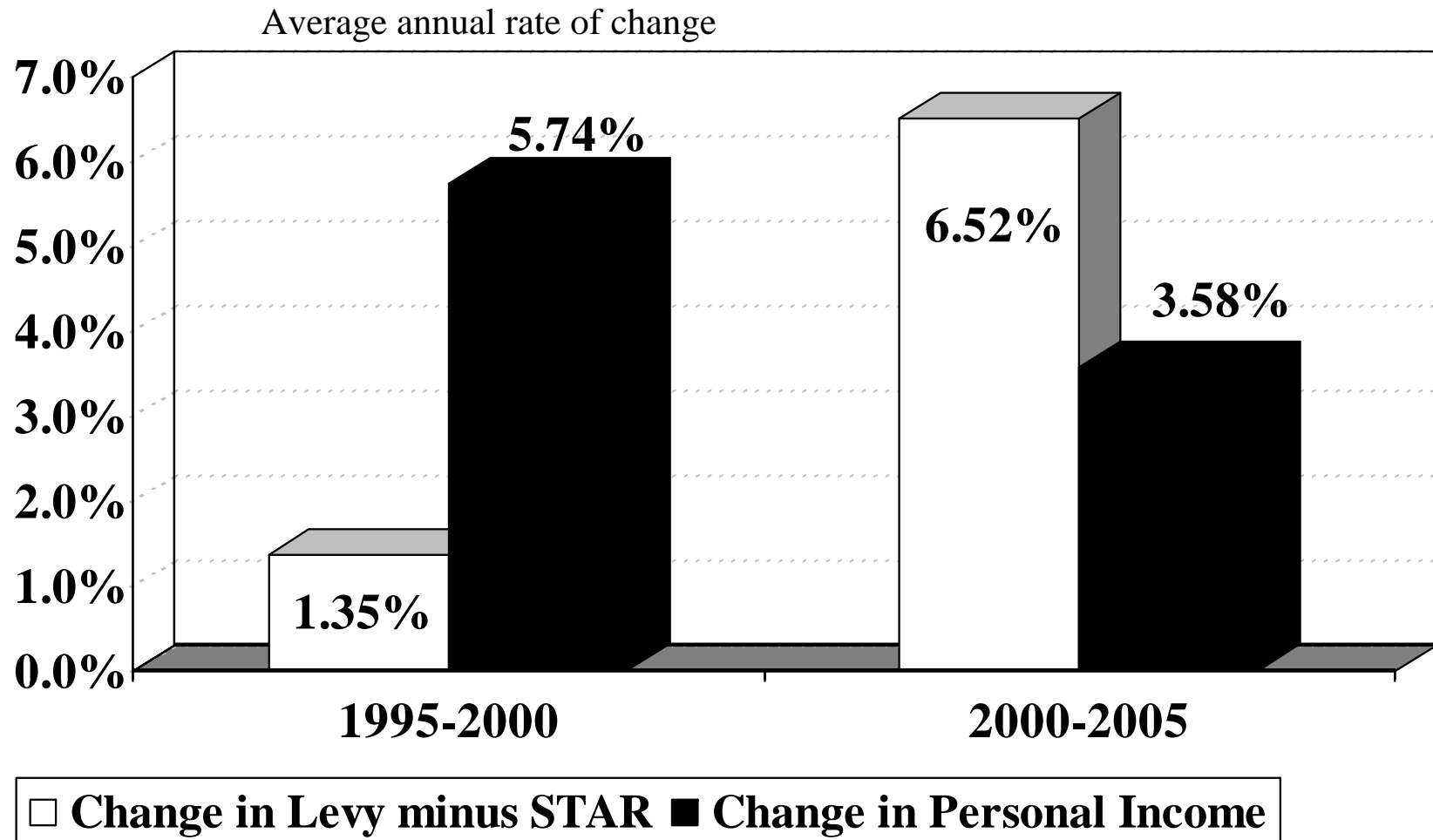
*Including contractual costs but excluding capital equipment and debt service.

Skyrocketing costs related to a few expense categories may also have contributed to increasing need to raise local contributions:

Average Annual Increases in Costs for Florida Counties (2000-2006)

