



June 16, 2015

To the Editor,

As New York State prepares to renew or make permanent the cap on local government property tax levies, a new report by the Pew Charitable Trusts highlights why local property taxes in New York State are so high. The problem has little to do with local governments and won't be solved by a tax cap.

The Pew Trusts data show that an average state receives about 2% of its revenue as transfers from local governments. In New York State, the number isn't 2%. It is 15%. Over one-seventh of the State's revenue comes from local governments.

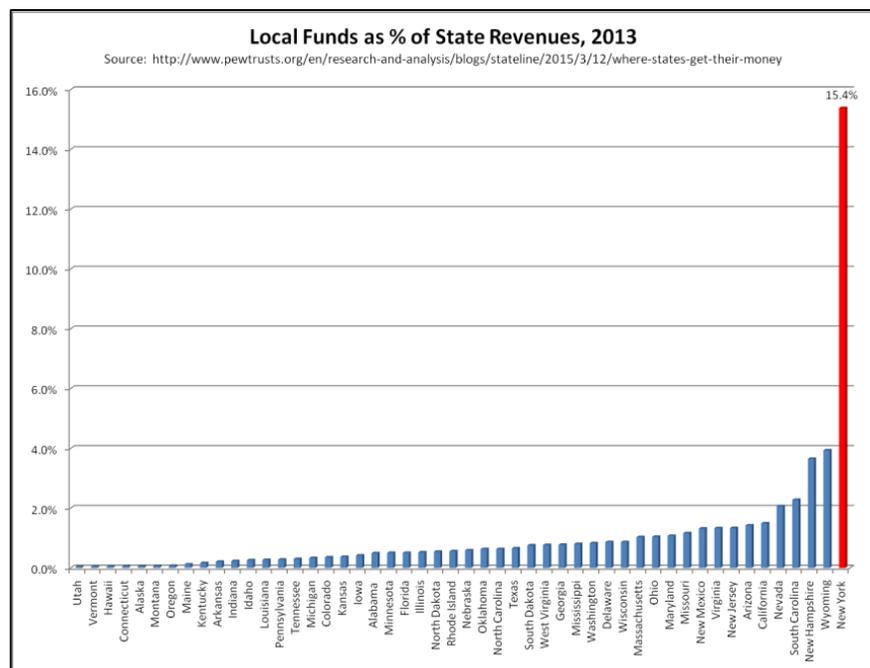
As the Pew report notes "New York got more if its revenue from local funds (15%) than any other state. Among those states that require local governments to pay for part of the health care costs incurred by Medicaid patients within their jurisdictions, New York's local governments make a particularly large contribution."

Simply put, New York State has shifted over one-seventh of its costs to local governments, who must

then raise property taxes to pay those bills. Rarely has the disparity between New York and other states been so clearly presented, and the mystery of high local property taxes so effectively explained.

Clearly, the problem of high property taxes in New York State will not be solved by a permanent tax cap, or rebate checks, or by conjuring up false images of wasteful local governments.

A real solution depends on the State acknowledging and addressing what is shown with such elegant simplicity by the Pew Charitable Trusts analysis—that the State has shifted 15% of its own costs to local



governments. When that local property tax subsidy of the State budget ends, so will the era of high local property taxes in New York State.

Signed,

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