



NEW YORK STATE SENATOR

William Larkin

Senate Passes Property Tax Relief Legislation

WILLIAM J. LARKIN JR. June 11, 2006

Senator Bill Larkin (R-C, Cornwall-on-Hudson) today announced the New York State Senate has passed legislation that would provide almost \$1 billion in much-needed relief to hardworking, overburdened taxpayers to help pay their school property taxes this fall. The bill represents an agreement with the State Assembly.

"Property taxes are the number one issue people stop me on the street to talk about," said Senator Larkin. "We pay the fourth highest property taxes in the nation. Hard working people need a break. Our main priority in the Senate is to provide the relief taxpayers need and deserve. This plan will do that and must be enacted into law as soon as possible."

The property tax relief plan (S.8174) would provide taxpayers an advance personal income tax refund check this fall for a portion of their school property taxes. Senior citizens would receive a significantly larger benefit than non-seniors. The total tax relief would be \$960 million annually. There will also be an accompanying increase in the existing personal income tax credit for New York City residents. The new tax credit would be in addition to the existing Federal and State deductions for local property taxes, STAR payments and the State circuit breaker tax credit. New Yorkers currently receive a total \$3.3 billion benefit from the STAR property tax relief program.

The savings to taxpayers from the new tax credit plan are comparable to the property tax relief included in the 2006-07 budget adopted by the Legislature that was vetoed by the Governor and overridden by the Legislature. The plan being acted on today uses a formula-driven tax credit to arrive at comparable savings for taxpayers and therefore is not a budget appropriation.

Under the new program, current STAR recipients will automatically be mailed tax credit claim forms. Under State law, refund checks must be mailed within 45 days of the receipt of the claim form by the Department of Taxation and Finance.

The bill was passed by both Houses and sent to the Governor.