



NEW YORK STATE SENATOR

Hugh T. Farley

Sen. Farley Reports 2014-15 Budget Provides Almost \$5 Billion in Property Tax Relief

HUGH T. FARLEY April 1, 2014

| ISSUE: **BUDGET**

State Senator Hugh T. Farley (R, C, I – Schenectady) reported there will be property tax relief from the 2014-15 state budget, including a record amount of funding for the STAR program -- \$3.4 billion -- and \$1.5 billion in relief over the next three years from a new property tax freeze program.

* New Property Tax Rebates – The new property tax rebate program would provide direct relief to taxpayers in school districts and municipalities that stay within the two percent property tax cap and submit efficiency plans to the state that result in local cost savings of at least one percent or have already implemented cost reduction plans at the local level.

As many as 2.8 million property taxpayers outside New York City will receive direct property tax rebate checks in October as a result of this program which will encourage communities to keep property taxes under control. After this year the relief will come in the form of a tax credit on their annual income tax return.

It's projected that the property tax freeze program will provide \$344 million in property tax relief in 2014-15; \$810 million in 2015-16 and \$347 million in 2016-17.

* Record STAR property tax relief – The 2014-15 State Budget includes a record amount of \$3.4 billion in property tax relief from the STAR program. That includes \$905 million in relief through the Enhanced STAR program for senior citizen homeowners. New York City residents who fund schools through income taxes will see \$611 in tax relief.

* Increase in School Aid – Senate Republicans fought for an increase in school aid of \$1.1 billion to hold down local school property taxes. The state aid will be distributed fairly and equitably to districts across the state.

* County Medicaid Takeover – In 2015, the state will complete a 100 percent takeover of county Medicaid costs. This takeover represents significant mandate relief and will help keep local property taxes under control by providing counties with a savings of \$187.1 million in 2015, and a total of \$1.2 billion in local Medicaid savings by 2017.