

# Omnibus Consortium Omnibus Consortium

## Press Release

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## **Governor Cuomo Cuts Taxes for 35,000 NYS Millionaires Raises Property Taxes on 675,000 Working Class Families That Are Already Struggling Group Asks: This is Your Solution to Our Tax Problems?**

(Albany, NY) Property Tax Reform groups and fiscal watchdogs called upon Governor Cuomo and Legislative Leaders to champion real property tax relief for the nearly 700,000 New Yorkers that pay double digit percentages of their income in property taxes. They urged Governor Cuomo and Legislative Leaders to abandon their plan for a “property tax cap” that has failed in many other states and provides no relief to over-burdened tax payers and replace it with a circuit breaker that will target relief to those that need it most.

New data released today show the stark reality facing hundreds of thousands of property tax payers. The Omnibus Consortium called for the examination of residential property taxes, which was conducted by the Fiscal Policy Institute based on the U.S. Census Bureau’s American Community Survey (ACS).

Among the findings:

- More than 240,000 households pay at least 20 percent of their income in property taxes.
- More than 675,000 New York households pay 10 percent or more of their income in property taxes.
- More than 30 percent of households with incomes of \$100,000 or less fall into this group, as do nearly half (47 percent) of those with incomes of \$50,000 or less.
- In the \$25,000 and less income range, 64 percent of the home-owning households--270,000 households—paid more than ten percent of their income in property taxes. About 170,000 of these households had property tax bills that represented 20 percent or more of their income.

“These are the same data that underlie the Tax Foundation work cited by Governor Cuomo in his presentations on the proposed property tax cap,” said **Frank Mauro, Executive Director of the Fiscal Policy Institute**. “Households that pay an inordinate share of their income in property taxes are the most in danger of being forced out of their homes.”

“Tax caps may make for a nice sound bite, but they are not a sound solution to the property tax problems facing our state’s residents. Our state leaders have decided that middle and working class families in NYS need a tax increase while 35,000 millionaires in NYS need a tax cut. It simply defies logic,” said **Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness**.

"It is most unfortunate that the tax cap has been wrongly portrayed by its proponents as "property tax relief". In fact it will do little if anything to help those most overburdened -- the estimated 700,000 New York families already paying

unsustainable, double digit percentages of their income in property tax. And it will not cap ANYONE's actual tax BILL, only the tax LEVY. The Governor has described the property tax crisis accurately and eloquently: 'People are literally being taxed out of their homes.' But his solution -- the tax cap -- does not address that problem, as will soon become evident," said **John Whiteley of the NYS Property Tax Reform Coalition**. "Albany's unwillingness to enact a circuit breaker further delays the real relief so desperately needed by so many. The failure to enact a circuit breaker to replace even a portion of the nearly \$2 Billion cut from STAR over the past three years is unconscionable. This de facto \$2 Billion property tax increase for homeowners, impacting primarily the middle class, is especially unseemly when the state's wealthiest -- including those with seven figure incomes and above -- are getting a tax cut. We are again left to wonder at Albany's hypocrisy in touting its adherence to "no tax increases" at the state level while knowingly adding to the financial distress of middle class homeowners through the local property tax -- the least equitable and most burdensome tax of all."

" After the loss of nearly \$2 billion dollars in the STAR program and tax cuts for the wealthiest New Yorkers of far more than that, we are now treated with a mechanism that will only further cement NYS' unfair system of collecting revenue," said **Robert McKeon, TREND (Tax Reform Effort of Northern Dutchess)**. "Forty years ago, those making over a million dollars a year paid 15.375% of income to NYS (returning now to 6.85%) while property taxes (without any income based limit) picked up the slack. It's now reached the point where the top 1% pay an effective state and local tax rate of 7.2%, while the middle fifth pays nearly 12%. The cap is just a continuation of the assault on working New Yorkers to the benefit of the rich. When the lay-offs are tallied and homeowners receive an even higher bill next year, the truth about the cap and the correspondingly lower poll numbers will become apparent. Only a circuit breaker can address the emergency situation that nearly 700,000 homeowners find themselves in - their taxes are already above what they can afford."

"In this most beautiful, energetic and progressive state in the union, where the great Trust Buster, Teddy Roosevelt, a governor of NYS, broke the hold of the Robber Barons, the current administration has seen fit to ignore that proud heritage and **-in a stunning reversal-** has handed over to the new class of Robber Barons of Wall Street vast riches in the form of tax breaks and rebates of taxes from the People's Treasury," pointed out Gioia Shebar, coordinator, TaxNightmare.org. "In this great state where the governors of NYS and NJ, Franklin Roosevelt and Morgan Larsen **-in the depths of the depression-** met and opened the greatest span on earth, the George Washington Bridge, which provided jobs for thousands and boosted commerce and industry, the governors of NY and NJ have jointly decided **-in a stunning reversal-** to espouse a crabbed and backward instrument, a cap on local services and on education which guarantees to cut jobs in a time of recession and hurt the already reeling middle class with unlimited taxes unconstrained by income limitations. What a terrible fall from grace. What an awful devolution in leadership. But we will never stand by and watch our state decline. We will struggle to restore NYS to the eminence it deserves.

A number of prominent groups have advocated consistently against the cap throughout the session, including the League of Women Voters, NAACP, NYS PTA, New Roosevelt Initiative and countless others.