

# Group wants shift in tax philosophy

By **EDWARD J. CARR**

*Gazette staff writer*

A group of advocates from around the state are urging Gov. David A. Paterson to reduce New York's reliance on local property and sales tax and place more emphasis on collecting taxes "based on the ability to pay."

The Omnibus Consortium, a collection of "property tax groups, unions, fiscal watchdogs and education advocates," gathered in Albany last Wednesday to discuss their plans for a "more logical and fair" solution to New York state's property tax crisis.

"This is a historic event," said Ron Deutsch, executive director of New Yorkers for Fiscal Fairness. "Many of the groups that are standing here today form what we're calling the Omnibus Consortium. We're here today to release what we believe is the solution to the property tax woes faced by New York state right now."

The plan the coalition unveiled would do away with the "archaic" property tax system in the state and replace it with a "circuit-breaker" tax system.



Gazette photo by Anand Balasar

Susan Zimet, Ulster County legislator, left, Goya Shebar, coordinator of TaxNightmare.org, center, and Ron Deutsch, executive director of New Yorkers for Fiscal Fairness talk about a circuit breaker on property taxes.

A circuit-breaker tax system gives tax credits to homeowners whose property tax payments represent a large amount of the homeowner's income.

"New Yorkers desperately need short and long-term tax relief," Deutsch said. "Some people are being charged 30 or 40 percent of their income in property taxes."

Under the group's plan, the state would fund the new circuit-breaker tax plan by doing away with the School Tax Relief Program already in effect.

Under the STAR program, homeowners in New York receive a check annually meant to help them cover the payment of their property taxes. According to the state Department of

Taxation and Finance, "rebate amounts are determined based on a combination of factors, including the income bracket for your property, the tax rate for the school district where the property is located, and the city, village or town where the property is located." The rebate can range anywhere from \$50 to \$500.

"The STAR rebate check program ... provides relatively small checks to all homeowners," said Frank Mauro of the Fiscal Policy Institute. He said the circuit-breaker credit would "provide significant relief to those homeowners who are truly overburdened by their property taxes."

"Our people are dying. We're dying," said Susan Zimet, an Ulster County legislator representing New Paltz. "People are losing their homes every single day." Zimet said she and the consortium would be visiting every legislator they could to try to get them behind the reformed tax program.

Their long-term plan for property tax relief strives to "make the New York's

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overall tax system more equitable by reducing the state's reliance on local property and sales taxes based on the

ability to pay," mainly focusing on collecting more from individual and corporate income taxes.

"We would implement a bracketed [tax] structure that is the same for upstate and downstate," Mauro said.

The coalition hopes this plan will

raise \$10 billion in 10 years with their reformed income tax plan.

The group's plan is an expansion of the Galef/Little Bill, named after its main sponsors Assemblywoman Sandy Galef, D-Ossining, and Senator Elizabeth Little, R-Queensbury. The Galef/Little

Bill introduced the idea of providing a tax circuit-breaker to homeowners in New York state.

"None of us own our own homes," said Bill Hecht, Cayuga County property tax reform coordinator. "We all pay rent; taxes."

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