



NEW YORK STATE SENATOR

John J. Flanagan

## New York State Senate Passes Legislation To Compensate Taxpayers Affected By STAR Program Payment

JOHN J. FLANAGAN February 15, 2017

| ISSUE: **STAR REBATE CHECK**



Senate Majority Leader John Flanagan (2<sup>nd</sup> Senate District) announced that the New York State Senate has passed legislation to compensate property taxpayers who are owed money by the state after last year's changes to the School Tax Relief (STAR) program. The bill ([S3505](#)), sponsored by Senator Catharine Young (57<sup>th</sup> Senate District), would enable taxpayers who have applied for STAR but who do not receive accurate reimbursement payments from the state in a timely fashion to be paid interest for each day their check is late.

**“Homeowners who have followed our state tax laws should not have to wait to receive well-deserved and need tax relief. This legislation would hold the state accountable so that homeowners are rightly compensated when their rebates are late. We look forward to working with the Assembly and the Governor to make sure our residents are protected,” stated Senator Flanagan.**

Senator 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.”

Since its enactment as a part of a longstanding Senate priority to provide significant savings for taxpayers each year, the original STAR program has provided almost \$60 billion in property tax relief to eligible senior and non-senior homeowners. This year alone, total STAR benefits to eligible recipients are estimated to be almost \$3.4 billion. The current STAR program provides property tax exemptions to seniors (\$970 million) and non-seniors (\$1.8 billion) as well as a personal income tax credit and rate reduction for New York City residents (\$615 million).

Last year’s budget changed the current STAR program by phasing out direct payments to school districts on behalf of eligible homeowners and converting STAR exemptions into a refundable property tax credit for new 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.

The credit was paid in the form of checks that were supposed to have arrived in the mail by September 30, 2016. However, multiple reports and many constituent complaints indicate

that numerous checks arrived late or with the wrong amount of money. The Senate estimates the average basic STAR benefit is \$840 per eligible homeowner and the average senior STAR benefit is \$1,555, and many property owners need that money to pay their taxes on time.

This legislation would require STAR checks to be postmarked by September 15 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 15.

The bill has been sent to the Assembly.

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#### RELATED LEGISLATION

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### **2017-S3505**

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- Introduced
  
- ◦ In Committee Assembly
  - In Committee Senate
  
- ◦ On Floor Calendar Assembly
  - On Floor Calendar Senate
  
- ◦ Passed Assembly

- Passed Senate

- Delivered to Governor

- Signed By Governor

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Relates to the advanced payment of the school tax relief credit

January 23, 2017

Stricken

Sponsored by Catharine Young

Do you support this bill?