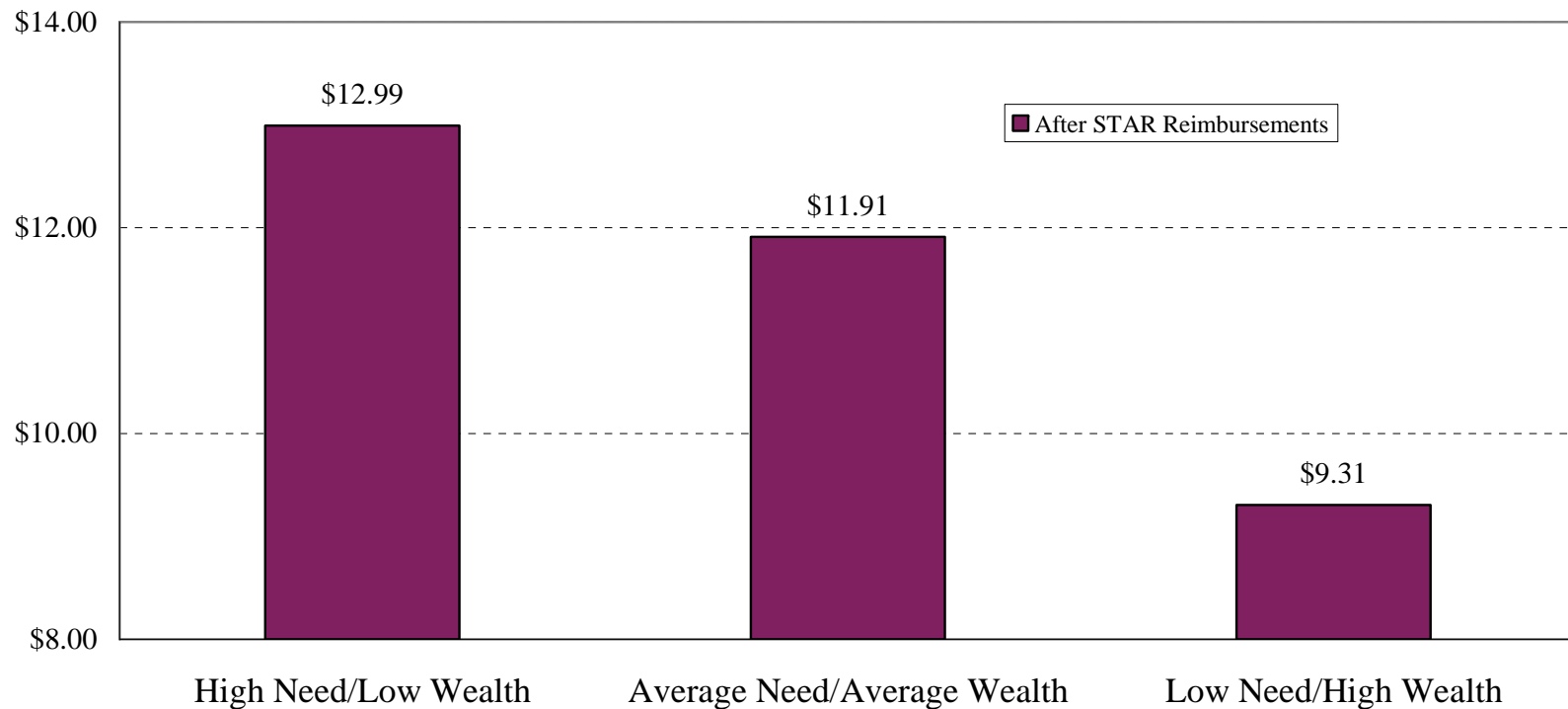


The impact is pronounced when compared to the rise in incomes over the same period. Unlike the latter part of the 1990's when income *outpaced* tax levy growth, this decade has seen a sharp reversal of fortunes.



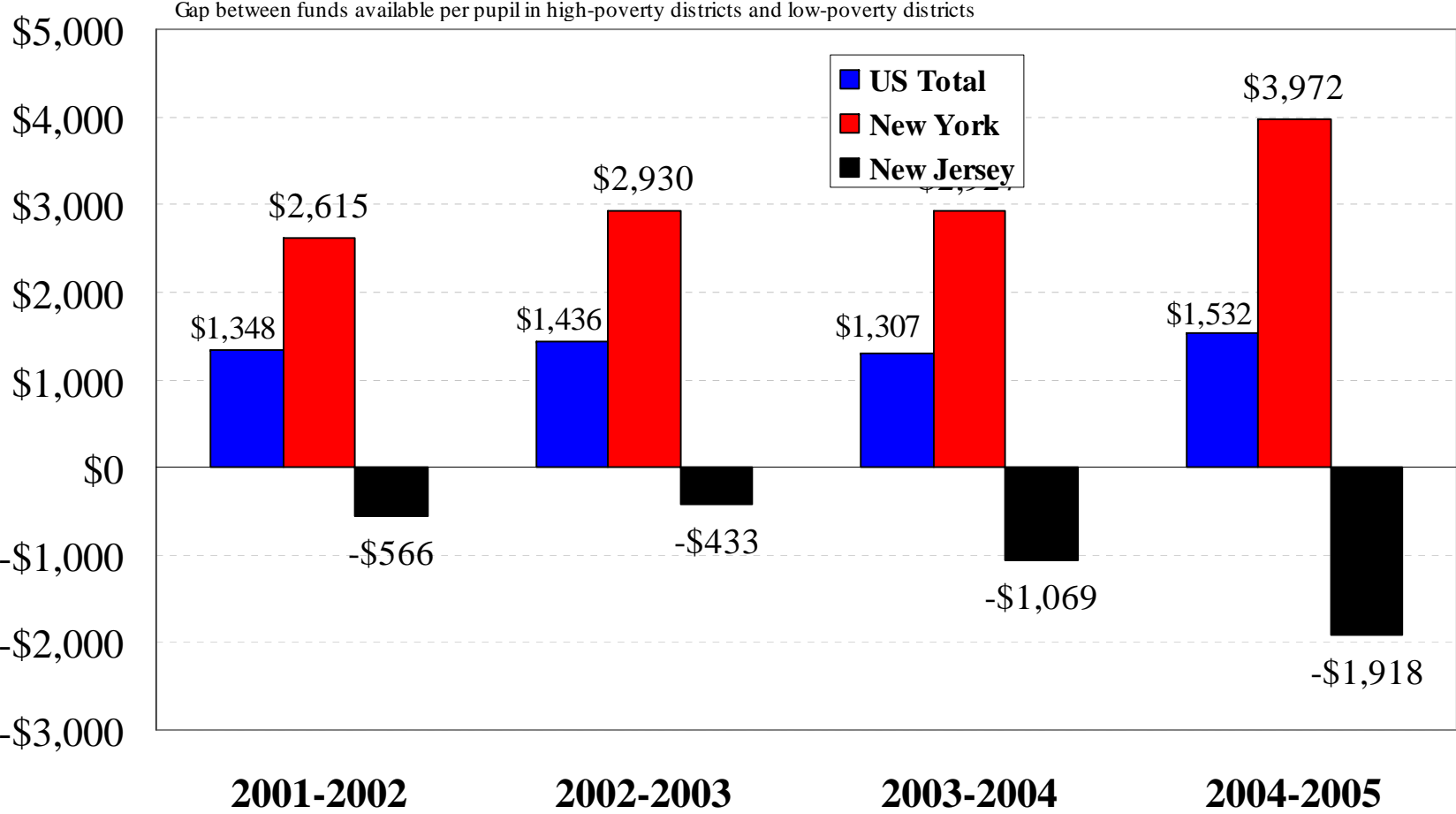
Taxpayers in high needs districts pay higher rates than those in low need districts.

