



NEW YORK STATE SENATOR

Terrence Murphy

## No longer the pits: Sen. Murphy co-sponsors bill to expedite tax relief credit checks for homeowners

TERRENCE MURPHY February 13, 2017

| ISSUE: **STAR**



ALBANY, NY – Taxpayers tired of hearing “the check is in the mail” turned to Senator Terrence Murphy and his fellow legislators in the hope of eliminating the delays and penalties they have incurred while waiting for their personal income tax credit (STAR PIT) checks. Acting swiftly and decisively, Senator Murphy co-sponsored S3505, an amendment to the tax law that will give eligible homeowners the funds they deserve.

“Taxpayers should not be penalized for getting entangled in bureaucratic red tape. The State must continue to work to ensure taxpayers entitled to STAR PIT checks receive them on a more timely basis,” Senator Murphy said. “While there are complexities involved in administering a program of this magnitude, the reality is homeowners are the ones being penalized while they wait for funds they are entitled to by law.”

Senator Cathy Young said, “New homeowners should not be penalized because the state system has changed and they now receive their STAR PIT Credit as a rebate check. The rebate is supposed to be pre-paid to homeowners before their school tax bill is due, but many hardworking property taxpayers have been frustrated with the delay, or lack of payment by the Department of Taxation and Finance. The state agency has a responsibility to provide relief for our overburdened taxpayers, and homeowners deserve to be compensated with interest if the state cannot meet its obligation.”

The new legislation requires that the Department of Tax and Finance postmark all advance payment STAR checks by September 15th to allow taxpayers adequate time to pay their School tax bills. A section of the bill calls for the State to reimburse taxpayers for any penalties incurred for not paying their tax bill on time due to their not having received their personal income tax credit check before the due date. In addition, the bill requires that the current 3% rate of interest be applied for each overdue day past September 30th, the date when school tax bills are due in most municipalities.

“I commend Senator Murphy for his work in support of this vitally needed legislation,” said Somers Town Supervisor Rick Morrissey. “The STAR PIT tax credit provides much needed relief for new homeowners from school taxes, and it’s imperative that these residents receive their checks on time and for the accurate amount. New York State has proven its efficiency in collecting our taxes and fees, and they should be made equally accountable in providing the tax relief they are legally obligated to offer. Thank you Senator Murphy your support of

the hardworking residents of the Town of Somers.”

Carl Fulgenzi, Mt. Pleasant Town Supervisor, said, “I support the amendments that require postmarking of Star checks prior to September 15th. The amendments will allow new homeowners sufficient time to pay their September school tax bill without being subjected to penalties. Without this legislation, continued delays in sending checks will only add an additional burden to New York homeowners relying on this exemption.”

The Enacted Budget Financial Plan for Fiscal Year of 2017 changed the STAR exemption into a refundable personal income tax credit for new homeowners referred to as STAR PIT. The STAR PIT credit was supposed to be paid to homeowners by September 30th. Many homeowners complained to their legislators that their checks arrived late and in some instances they received a lesser amount than promised.

Senator Murphy also serves as chair for the New York State Senate Committee on Investigations & Government Operations. Last week he sent a letter to Nonie Manion, Executive Deputy Commissioner for the New York State Department of Taxation and Finance, inquiring why the State struggled to mail STAR Tax Credit and Real Property Tax Freeze checks to qualified homeowners on a timely basis. The inquiry was the result of the Committee’s discussion with the acting Commissioner of Taxation and Finance during a joint legislative public hearing on taxes.

The acting Commissioner was unable to provide sufficient answers about the delays in delivering the checks. The Department of Tax and Finance has until February 17th to respond to the Committee’s inquiry.