



NEW YORK STATE SENATOR

James L. Seward

## Homeowner Protection & Property Tax Rebate Act

JAMES L. SEWARD March 15, 2010

| ISSUE: **TAXES, PROPERTY TAX, STAR (SCHOOL TAX RELIEF PROGRAM)**

ALBANY, 03/11/10 – State Senator James L. Seward (R/C/I-Oneonta) today announced a major new property tax cut initiative that will help New Yorkers remain in their homes. The “Homeowner Protection and Property Tax Rebate Act” would provide a property tax rebate for every middle-class homeowner, includes a cap on property taxes and significant mandate relief.

**“The tax rebate plan will serve as a life-preserver for many families who are struggling to make ends meet and senior citizens on the verge of losing their homes,”** said Senator Seward. **“The bill would provide immediate relief for millions of homeowners with an emphasis on helping those whose taxes far exceed their ability to pay.”**

Under the proposal, homeowners would receive property tax relief checks equal to their 2008 STAR property tax rebates or amounts based on their incomes through a new property tax relief credit, whichever proves more beneficial.

The STAR rebate would be approximately thirty percent of a homeowner’s current STAR exemption, providing hundreds of dollars or more each year in property tax relief. A new “circuit breaker” tax credit would give back seventy percent of all property taxes paid in excess of six percent of household income.

Under the “circuit breaker,” a taxpayer with a household income of \$50,000, paying \$5,000 in property taxes, would receive a \$1,400 tax credit. A taxpayer with household income of \$90,000, paying \$9,000 in taxes, would receive a \$2,520 tax credit.

The plan also includes a proposal to freeze property taxes for seniors age 70 or older to help address the problem of seniors living on fixed incomes who are being taxed out of their homes.

**“The initiative is a multi-pronged approach to address high property taxes that are driving families and businesses out of New York at an alarming rate,”** Seward continued. **“It will also help stimulate the economy. Cutting property tax bills means people can spend their hard-earned money on our Main Streets and in our stores, creating jobs and leading to real growth.”**

The “Homeowner Protection and Property Tax Rebate Act” also includes substantial measures to help school districts control spending. The plan calls for a permanent ban on all unfunded mandates, along with implementation of new reforms at the State Education Department to keep costs down. In addition, the plan would reduce paperwork for schools, authorize regional transportation and provide school districts with greater flexibility to purchase from existing contracts held by other government entities.

**“School superintendents time and again have implored the state to cut mandates,”** Seward added. **“This plan will allow schools to make more effective use of state aid dollars, better serving students and reducing property tax bills they mail out each fall.”**

The plan would be paid for with savings generated from passage of a cap on state spending, which Senator Seward has long advocated for and helped approved in the senate on two separate occasions. A spending cap would have saved taxpayers \$6.4 billion in last year’s budget and will produce more than enough revenue to provide property tax relief going forward.

**“Providing property tax relief has to be a top priority as we move forward with budget negotiations, and we need to move forward immediately. The April 1st budget deadline is fast approaching and the process is at a standstill. Bipartisan, public budget conference committees need to start meeting and negotiating a spending plan that will cut state spending, hold the line on taxes and put people back to work. We cannot afford to wait any longer,” Seward concluded.**