Full Value Tax Rates for Long Island Residential Property Tax Payers: 2005-06



Note: Full Value Tax Rate calculated by taking school district tax levy divided by full value using ORPS equalization rates to estimate full value. STAR payments by town part and school district for 2005-2006 from ORPS. For Nassau County districts levy, full value and STAR payments for property class one were used for this analysis for all districts except Glen Cove for which data for homestead parcels were used. For Suffolk County districts with homestead/nonhomestead rates, the analysis is based on levy, full value and STAR reimbursements for homestead properties. Analysis for all other Suffolk County districts based on all properties.

At the same time, the poorest districts are receiving a good deal less in funding. New York has the largest gap between the resources available in high-poverty and low-poverty school districts of any state in the nation.



Source: The Education Trust, "The Funding Gap 2007" January 17, 2008

Would a cap really help control some of these costs?

The Massachusetts Story

- Regarded as a success because overall educational performance has not fallen as dramatically as in other states (most notably California) and yet property taxes have been reduced somewhat.
- So what happened here: Remember the two kinds of caps: A levy cap and a ceiling cap
- Municipalities (most of which include the school district) in Massachusetts had to reduce their budgets so that they would not exceed 2.5% of the total assessed value of the community.

Massachusetts story, continued

- But many of these cities and towns had not had a revaluation in years (despite a court order in 1974 to do so) and were now racing to quickly implement one upon passage of PROP 2 ½ . Failure to do so would mean that their assessment roll and hence, their ceiling limit would be artificially low.
- Despite emergency state formulas, many localities found themselves well above the ceiling.
- The law required annual 15% total budget reduction to transition towards compliance.
- A crisis ensued across the 351 municipalities in the state and many were forced to take the one measure that would have them comply - cut jobs, and cut many of them.

And the Mayor of Worcester put himself in jail until his residents “bailed” him out. The money was needed for athletics.

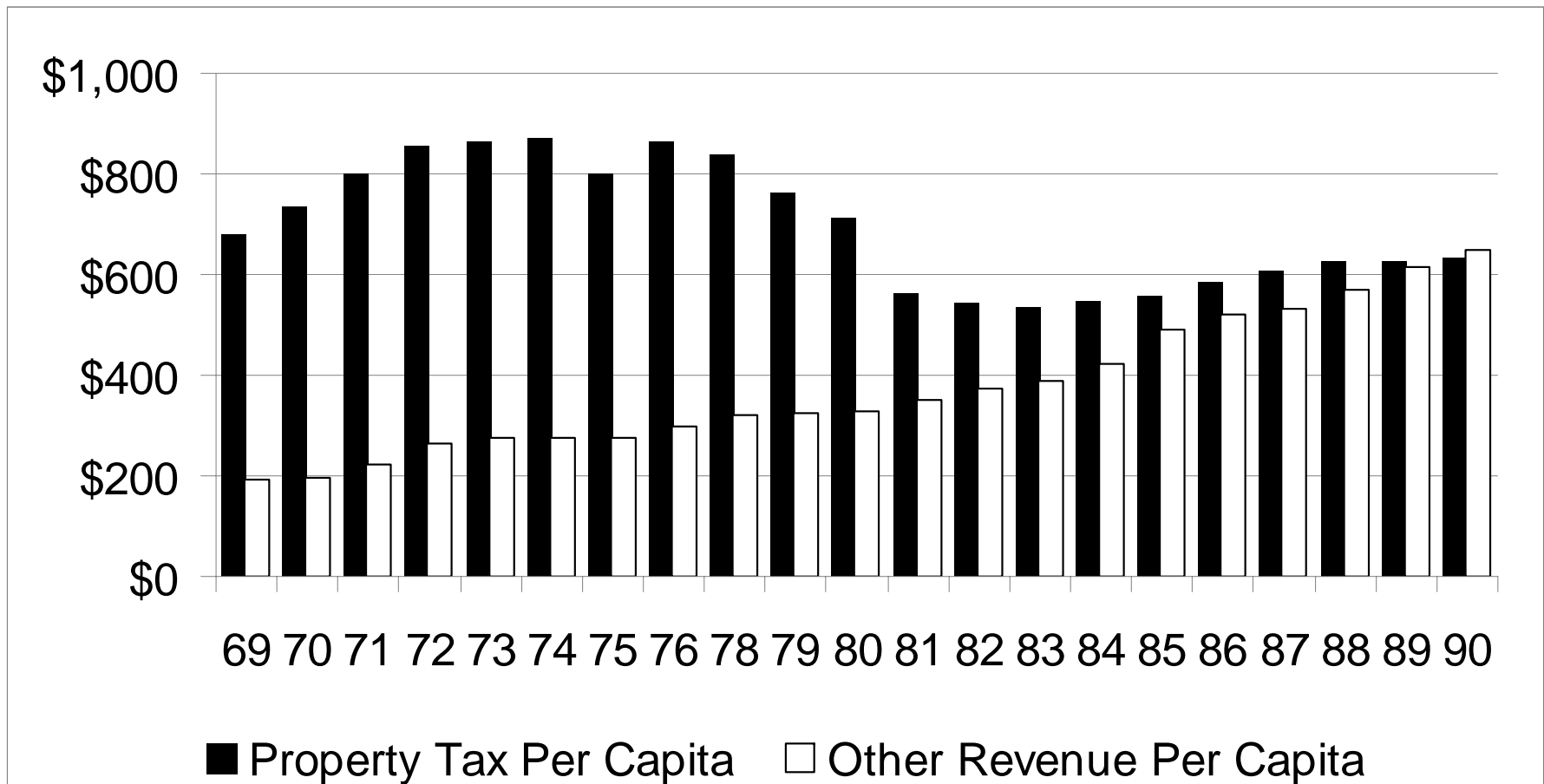


But average annual increases in the 1990's were 11% in Massachusetts, more than in New York.

