



NEW YORK STATE SENATOR

Elaine Phillips

Senator Phillips: State Should Compensate Homeowners Affected by Delays in STAR Program

ELAINE PHILLIPS February 14, 2017

| ISSUE: **STAR (SCHOOL TAX RELIEF PROGRAM)**

Senator Elaine Phillips (R-Manhasset) announced that the New York State Senate passed legislation to compensate taxpayers who are still waiting for School Tax Relief (STAR) program savings because of changes to the program last year. The legislation, which Senator Phillips cosponsored, would require the state to pay interest to taxpayers when it is late providing them with their STAR savings.

“STAR delivers valuable school tax savings to residents. The changes made last year provide new homeowners with their STAR savings in the form of a check instead of a credit on their taxes. Many of these homeowners didn’t receive their STAR checks in time to pay their taxes and were forced to lay out hundreds of dollars to cover the difference; that’s wrong. When taxpayers owe the government money, they are penalized if they fail to pay on time. It’s only fair that the government abide by the same rules when it owes money to taxpayers,” said Senator Phillips.

The STAR program has delivered almost \$60 billion in tax relief to eligible homeowners since its inception. Last year’s budget changed the program for new homeowners by converting the savings from a credit on a homeowner’s tax bill to a property tax check sent to homeowners. The conversion applied to people who purchased their primary residence

after the 2015 STAR application deadline or did not apply for the exemption by the 2015 STAR application deadline.

These homeowners were supposed to receive checks in the mail by September 30, 2016. However, many received their checks late or received the wrong amount of money. In some cases, homeowners are still waiting for them to arrive. The Senate estimates the average basic STAR benefit is \$840 per eligible homeowner and the average senior STAR benefit is \$1,555, and people need that money to pay their taxes on time.

This legislation (S3505) would require STAR checks to be postmarked by September 15th to allow taxpayers adequate time to pay their school tax bills, and require added interest for any late payment penalty imposed by a school district plus interest of three percent annually for checks postmarked after September 15th and received after September 30th.

The bill has been sent to the Assembly for consideration.