

Press Release

For Immediate Release

April 22, 2009

Contact:

Ron Deutsch, NYFF 518-469-6769

Frank Mauro, FPI 518-786-3156

Gioia Shebar, 845-256-0082

Susan Zimet, 845-527-5309

**Omnibus Consortium Joins With Senator Krueger to Advance Circuit Breaker and Promote Real Property Tax Reform (S. 4239)
Consortium Calls for Action on This Bill by End of Session**

(Albany, N.Y.) — A coalition of property tax-reform groups, fiscal watchdogs, and unions joined Senator Liz Krueger at a press conference today to support her Property Tax Circuit Breaker bill (S. 4239).

The Consortium strongly supports the Senator's bill and intends to work with the Senate, Assembly and the Executive to see this bill enacted into law by the end of this session. The bill would provide much needed property tax relief to middle income tax payers and would be phased in over a period of years in recognition of the state's precarious fiscal situation. The group had suggested using the revenue generated from the elimination of the flawed STAR rebate program to fund the Circuit Breaker.

The Consortium members all agree that the STAR Rebates were not nearly targeted enough to provide meaningful property tax relief. The program provided relatively small checks to everyone regardless of need and did not address the problem of New Yorkers being taxed out of their homes by excessive property tax burdens. Senator Krueger's Bill, based on the Omnibus Circuit Breaker, will help overburdened renters as well as homeowners and will include municipal and other ad valorem taxes in addition to school taxes.

"Our complaining about the property tax problem in New York State has not produced any results. The Omnibus Consortium came together almost 11 months ago to work on a solution. We developed a short term relief/long term reform solution called the Omnibus Property Tax Relief and Reform Act. We salute Senator Krueger for taking the lead on introducing the relief portion of this bill in this legislative session," said **Ulster County Legislator Susan Zimet** and one of the co-founders of Omnibus Consortium. "Senator Krueger and the Senators that join with her show real leadership in understanding the critical need of financially responsible legislation that starts to address the

dire situation of New Yorkers and their property tax crisis,"

Steve Allinger, Legislative Director for New York State United Teachers (NYSUT) said that, "This proposal provides real tax relief to those families that need it the most. It's not some politically popular gimmick but, rather, meaningful public policy that's going to help real people."

John Whiteley, of the New York State Property Tax Reform Coalition, noted that eligibility and benefits under this bill are phased in over a four year period in deference to the state's current fiscal situation. "At the same time," Whiteley stressed, "this fiscally responsible bill still preserves the most critical elements of a meaningful circuit breaker. It applies to ALL ad valorem property taxes, not just school taxes, recognizing that municipal, county and special district taxes in many areas of the state are a huge burden that can actually exceed the school tax. It maintains a 70% income tax credit for property taxes paid above a given percentage of income, providing meaningful relief to those paying the highest percentages of their income in property tax on their homes. And beginning in the second year it includes our most overburdened renters, reflecting that higher property taxes forced on landlords are a major cause of escalating rents."

"This bill is too modest in its fiscal implications to raise objections from anyone who genuinely wants property tax relief. It lays out a series of baby steps that even the most cautious lawmaker can get behind while providing the necessary safeguards," said **Robert McKeon, Director of TREND NY**.

"Our consortium partners and I believe the passage of Senator Krueger's Bill is necessary to balance the needs of property taxpayers and the fiscal needs of the state," said **Gioia Shebar, coordinator of Taxnightmare.org and member of the Ulster County Blue Ribbon Commission**. "The escalation of property taxes must be addressed right now because we are in crisis mode. The years of inattention to this problem cannot continue."

"Property tax groups, unions, advocates and others across the state are urging the Legislature and Governor to enact meaningful property tax relief now," stated **Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness**. "Senator Krueger has shown a strong commitment to meaningful property tax relief for homeowners and renters by supporting the circuit breaker approach our Consortium has outlined."

Many reformers have called upon the state for years to make New York's overall tax system more equitable by reducing the state's reliance on local property and sales taxes and increasing its reliance on state taxes based on ability to pay. Unfortunately, nothing has been done to date to either address the long term structural problem (that New York State policies put an undue amount of pressure on the property tax) or to effectively address the critical short term problem of people being taxed out of their homes. The new commitment

from the leaders provided hope to many groups that have been fighting for relief for a very long time.

Frank Mauro, executive director of the Fiscal Policy Institute said that, “In addition to Senator Krueger’s Circuit Breaker bill the state should also provide for the creation of a tax reform study commission, with members to be appointed by the Governor and all four parties in the Legislature, and the establishment of a statutory requirement for both a periodic study of the incidence of the overall state-local tax system and analyses of the distributional impact of proposed tax legislation. These are all essential steps if New Yorkers are to have real tax reform.”

During the last two years, local real property tax reform groups, fiscal watchdogs and unions have been successful in making the idea of a middle class circuit breaker a front burner issue in New York State government and politics. Large portions of the public understand what a circuit breaker is, and there is broad public support for the idea of a middle class circuit breaker as a way to deal with situations in which homeowners are significantly overburdened by their property taxes. It is important that New York policymakers seize this opportunity to phase in an effective middle class circuit breaker. But it is equally important that they adopt a long term strategic approach to moving a significant amount of costs from the local to the state levels in a way that achieves true tax reform.

Members of the Omnibus Consortium have been working together over the past 9 months on legislation that would reform the property tax system to provide immediate relief to overburdened homeowners through creation of a property tax circuit breaker — with the long-term goal of creating a fair and equitable tax system by shifting costs from the local level to the state.

Omnibus Consortium Members

Susan Zimet, Ulster County Legislator- Chair Ulster County Blue Ribbon Commission on School Funding and Tax Reform (Ulster BRC) and Property Tax Agenda

Rich Gerentine, Ulster County Legislator, Ulster BRC

John Whiteley, Tri-County Tax Reform, NYS Tax Reform Coalition

Roberta Whiteley-Tri County Tax Reform, NYS Tax Reform Coalition

Robert McKeon-TREND (Tax Reform Effort of Northern Dutchess County), Tax Reform Coordinator

Bernetta Calderone- Taxnightmare Coordinating Committee- Women's Issues Leader for Corrections Dept., Ulster BRC

Tara O'Connor-Alisse, Taxnightmare.org Coordinating Committee -Ulster BRC

Sam Davis, Putnam Reform Group, Taxnightmare.org Coordinating Committee

Gioia Shebar- Coordinator, Taxnightmare.org, Ulster BRC

Bill Hecht- Cayuga County Property Tax Reform Coordinator

Frank Mauro, Fiscal Policy Institute, author of the Omnibus Property Tax Relief and

Reform Bill

Ron Deutsch, New Yorkers for Fiscal Fairness, Omnibus Consortium Coordinator

Melinda Person, NYSUT

Billy Easton, Alliance for Quality Education

Ellie and Bill Trumbour, N.Y. Farm Bureau

Jason Angell, Center for Working Families

Victor Bach, Community Service Society

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