Other offsetting measures that were taken:

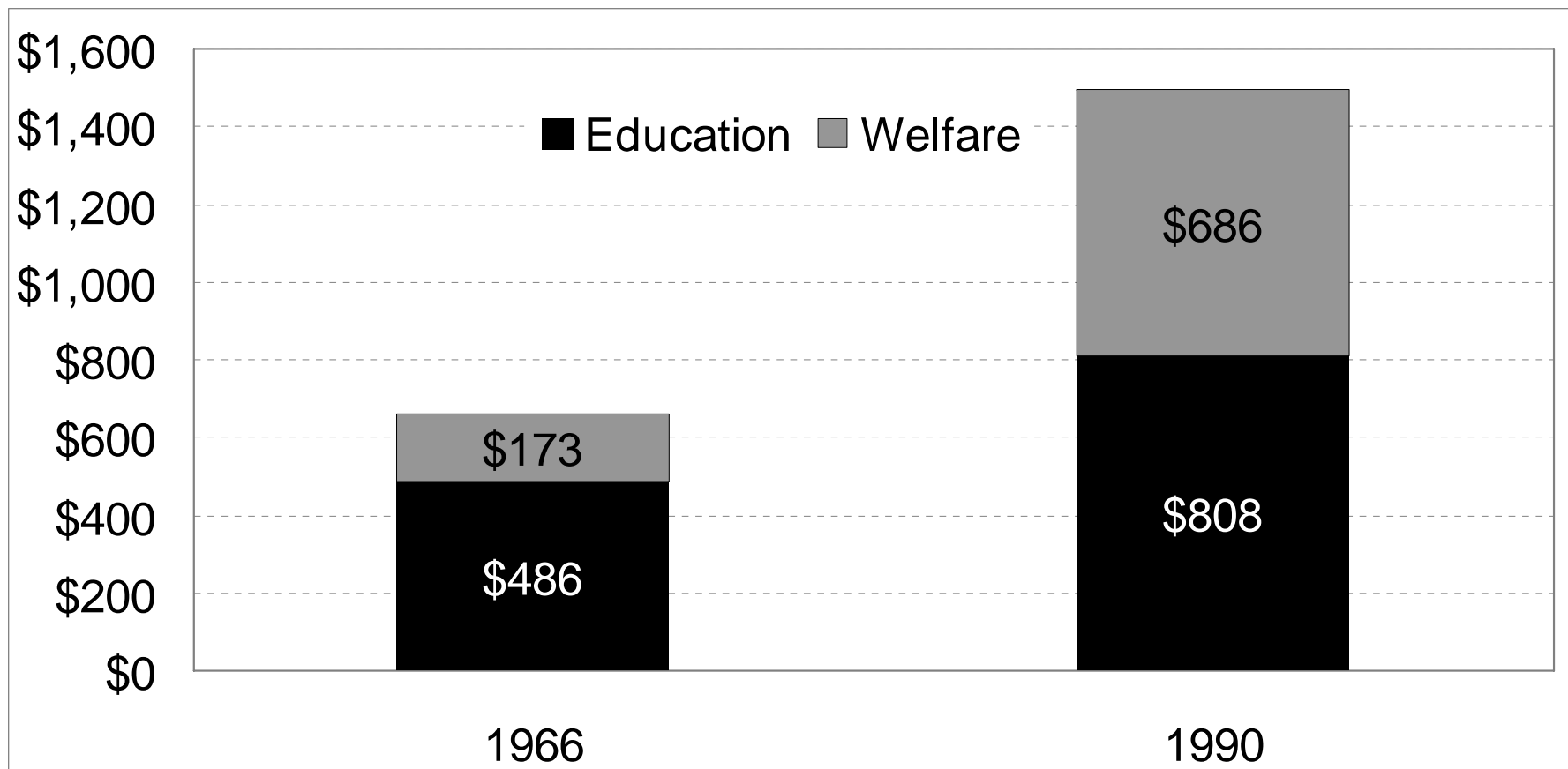
- Raid surplus funds. MA districts engaged in significant draw-downs to reduce budget gaps.
- Transfer of Residential Burden to Commercial and other Properties- By 1987,
- 85 of MA's 351 municipalities, including some of the largest communities, passed amendments that changed property taxes by class. This resulted in an 8% decrease in the residential contribution; which in turn was transferred to commercial and industrial.
- ...And those fees: In the period following Prop 2 ½ fee revenue grew dramatically in response to poor service delivery: By 1990 fees increased by 73.7% and overtook property taxes in per capita burden.

By 1990, in Massachusetts, per capita fees were higher than per capita property taxes.



