



NEW YORK STATE SENATOR

Brian X. Foley

## Sen. Foley Announces Passage of Comprehensive Property Tax Relief Legislation

BRIAN X. FOLEY March 19, 2010

| ISSUE: TAXES, PROPERTY TAX, STAR (SCHOOL TAX RELIEF PROGRAM)



Includes property tax cap, circuit breaker tax relief, and restoration of STAR rebate checks for seniors

State Senator Brian X. Foley (D – Blue Point) announced the passage of sweeping legislation that will reform New York State’s property tax structure and immediately help seniors and working-families in Suffolk County. The legislation (S. 6212) implements a property tax cap and a circuit breaker tax credit system that will provide targeted relief to middle-class homeowners. In addition, senior homeowners earning \$150,000 or less will see their STAR

rebate checks restored.

“Out of control property taxes have wreaked havoc on homeowners and communities across Long Island,” said Sen. Foley who co-sponsored the legislation and helped get it passed in the senate. “This legislation will provide real, substantial relief to homeowners and control property taxes. I am proud to support the passage of this legislation because I know it will directly help working-families in Suffolk County.”

The circuit breaker tax credit will provide targeted tax relief to households earning up to \$250,000 per year and paying more than a threshold percentage of their income on property taxes, with the tax credit equal to 30% of property tax payments over the threshold percentage. Eligibility will be determined based on a formula in which the circuit breaker takes effect when spending on property taxes exceeds 7% of the first \$120,000 of income, 8% of the next \$55,000, and 9% of the excess, up to a total income of \$250,000.

Additionally, the legislation establishes a cap on school property taxes. Under the legislation, school tax increases would be capped at 4 percent or 120 percent of the Consumer Price Index (CPI), whichever is lower. Any school tax increase exceeding the 4 percent cap must be approved by a supermajority of 55 percent (as opposed to the “50 percent plus one” vote generally required to pass budgets).

Senior homeowners will see direct tax relief with the restoration of the STAR rebate checks. The rebate will apply to households earning \$150,000 or less. In order to avoid “double-dipping,” the bill requires that the amount of the STAR rebate check received be subtracted from the total property taxes paid when calculating circuit breaker eligibility.

**The legislation passed with broad bi-partisan support and a vote of 58-1. It is now awaiting passage in the state assembly.**