



NEW YORK STATE SENATOR

John A. DeFrancisco

## 2014-15 Budget Provides Almost \$5 Billion in Property Tax Relief

JOHN A. DEFRANCISCO April 30, 2014

| ISSUE: **BUDGET**

New York's hardworking families will see substantial 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.

Senate Co-Leader Dean Skelos said: "The property tax relief measures in the new state budget build on the Senate Republicans' record of fighting for property tax relief that includes creating the original STAR program, enacting the two-percent property tax cap, and initiating a STAR rebate check program, which was eliminated by Senate Democrats in 2009. With this budget we are continuing our efforts to bring property taxes under control and bring real relief to homeowners and businesses that pay some of the highest property tax burdens in the country."

Senator John DeFrancisco (R-C-I, Syracuse), Chairman of the Senate Finance Committee said: "This budget includes significant property tax relief to help families and businesses that have been struggling to pay their tax bills. Between increases in the STAR program, a new property tax rebate initiative and the increase in school aid, we are taking major steps to ease the property tax burden on all New Yorkers."

Senator John Flanagan (R-C-I, East Northport), Chairman of the Senate Education Committee, said: "Providing direct relief to our taxpayers while continuing to fairly fund our state's schools are interconnected goals that have been the main priorities of the Senate Republican Conference during these budget deliberations. The over one billion dollar increase in education aid for our students combined with the direct tax relief will help relieve the burden our homeowners face while protecting the educational opportunities our students and parents have a right to expect. This will allow our children to continue to get the best education possible while enabling our families to keep more of their money."

**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.

#####