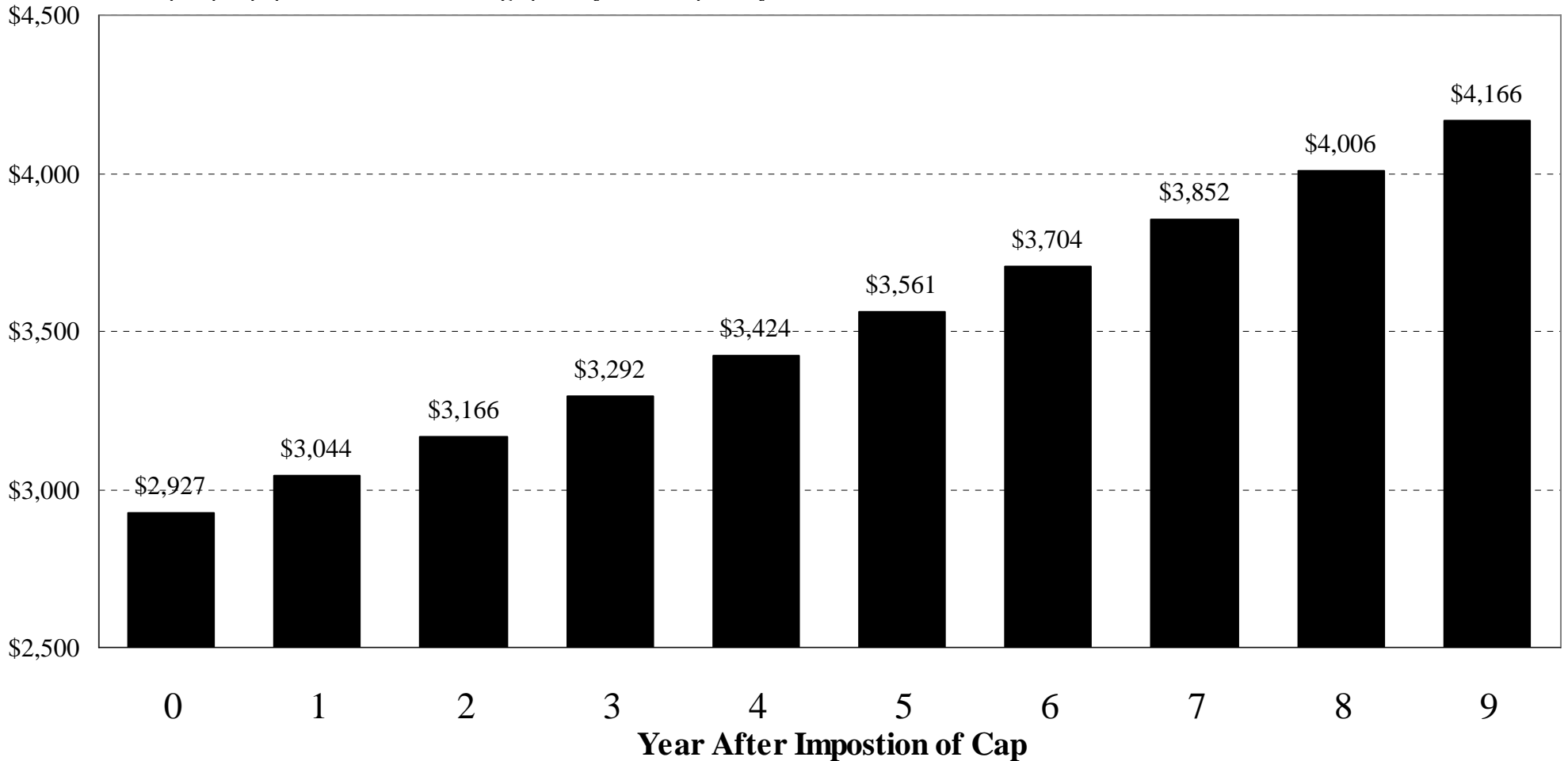
Adjusted for
inflation

And spending per capita continued to grow despite the cap.



A cap would likely exacerbate the spending gap between the “wealthy” districts and poorer districts?

Gap in per pupil revenues between high poverty and low poverty districts.



Voter approval rates for school budgets indicate that NY may respond similarly. Passage of budgets in “poorer” districts are more infrequent in both high state-aid years and low state-aid years.

On Long Island, budget defeats are much more likely in High Need (Low Wealth) Districts than Low Need (High Wealth) Districts

Year	Need Resource Category	Number of Districts	Budgets Defeated	
			<u>Number</u>	<u>Percent</u>
2005				
	High Need (Low Wealth)	10	8	80%
	Average Need (Average Wealth)	41	18	44%
	Low Need (High Wealth)	<u>70</u>	<u>19</u>	<u>27%</u>
		121	45	37%
2007				
	High Need (Low Wealth)	10	4	40%
	Average Need (Average Wealth)	41	2	5%
	Low Need (High Wealth)	<u>70</u>	<u>1</u>	<u>1%</u>
		121	7	6%

Source: New York State School Boards Association

Star: Basic, Enhanced and Rebates

- **Basic STAR** pays the school taxes on the first \$30,000 of property value for most non-elderly homeowners across the state. The \$30,000 amount is adjusted upward in New York City and eight other counties, including Nassau and Suffolk, by the relationship of the county's median home sale price to the state median sale price.
 - The adjustment factor was 2.3032 for Nassau County so STAR paid the taxes on the first \$69,096 of home value—more than doubles the exemption in most areas of the state.
 - For Suffolk County the factor was 1.8812, making the basic exemption amount \$56,436—almost double the basic exemption in most areas of the state.
- **Enhanced STAR** provides larger exemptions for elderly homeowners with incomes below a certain income threshold; this income threshold is indexed for inflation and for 2007 is \$70,500. For most counties the enhanced exemption amount is \$56,800. As with the standard exemption, the enhanced exemption is adjusted upward in New York City and eight other counties.
 - Nassau County the enhanced exemption is \$131,000—meaning that while most areas of the state the first \$56,800 of a homes value is exempted from school property taxes, in Nassau the first \$131,000 is exempt
 - Suffolk County the enhanced exemption is \$107,000

Some of the major flaws of the STAR Program include:

- STAR is more costly than it needs to be, given the limited amount of relief that it is delivering to those who are truly overburdened by property taxes. This is because it gives a little bit of relief to all homeowners—whether or not their property taxes are high relative to their needs.
- Since STAR provides relief to homeowners based on county averages, the amount of relief that particular homeowners receive is not related to their property tax bills, or their incomes, or, ideally, the relationship of their property tax bills to their income. As a result STAR violates both of the basic principles of tax fairness.
 - It violates the principle of “horizontal equity” because it does not give the same amount of relief to two taxpayers with the exact same incomes and the exact same property tax bills if they happen to live in different parts of the state.
 - STAR also violates the principle of “vertical equity” because two homeowners in the same school district, one with a much higher property tax bill relative to his or her income than the other, both receive the same dollar benefit.
- The STAR program distributes aid to school districts in a way that undercuts the equalizing nature of the school aid system. Under STAR, state aid is provided to school districts not on the basis of enrollment and student need but on the basis of the number of owner-occupied primary residences in the school district, the median home value in the county or counties in which the school district is located, and the school district’s property tax rate.
- The STAR program is also flawed in that it provides relief only to homeowners..

Rebates: The 2007 "Middle Class" Star rebate is a step in the right direction but it does not go far enough.

