

Unfair to Upstate

An Evaluation of the
Distribution of Rebates Under the
Executive Budget Tax Freeze Plan



Findings

The proposed property tax freeze plan contained in the Executive Budget favors downstate suburban communities at the expense of upstate communities. The so called “freeze” would provide rebates to homeowners in downstate suburban counties that average more than three times the size of the rebates offered in upstate counties.

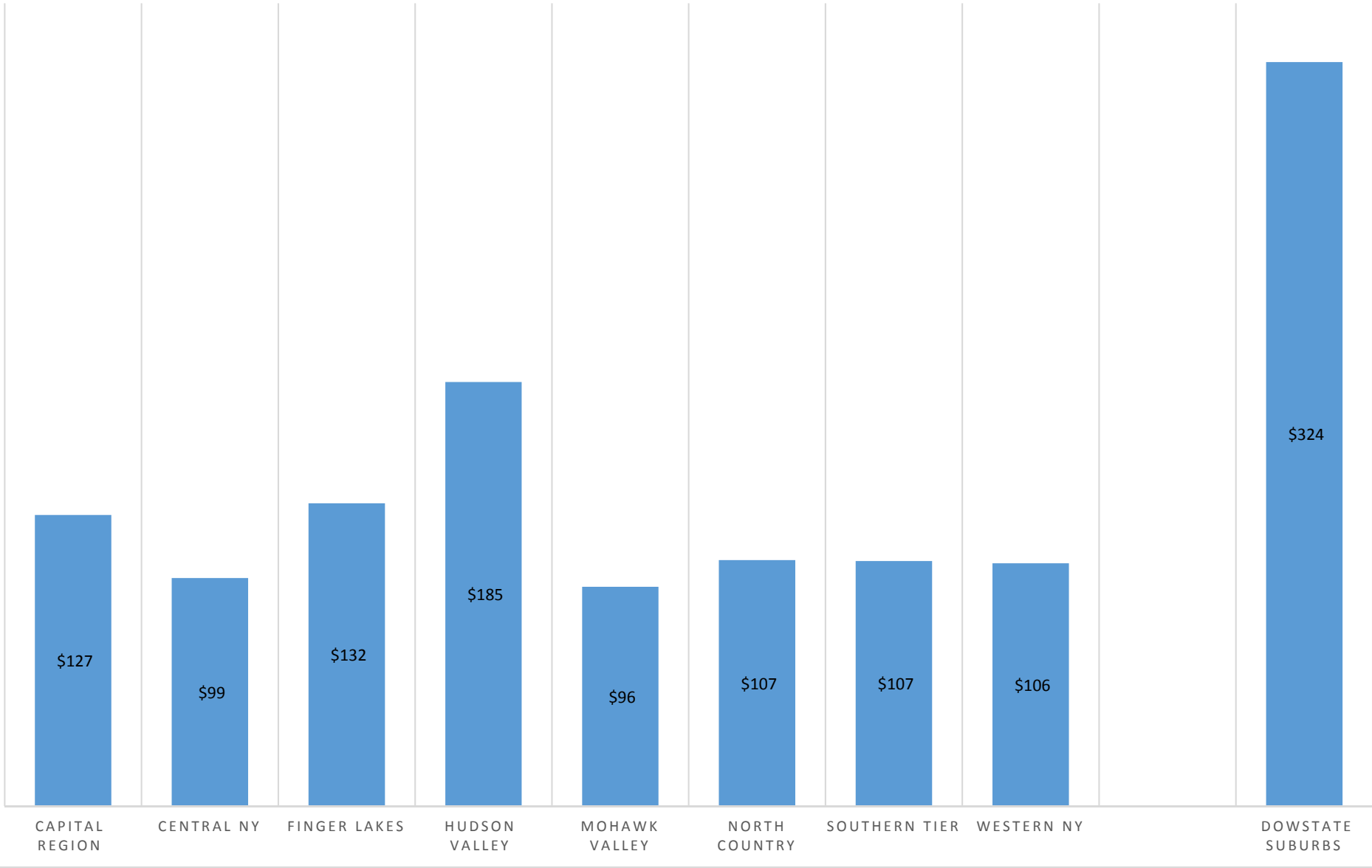
This analysis conducted by the Public Policy & Education Fund shows wide variations in the average size of the anticipated “freeze” checks between downstate suburban counties and upstate counties. The report calculates the average size of the school tax levy portion of the “freeze” check by county and region using the 2013-14 school tax levy to determine the distribution that would have occurred had the “freeze” been in place in 2013.

The average homeowner in the downstate suburbs would receive \$324 freeze check while in upstate regions average rebates would have ranged from \$96 in the Mohawk Valley to \$132 in the Finger Lakes.

