

We Can Make NYC Property Taxes Fair And Equitable

May 11, 2017

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A recent report highlights that many homes over one million dollars pay less in real estate taxes than modest homes. This pattern of unfairness must be addressed and soon.

It exacerbates economic inequality. It begs for the remedy advocated in this space: Revise the City's Real Property Tax system as it currently applies to one, two and three family homes ("Class one properties"). Why not treat owner-occupied housing units alike for real estate taxation purposes and create a homestead exemption to ensure that the City's middle class and those less well to do can afford to remain."

As a first step, tax absentee owner houses as the rental properties to capture many billions in new revenues. Second, apply a homeowner exemption to homes valued under 800,000 and reform the tax rate accordingly so high valued homes pay their fair share.

A news story on that report highlighted how the Mayor will pay just \$3,581 in real estate taxes this year on each of two properties valued at more than \$1.6 million he owns but does not occupy. It juxtaposed that against a Laurelton homeowner who pays nearly \$1,000 more in real estate taxes for a home less than one-quarter in value. For the current tax year, the owner of a similarly valued home in the northern part of the same community board, in Bellerose, paid some \$200 in property taxes. And unlike the mayor, both owners of the modest homes live there. Property Tax inequality alert here.

So let's look at the reform outlined above and make similar application to reforms needed for condos and cooperatives and rentals. The additional revenue captured by addressing the inequality will certainly fund property tax reforms.

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