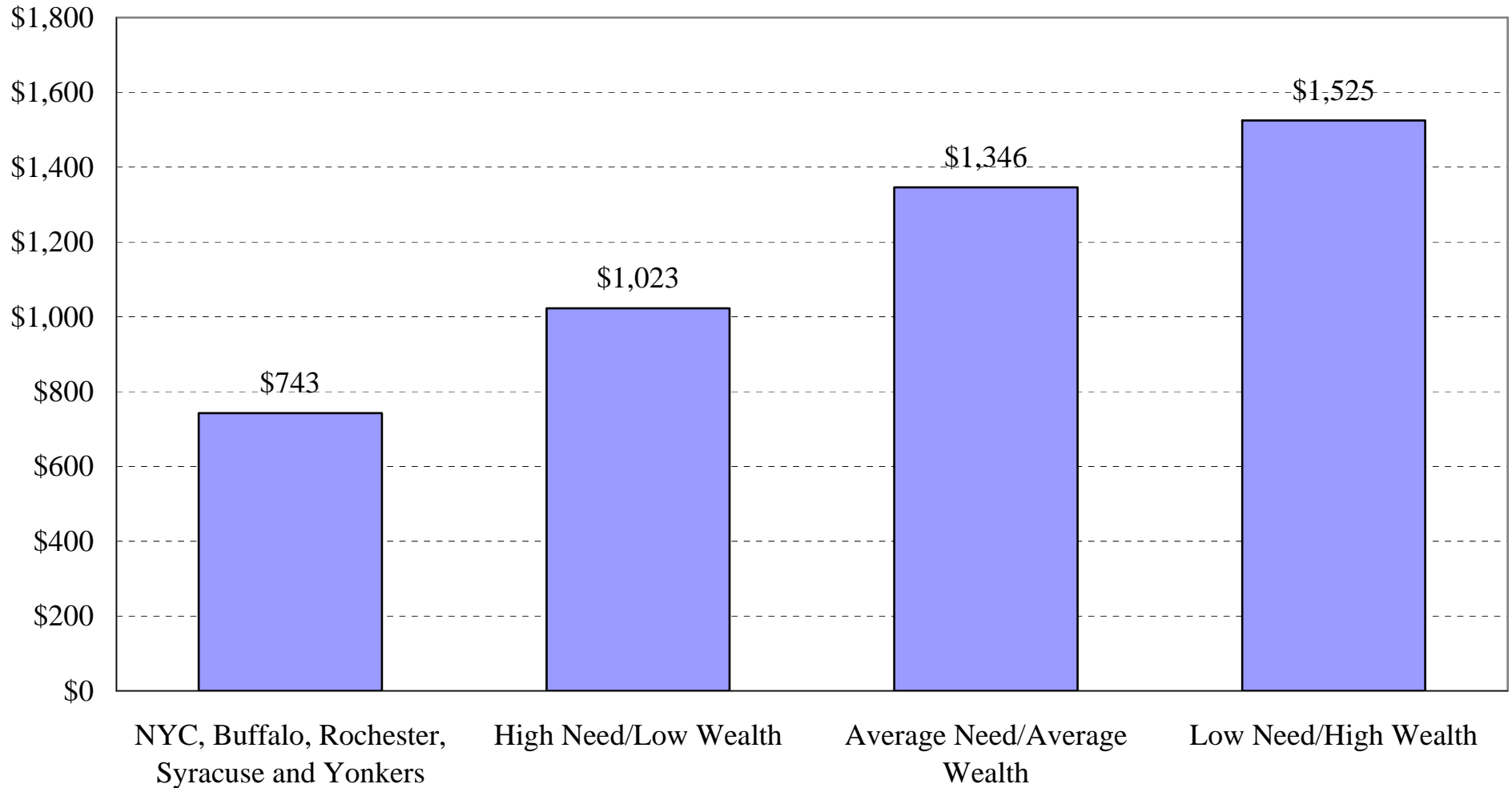
- STAR rebates vary by income, so that a millionaire would get less than a middle-income family but it does not vary the benefit based on the relationship between a family's income and its property tax bill. Two families living in the same school district would get the same benefit if they both made \$50,000—even if one has a property tax bill of \$3,000 a year and the other a bill of \$6,000 a year.
- In addition, the 2007 "Middle Class" STAR rebate does not address the problem of two families with the exact same income and the exact same property tax bill getting substantially different benefits if they happen to live in different part of the state.
- Because STAR supplements also provide benefits only for owner-occupied dwellings, it continues to disadvantage those communities with large numbers of renters such as Hempstead, Glen Cove, Long Beach and Wyandanch.

On Long Island, 33 districts have owner occupancy rates less than 75%

	Percent of Residences Owner Occupied		Percent of Residences Owner Occupied
Hempstead	34.5%	Oyster Bay-East Norwich	70.8%
Fishers Island	46.2%	Rockville Centre	71.7%
Long Beach	57.2%	Island Park	71.8%
Glen Cove	58.5%	Patchogue-Medford	71.8%
Wyandanch	59.5%	Copiague	72.1%
Freeport	63.3%	West Babylon	72.1%
Montauk	65.5%	Longwood	72.2%
Amityville	66.2%	Valley Stream 24	72.5%
Greenport	67.1%	Lawrence	72.6%
Bay Shore	67.3%	Central Islip	73.3%
Port Washington	67.4%	Tuckahoe Common	73.5%
Mineola	67.8%	Lynbrook	73.6%
Westbury	68.7%	Carle Place	73.7%
Hampton Bays	69.9%	Huntington	73.8%
Babylon	70.5%	Riverhead	74.4%
East Rockaway	70.6%	South Country	74.9%
Westhampton Beach	70.7%		

