

(outside of the Big Four: Buffalo, Rochester, Syracuse, Yonkers).^{ix}

What is the New York State STAR program?

- The New York State School Tax Relief provides a partial exemption from school property taxes. **However, the STAR rebate program was not reauthorized in the 2009-10 FY Budget.**^x
- For every dollar of the reduction paid to a homeowner, the State pays a dollar to the school district to compensate for the lost revenue.^{xi}
- The enhanced or basic STAR exemption is the amount that your assessment will be reduced prior to the levy of school taxes.^{xii}
- For example, if you own and live in a house that is assessed at \$150,000 and the enhanced STAR exemption for your municipality is \$50,000, the school taxes on your property would be paid on a taxable assessment of \$100,000.^{xiii}

What are the taxes like here in Erie County?

- Erie County property taxes are \$5.03 for every \$1000 in assessed value.^{xiv}
- That is a two percent increase over last year.^{xv}
- Erie County Executive Chris Collins had vowed to set a tax rate that would add \$24 a year to the tax bill on a \$100,000 home.^{xvi}
- Now, because of a judge's order after a dispute over the spending powers between the County Executive and the County Legislature, the tax bill will just be a \$9 increase for a \$100,000 home.^{xvii}
- However, each town and village does its own assessment of the homes and businesses within its jurisdiction. To give a hypothetical example, the Town of Amherst's assessment may rise, where the Town of Orchard Park's assessment may stay stable, meaning that Amherst taxes may rise more than Orchard Park taxes.
- Additional tax facts:
 - 2005 Levy per Capita = \$1,339
 - 2005 Levy Per Household = \$3,282
 - 2005 Levy Per \$1000 of Personal Income = \$39.09
 - 1999 Median Real Estate Taxes Paid \$2,573
 - 1999 % Median Increase 6.7%
 - Total Change of Overall Combined Levy 1995-2005 = 21.4%
 - Full Value by County 1995-2005 = 17.2%



What is the average Erie County tax burden and how does it compare to other areas in the state?

For 2007, the average household in Erie County paid about \$2,627 in property taxes per year (\$562 county, \$647 city/town, and \$1,418 school).^{xviii} Average property tax burdens from other counties in the state included the following:

- Allegheny County: \$1,935
- Monroe County: \$3,705
- Niagara County: \$2,692
- Onondaga County: \$3,097

- Westchester County: \$10,990.^{xix}

According to the Tax Foundation, the 2005-2007 average property tax on owner-occupied housing paid in Erie County was \$2,760, ranking Erie at 152 on the list of counties nationwide. For tax as a percent of home value, Erie ranked 12, and for tax as a percent of income, Erie ranked 90.^{xx}

Why are school taxes so expensive?

- Personnel costs, i.e. salaries and benefits such as pensions and health care, account for 70 percent of total school expense.^{xxi}
- Staffing levels have increased, although overall student population has decreased.^{xxii}
- Benefits averaged 38 percent of salary expense in 2006-07. Thus, if a district hired an employee at a \$50,000 salary, an additional \$19,000 had to be budgeted for a total \$69,000 to cover the full expense associated with that employee.^{xxiii}

Interesting Facts

- New York State has the highest local taxes in the country – 78 percent above the national average.^{xxiv}
- New York State has another ignominious award – the highest combined State and local tax burden in the nation, with a total tax bill of \$131 for every \$1000 of personal income in 2002, nearly 26 percent higher than the national average.^{xxv}
- The taxes disproportionately affect low and moderate income working families, seniors on fixed incomes and small business owners.^{xxvi}
- Downstate, the dollar *amount* of taxes paid is among the highest in the nation; upstate, where property values, and hence assessed values, are much lower, the tax *rates* are among the highest in the nation.
- New York State spends more per pupil on education than any other state, but state aid to schools is below the national average – meaning that local property taxes make up the difference.^{xxvii}
- There are 700 school districts in New York State, ranging from New York City to districts with fewer than eight teachers. In comparison, Florida's system of countywide school districts includes 67 districts.^{xxviii}
- There are 1,133 distinct tax assessing units in New York State as compared to 59 in California. Erie County has 30 assessing units.^{xxix}

Property Taxes as a Percentage of Home Value by County, 2007

Note: this includes county, city/town/village, and school district property taxes.

County and Rank	State	Tax Rate
1. Niagara	New York	2.9%
2. Monroe	New York	2.8%
3. Chautauqua	New York	2.8%

4. Wayne	New York	2.6%
5. Oswego	New York	2.6%
6. Onondaga	New York	2.5%
7. Erie	New York	2.5%
8. Fort Bend	Texas	2.5%
9. Steuben	New York	2.5%
10. Camden	New Jersey	2.4%

Source: U.S. Bureau of the Census, [American Community Survey, 2007](#)

Property Taxes by County as a Percentage of Household Income, 2007

Note: this includes county, city/town/village, and school district property taxes.

