



NEW YORK STATE SENATOR

Dean G. Skelos

Senate Passes Bill to Restore Star Property Tax Rebate Checks

DEAN G. SKELOS June 6, 2012

*\$202 Million in Property Tax Relief For Seniors;
\$1.2 Billion for Middle Class Families in '13-14*

The New York State Senate today passed legislation, sponsored by Senator Kenneth LaValle (R-C-I, Port Jefferson), that would restore the STAR property tax rebate program. The bill (S7447) would provide \$202 million in property tax relief to senior citizens in the 2012-13 school year and \$1.2 billion in property tax relief to middle class families starting in 2013-14.

“The STAR program provides help to homeowners who are struggling to pay local property taxes,” Senator LaValle said. “With homeowners also facing difficulties keeping their homes because of the current troubled economy, it is more important than ever to reinstate the STAR Rebate Program.”

“The STAR rebate check program provided real and direct relief to people across the state, many of whom pay the highest property taxes in the country,” Senate Majority Leader Dean G. Skelos said. “Unfortunately, Senate Democrats eliminated the STAR rebate check program in 2009. We need to restore the program, especially for seniors and middle class families, to

help them afford their property taxes so they can stay in their homes.”

“We’ve already seen a significant impact from the property tax cap we enacted last year, but we need to do even more to provide relief for property taxpayers,” Senator Skelos said. “The state has passed two fiscally responsible budgets that stayed within a two percent spending cap and we should direct the savings to homeowners through rebate checks.”

Property taxpayers saved an estimated \$456 million from the impact of the two percent property tax cap this year, compared to the historical average increase of 4.6 percent.

The median property tax paid nationally is \$1,917, while New Yorkers pay \$3,755 -- a whopping 96 percent more than the national median in property taxes. New Yorkers pay the highest local taxes in the country as a percentage of personal income, almost 80 percent above the national average.

Under the provisions of the bill, beginning in the 2012-13 school year, senior citizens would receive a rebate check in an amount that equals 25 percent of the current STAR exemption benefit. The benefit would increase to 35 percent of the STAR exemption starting in the 2013-14 school year. Total property tax relief for seniors next school year would be \$202 million.

Basic STAR rebate checks for middle class families would be restored beginning in the 2013-14 school year. The amount of the rebate checks would be determined by income and the local school district tax rate. Total property tax relief would be \$1.2 billion. The income brackets would be as follows:

For Nassau, Suffolk, Rockland, Westchester, Putnam, Orange, Dutchess counties and New York City:

\$0 to \$120,00 – 60 percent of the STAR exemption

\$120,001 to \$175,000 – 45 percent

\$175,001 to \$250,000 – 30 percent

For Upstate New York counties:

\$0 to \$90,000 – 60 percent of the STAR exemption

\$90,001 to \$150,000 – 45 percent

\$150,001 to \$250,000 – 30 percent

The Basic STAR rebate check percentages would remain the same in the 2014-15 school year, but would increase in each of the next two years to 70 percent, 52.5 percent and 35 percent in

2015-16 and to 80 percent, 60 percent and 40 percent in 2016-17.

In any year when there is no appropriation for the rebate checks, senior citizens and middle class taxpayers would be able to claim a property tax credit, equivalent to their rebate check, against their personal income taxes.

The bill was sent to the Assembly.

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