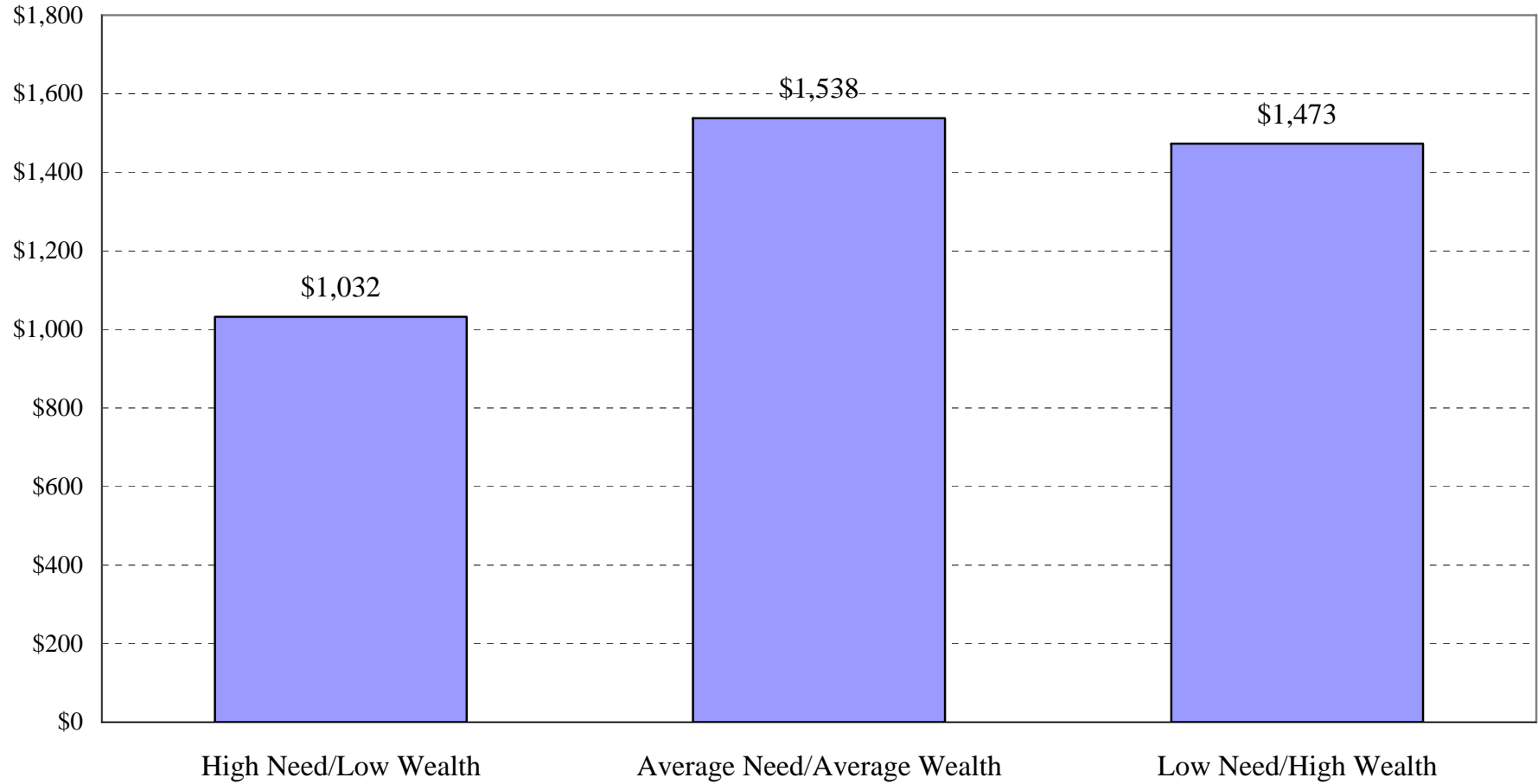
Source: United State Census Bureau - 2000 Census Data by School District from the National Center for Education Statistics

STAR per Pupil by Need/Resource Category: New York State 2004-05



Source: New York State Education Department Fiscal Profiles

STAR per Pupil by Need/Resource Category: Long Island 2004-05



Source: New York State Education Department Fiscal Profiles

Alternative to a Cap and to STAR Rebates: A Middle Class Circuit Breaker

- A circuit breaker provides credit for taxes that exceed a percentage of one's income.
- New York has had a circuit breaker since 1986, but it is set at a low threshold and provides little relief:
 - Seniors can receive a maximum of \$375 and other taxpayers can get up to \$75.
 - Taxpayers wishing to claim the credit must meet all of the following eligibility requirements:
 - Household gross income cannot exceed \$18,000 (gross income is broader than NY AGI) and includes Social Security and public assistance cash benefit
 - Market value of home cannot exceed \$85,000
 - Average monthly rent of renting taxpayer cannot exceed \$450

Overhauling Circuit Breaker so that Middle Income Taxpayers Can Be Protected from Extreme Property Tax Burdens. Unsustainable property taxes are now a middle income problem.

- The simplest proposal is to make all property taxes on the home (or a portion of such taxes) that exceed a set percentage of household income eligible to be subtracted from state income taxes as a tax credit.
- Another approach is to set a schedule that increases the set percentage of income as income level increases, effectively reducing the proportional benefit at higher income levels.
- In either case, the taxpayer pays his full tax when due, then applies for the tax credit when he files his state income tax return. It is a fully refundable credit and will be refunded even if there is no income tax liability.

Advantages of a Middle Income circuit breaker.

- Ties relief to the relationship between one's tax bills and the income available to pay it (the most accurate measure individual tax burden)
- Provides relief to all property owners who are overburdened except for the very highest income earning households
- Effective in providing significant relief to the middle class
- Cost can be significantly less than a partial or state-wide takeover.

Two pieces of legislation are currently being proposed, both of which have a sliding scale: A 5380 Sayward

For NY residents who have lived in their homes for at least five years, and whose household incomes are \$200,000 or less, it would provide for a 100% credit of **all** property taxes that exceed certain percentages of household income:

If the Household Gross income is then the Cap on Real Property Taxes would be:

\$50,000 or less	3 % of household gross income
50,000 - 100,000	5% of household gross income
100,000-150,000	6% of household gross income
150,000-200,000	7% of household gross income
200,000 +	No limit

The total cost of this bill is currently estimated to be: _____

This bill would provide relief for those income earners under \$200K /
yr. (of which **95% of New Yorkers fall below this guideline**)

Another Circuit breaker proposal with bi-partisan sponsors in each branch of the legislature is the Galef-Little bill. (A1575/ S.1053)

Applies to homeowners who have lived in their residences for at least 5 years and incomes below \$250,000.