County and Rank*	State	Taxes as Percentage of Income
1. Passaic	New Jersey	8.5%
2. Union	New Jersey	8.1%
3. Essex	New Jersey	8.1%
4. Nassau	New York	8.0%
5. Westchester	New York	7.8%
6. Bergen	New Jersey	7.8%
7. Rockland	New York	7.7%
8. Putnam	New York	7.7%
9. Hunterdon	New Jersey	7.5%
10. Hudson	New Jersey	7.5%

*New York's Suffolk County is ranked 11th and Orange County 24th. Source: U.S. Bureau of the Census, American Community Survey, 2007

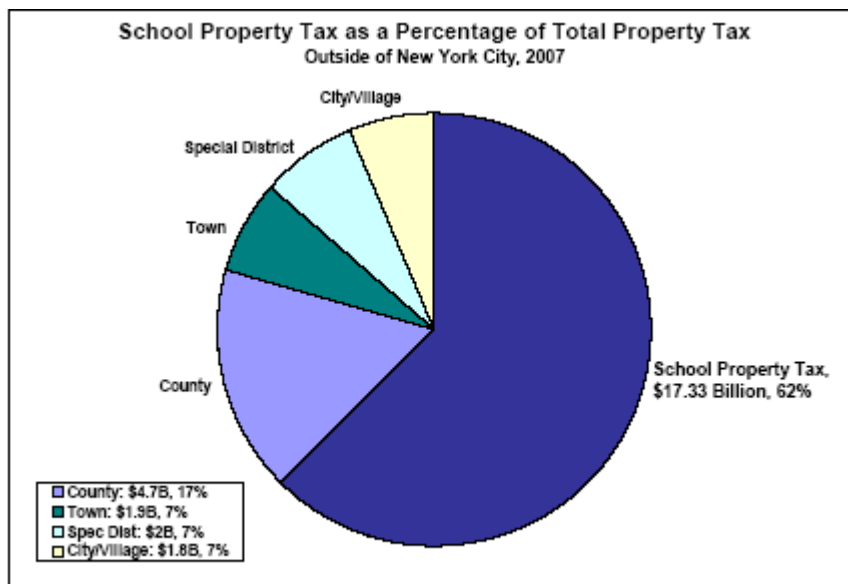
Median Household Tax by County, 2007

Note: this includes county, city/town/village, and school district property taxes.

County and Rank	State	Median Tax
1. Westchester	New York	\$8,422
2. Hunterdon	New Jersey	\$8,224
3. Nassau	New York	\$8,153
4. Bergen	New Jersey	\$7,797
5. Somerset	New Jersey	\$7,597

6. Essex	New Jersey	\$7,535
6. Rockland	New York	\$7,535
8. Morris	New Jersey	\$7,281
9. Union	New Jersey	\$7,007
10. Passaic	New Jersey	\$6,928

Source: U.S. Bureau of the Census,
American Community Survey, 2007



What can be done to reduce future property tax increases?

- New York State Commission on Property Tax Relief and Erie County Comptroller Mark Poloncarz, among others have set forth a number of ideas, including:
 - Create countywide property tax assessment and uniform statewide assessing standards.^{xxx}
 - Consolidate School Districts
 - Impose a tax levy cap which limits property taxes to an established percentage of the property's assessed value, in this case a proposed 4% tax levy cap.

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- ⁱ Unshackle Upstate. <http://www.unshackleupstate.com/files/PropertyTaxBusinesses1207.doc>
- ⁱⁱ Office of Real Property Services. <http://www.orps.state.ny.us/pamphlet/myths.htm>
- ⁱⁱⁱ Id.
- ^{iv} Id.
- ^v Id.
- ^{vi} Id.
- ^{vii} Office of the New York State Comptroller.
<http://www.osc.state.ny.us/localgov/pubs/research/propertytaxes.pdf>
- ^{viii} Id.
- ^{ix} Id.
- ^x “Property-tax Relief in Albany: Too Little, Too Late.”
<http://www.theithacajournal.com/article/20090421/VIEWPOINTS01/904210317/1129>. The Ithaca Journal.
April 21, 2009.
- ^{xi} http://www.cptr.state.ny.us/reports/CPTRFinalReport_20081201.pdf, p.32
- ^{xii} <http://www.orps.state.ny.us/star/ex/index.htm>
- ^{xiii} Id.
- ^{xiv} “County tax rate finally set: a 2% hike: Judge's ruling ends prolonged dispute.” Spina, Matthew. January 13, 2009.
- ^{xv} Id.
- ^{xvi} Id.
- ^{xvii} Id.
- ^{xviii} New York State Office of Real Property Services NYS ORPS Municipal Profile *available at*
http://www.orps.state.ny.us/cfapps/MuniPro/osc/oscAvrtaxlevy.cfm?fiscalyr_ending=2008
- ^{xix} New York State Office of Real Property Services NYS ORPS Municipal Profile *available at*
http://www.orps.state.ny.us/cfapps/MuniPro/osc/oscAvrtaxlevy.cfm?fiscalyr_ending=2008
- ^{xx} http://www.taxfoundation.org/files/proptax_county20k_byamount-200812123.pdf
- ^{xxi} The New York State Commission on Property Tax Relief.
http://www.cptr.state.ny.us/reports/CPTRFinalReport_20081201.pdf
- ^{xxii} Id.
- ^{xxiii} Id.
- ^{xxiv} Id.
- ^{xxv} The New York State Comptroller’s Report of New York State Property Taxes.
<http://www.osc.state.ny.us/localgov/pubs/research/propertytaxes.pdf>
- ^{xxvi} The New York State Commission on Property Tax Relief.
- ^{xxvii} Id.
- ^{xxviii} Id., p.46
- ^{xxix} POLONCARZ RELEASES MAJOR REPORT ON PROPERTY ASSESSMENT
<http://www.erie.gov/comptroller/press/pr032508.asp>
- ^{xxx} Id. p.7