



NEW YORK STATE SENATOR

John J. Flanagan

## Senate Passes Legislation Making The Property Tax Cap Permanent

JOHN J. FLANAGAN May 19, 2015

| ISSUE: **PROPERTY TAX**



The New York State Senate today acted on one of its top end-of-session priorities by passing legislation to make the property tax cap permanent. The bill ([S5597](#)), sponsored by Senate Majority Leader John Flanagan (R-C-I, East Northport), would prevent the planned expiration of the tax cap to continue saving taxpayers billions of dollars each year, increase investments by businesses, and create more jobs.

Senator Flanagan said, “The tax cap has helped our state make real progress in slowing the relentless growth of property taxes faced by residents and businesses throughout New York. By permanently continuing the cap, we will bring certainty to taxpayers, help them keep more of their hard-earned money, create good jobs, and grow our economy for the future.

The Assembly and the Governor must help us take the next step and make the current property tax cap permanent."

A [recent report](#) that looked at the decades-long trends of school tax increases estimates that taxpayers have saved \$7.6 billion over the past three years as a result of the property tax cap. School tax levies have risen by an average of just 2.2 percent annually -- the lowest average growth for any comparable period in New York since 1982. As voters go to the polls today to vote on school budgets, property owners are expected to save a total of \$3.3 billion in 2015-16 alone due to the cap.

The property tax cap was enacted in 2011 due to Senate Republican efforts to reduce New Yorkers' tax burden. The cap limits the annual growth of property taxes levied by local governments and school districts to two percent or the rate of inflation, whichever is less. Since 2012, the vast majority of all school districts and municipalities have kept spending increases below the cap, leading to significant property tax savings for residents and businesses.

The cap was created in conjunction with a commitment to continue supporting school districts with school aid increases. This year, the Senate passed an on-time budget that included a \$1.4 billion increase in school aid – which reflected an increase of hundreds of millions of dollars above what the Executive Budget originally proposed – to ensure that children are college and career ready. When combined with funding for STAR and Enhanced STAR payments to school districts, overall education spending will total nearly \$27 billion.

The bill has been sent to the Assembly.