Would replace Middle Class STAR Rebate Check Program, **but not the basic or enhanced Senior STAR**, both of which would continue

Credit is for **70%** of total property taxes that exceed the applicable percentage

Downstate Formula (*NYC, Nassau, Suffolk, Rockland, Westchester, Putnam, Orange, Dutchess*)

6 %	of income if under \$120,000
7 %	120-175,000
8 %	175-250,000

Upstate Formula (*All Other Counties*)

6 %	of income if under \$90,000
7 %	90 - 150,000
8 %	150- 250,000

**Widowed Senior (66) in Rockland County (Nyack School District
in the Town of Clarkstown) - Owns home for last 30 yrs.**



Current income: \$23,000
Current value of property: \$350,000
2006-07 Taxes on property without STAR:
\$8,519
2006-07 Taxes on property after Enhanced STAR
exemption: \$6,302
2007 STAR Rebate Amount: \$ 551
2009-10 STAR Rebate Amount: \$771
Circuit Breaker refundable credit: \$3,446

New Effective 2006-07 Property Tax Amount:
\$2,857

**Middle Age Family (3 children) in Washington County, NY
(Greenwich schools living in Town of Greenwich)
Lives in home for last 13 year.**



Current family Income: \$49,000

Current Value of Property: \$225,000

2006-07 Taxes on property without STAR: \$8,717

2006-07 Taxes on property after Basic STAR
exemption: \$8,142

2007 STAR Rebate Amount: \$436

2009-10 STAR Rebate Amount: \$582

Circuit Breaker refundable credit of: \$3,642

New Effective 2006-07 Property Bill: \$4,501

**Older Couple (no children) in Suffolk County
(Lindenhurst School District in Town of Babylon)
Lives in home for last 10 years**



Current family Income: \$165,000

Current Value of Property: \$800,000

2006-07 taxes on property without STAR:
\$15,512

2006-07 taxes on property after Basic STAR
exemption: \$14,449

2007 STAR Rebate Amount: \$520

2009-10 STAR Rebate Amount: \$693

Circuit Breaker refundable credit: \$2,029

(70% of Taxes Over 7% of Income)

New Effective 2006-07 Property Bill: \$12,420

The results of this proposal yield the following estimates:

- 2.5 million households meet the basic income criteria (income and residency) and that 940,000 of them would receive benefits at a cost of \$1.64 billion.
- This is roughly equivalent to the projected cost of the middle class STAR Rebate program
- If the residency requirement was dropped, the number of beneficiaries and cost would increase to 1.44 million households and \$2.5 billion.

Estimated Impact on New York State Homeowners - Circuit Breaker with Differential Income Percentages for Downstate/Upstate

	<u>Income range</u>	<u>Total Number of Households in Category</u>	<u>Total Number of Households Eligible for Credits</u>	<u>Percent of Households in Category Eligible for Credits</u>	<u>Cost</u>	<u>Median Benefit</u>	<u>Mean Benefit</u>	<u>Maximum Benefit</u>
Total	Less than \$25,000	346,493	257,269	74%	459,798,313	1,187	1,787	11,143
	\$25,000 to \$50,000	534,436	285,388	53%	481,693,721	1,019	1,688	9,136
	\$50,000 to \$75,000	507,663	180,744	36%	357,058,030	1,572	1,975	8,976
	\$75,000 to \$100,000	390,714	131,759	34%	224,688,417	1,422	1,705	8,326
	\$100,000 to \$150,000	411,046	78,739	19%	114,628,580	1,061	1,456	12,546
	\$150,000 to \$200,000	158,387	5,550	4%	6,123,777	805	1,103	5,897
	\$200,000 to \$250,000	65,082	80	0%	11,948	149	149	149
	Over \$250,000	116,249		0%				
	Total	2,530,070	939,529	37%	1,644,002,786	1,281	1,750	12,546

NOTE: Analysis is based on microdata from the American Community Survey for 2006, released in 2007. Analysis excludes an estimated twenty thousand homeowners who reported less than \$100 income for 2006. Income percentages are (1) Upstate: less than \$90,000 @ 6%; \$90,000 to \$150,000 @ 7% and \$150,000 to \$250,000 @ 8%; (2) Downstate: less than \$120,000 @ 6%, \$120,000 to \$175,000 @ 7% and \$175,000 to \$250,000 @ 8%. Downstate includes NYC, Nassau, Suffolk, Rockland, Westchester, Putnam, Orange and Dutchess Counties.

Estimated Impact on New York State Homeowners - Circuit Breaker with Differential Income Percentages for Downstate/Upstate

<u>Income range</u>	<u>Total Number of Households in Category</u>	<u>Total Number of Households Eligible for Credits</u>	<u>Percent of Households in Category Eligible for Credits</u>	<u>Cost</u>	<u>Median Benefit</u>	<u>Mean Benefit</u>	<u>Maximum Benefit</u>
Downstate							
Less than \$25,000	70,368	60,262	86%	204,949,211	3,383	3,401	9,600
\$25,000 to \$50,000	115,146	98,413	85%	284,170,510	2,721	2,888	8,760
\$50,000 to \$75,000	134,188	104,828	78%	259,071,797	2,198	2,471	8,976
\$75,000 to \$100,000	129,651	95,249	73%	180,400,901	1,754	1,894	7,441
\$100,000 to \$150,000	169,104	66,093	39%	96,538,378	1,120	1,461	6,960
\$150,000 to \$200,000	77,939	5,016	6%	5,202,441	758	1,037	3,523
\$200,000 to \$250,000	32,755		0%				
Over \$250,000	56,344		0%				
Total	785,495	429,861	55%	1,030,333,238	2,113	2,397	9,600