

Making Sense of NYC Real Estate Tax System

January 20, 2016

By Corey Bearak, *The Public Ought To Know*

Queens, NY – The City's just released report of **real** property values finds the City real estate exceeding \$1 trillion. Property values increased 102.5 billion to \$1.072 trillion according to NYC's Finance Department. That certainly means more revenue for city coffers. Well maybe.

A complicated formula apportions property tax revenue proportionally by state law among four property classes. In addition, the same law limits tax assessment increases and **perpetuates inequities**; this limits the ability of the City to capture market value increases on many properties without regard to property occupancy and ability to pay. This system, originally intended to promote home ownership, just begs for reform

Indeed my commentary last year recommended "**Why Not Chance Some Real Property Tax Reform?**" City assessment practices **unfairly benefit wealthy** New Yorkers who own expensive homes and apartments. Sally Goldenberg in Capital New York reported two homes rented out in Park Slope increased in value to a combined \$3.24 million. My modest Bellerose home comes in at less than 12% of that. I doubt state lawmakers a generation ago envisioned they passed a law to that treats those absentee-owner properties at the same percent of market value as a home lived in by an owner.

The State Assembly holds a **hearing** this Friday (January 22, 2016) to evaluate the City's current system of real property taxation and discuss improvements possible through State legislation. Reform offers more than fairness for homeowners, co-op and condo owners and tenants and an opportunity to introduce some progressive approaches; it empowers New York City to capture substantial revenues to fund these approaches and other priorities. Further it can help return absentee properties used for non-residential purposes to housing; increasing such housing ultimately helps address affordability as well as supply.

For further discussion view this presentation - <http://tiny.cc/q4vwtx> (It links to additional commentaries and reports.)

***Corey Bearak** can be reached at StrategicPublicPolicy.com. Find his ebook, *The Public Ought To Know*, at [Kindle](#), [Nook](#) and [Apple iBooks](#).

