

# Guest essay: Property tax cap right fit for New York

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Rochester, N.Y. — There's little disagreement that something must be done to reduce New York exorbitant taxes.

In our opinion, there is only one solution: New York State needs a property tax cap with mandate relief.

Truth is, talk of a circuit breaker misses the point. A circuit breaker is a gimmick, simply moving money around, doing nothing to solve the root cause of the state's skyrocketing property taxes, which is out-of-control spending.

Depending on how the circuit-breaker would be structured, it may only benefit a small number of taxpayers. A circuit-breaker can reduce property taxes that exceed a certain percentage of a particular taxpayer's income or they can be structured to provide relief to one sector of taxpayers over another. Circuit-breakers allow politicians and special interests to pit taxpayers against taxpayers and then to select winners.

But if New York and all its various layers of government actually spent less, everyone's taxes would come down. New York has the highest local taxes in the United States — 79 percent above the national average. Property taxes are rising at more than twice the rate of inflation and salary growth. When property tax rates are calculated as a percentage of home value, the top 10 counties with the highest rates in the country are in New York. In addition, Nassau, Westchester and Rockland counties are in the nation's top 10 in terms of total household taxes.

A recent poll by the Siena Research Institute found that 76 percent of New Yorkers believe property taxes should be capped. Massachusetts is a great example of the positive outcomes from a tax cap, where property taxes dropped from third highest in the nation to 33rd. Schools have also experienced increased graduation rates that now surpass those in New York.

Unshackle Upstate supports a property tax cap of 2 percent or less. We will continue to work in Albany toward that goal, as well as for reforms of the Taylor Law and Triborough Amendment, which guarantees that fringe benefits can't be changed unless the employer and the employee unions agree. This allows for employee pay and benefits to increase indefinitely under the terms of an expired contract, which have led to out-of-control spending at the local level.

Unshackle Upstate has also recommended that New York enact further changes to the pension system. The Tier V program enacted last year did not go far enough. New York needs a new program to include a defined contribution plan structure similar to the SUNY and CUNY models for all state employees, in which participants' control where their pension contributions are invested.

In order to provide substantial cost savings to our state — and real property tax relief to New Yorkers — we need sensible solutions, solutions that will work. It is clear to us — and to the members of our pro-taxpayer Unshackle Army — that the time has come for the Legislature to listen to its constituents and enact property tax cap legislation with the upcoming new year.

*Brian Sampson is executive director of Unshackle Upstate. Sandy Parker is president and CEO of the Rochester Business Alliance and a founder of Unshackle Upstate.*