

The Public Ought To Know

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By Corey Bearak

Why Not Chance Some Real Property Tax Reform?

The recent stories on the accumulation of foreign, non-resident ownership of residential real estate, in particular housing that serves its owners as a pied-a-terre, renew attention to the outdated New York City real property tax system. It remains a system that begs for reform.

It perpetuates documented inequities that benefit wealthier and the wealthiest New Yorkers at the expense of all others. And I talk not of the issue of tax abatements.

A generation ago, New York City implemented a system of real property taxation to prevent an unfair increase on homeowners. The Hellerstein decision's impact threatened to hike taxes abnormally on middle class, modest and low-income homeowners. The solution protected those folks but also provided an enormous windfall to the wealthiest; the same formula that limited assessment hikes, thus property tax increases, for those of more modest means save tens of thousands for those at the very top.

The STAR program only applies tax relief based on owner-occupancy. In New York City it appears that many one and two family homes, perhaps as many as one-third, provide income rather than any housing for their owners; yet these non-resident owners get the same break as those who live in their homes. Revising the system to limit beneficial treatment to the non-absentees could easily result in many billions in new revenues. These funds could help make housing affordable, including for renters, reduce property taxes for lower and middle income homeowners (including co-op and condo owners) and tenants (reduce taxes/ reduce rents). For further discussion view this presentation - <http://tiny.cc/q4vwtx>— which includes 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](#).**

