



NEW YORK STATE SENATOR

William Larkin

Senate Passes Bill to Restore Star Property Tax Rebate Checks

WILLIAM J. LARKIN JR. June 7, 2012

| ISSUE: **STAR (SCHOOL TAX RELIEF PROGRAM)**

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

The New York State Senate has 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.

"I urge the Assembly to consider this legislation immediately," said Senator Bill Larkin (R-C, Cornwall-on-Hudson). "Homeowners, particularly seniors, need these rebate checks to be restored as soon as possible. Many are struggling to pay their property taxes and stay in their homes. This legislation will provide direct relief to these taxpayers and I urge immediate action," said Larkin.

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 \$120,000 – 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 has been sent to the Assembly.