The proposed property tax freeze hits Upstaters with a double-whammy. Upstate taxpayers would not only subsidize higher rebate checks for well-off suburban homeowners, but will also face the impact of cuts in schools and local services in order to fund the freeze. The “freeze” checks would be paid out of the state budget which means the same funds could be used to fund schools or local services like police and firefighters—either of which would produce a much fairer distribution than the proposed “freeze.”

As we continue to take a closer look at this proposal it becomes ever more apparent that the “freeze” provides upstate homeowners with no meaningful property tax relief while at the same time ensuring the services they depend on at the local level continue to be stretched to the breaking point. The property tax freeze may make for a great political sound bite but it is not sound policy for Upstate New York.

AVERAGE REBATE CHECK PER OWNER OCCUPIED HOUSE



Region	County	Total Proposed Tax Levy 2012-13	Total Proposed Tax Levy 2013-14	Tax Levy change	Estimate; MORTGAGE STATUS - Owner-occupied units	Number of owner occupied Units in Urban areas	Owner Occupied Units adjusted	Rebate Check per owner occupied unit	Average rebate check per Region
Capital Region	ALBANY	381,944,476	394,813,292	12,868,816	73741		73741	\$ 175	\$ 127
Capital Region	COLUMBIA	99,205,553	102,069,995	2,864,442	18581		18581	\$ 154	
Capital Region	GREENE	77,960,129	80,571,461	2,611,332	13396		13396	\$ 195	
Capital Region	RENSSELAER	184,808,186	188,918,771	4,110,585	42083		42083	\$ 98	
Capital Region	SARATOGA	348,337,613	357,982,596	9,644,983	64104		64104	\$ 150	
Capital Region	SCHENECTADY	137,520,185	137,991,257	471,072	39034		39034	\$ 12	
Capital Region	WARREN	106,925,224	109,529,613	2,604,389	19741		19741	\$ 132	
Capital Region	WASHINGTON	62,031,810	63,526,415	1,494,605	18336		18336	\$ 82	
Central NY	CAYUGA	61,029,675	62,216,265	1,186,590	22559		22559	\$ 53	\$ 99
Central NY	CORTLAND	40,919,223	42,099,469	1,180,246	11806		11806	\$ 100	
Central NY	MADISON	78,130,561	80,833,775	2,703,214	20213		20213	\$ 134	
Central NY	ONONDAGA	413,163,914	426,666,492	13,502,578	121518	22521	98997	\$ 136	
Central NY	OSWEGO	135,736,078	127,234,484	-8,501,594	33279		33279	\$ (255)	
									* Oswego County was counted as \$0 levy increase rather than negative
Finger Lakes	GENESSEE	60,686,925	62,088,750	1,401,825	17616		17616	\$ 80	\$ 132
Finger Lakes	LIVINGSTON	61,080,899	62,728,793	1,647,894	18125		18125	\$ 91	
Finger Lakes	MONROE	795,458,819	823,333,001	27,874,182	193789	34807	158982	\$ 175	
Finger Lakes	ONTARIO	143,606,549	147,756,250	4,149,701	32537		32537	\$ 128	
Finger Lakes	ORLEANS	35,185,528	34,397,552	-787,976	12359		12359	\$ (64)	
Finger Lakes	SENECA	35,360,590	36,478,140	1,117,550	10046		10046	\$ 111	
Finger Lakes	WAYNE	103,017,756	104,886,529	1,868,773	28287		28287	\$ 66	
Finger Lakes	WYOMING	28,360,202	28,941,634	581,432	11790		11790	\$ 49	
Finger Lakes	YATES	20,960,668	21,506,041	545,373	7418		7418	\$ 74	
									*Orleans County was counted as \$0 levy increase rather than negative

Hudson Valley	DUTCHESS	561,618,112	580,978,676	19,360,564	75060		75060	\$ 258	\$ 185
Hudson Valley	ORANGE	589,156,946	606,200,851	17,043,905	87281		87281	\$ 195	
Hudson Valley	SULLIVAN	137,050,237	140,964,644	3,914,407	19721		19721	\$ 198	
Hudson Valley	ULSTER	360,937,931	363,294,876	2,356,945	48770		48770	\$ 48	
Mohawk Valley	FULTON	47,958,314	49,425,994	1,467,680	15665		15665	\$ 94	\$ 96
Mohawk Valley	HERKIMER	59,211,518	60,274,625	1,063,107	18990		18990	\$ 56	
Mohawk Valley	MONTGOMERY	47,873,179	48,528,947	655,768	13498		13498	\$ 49	
Mohawk Valley	ONEIDA	210,432,359	217,654,857	7,222,498	62218		62218	\$ 116	
Mohawk Valley	OTSEGO	63,980,470	65,482,033	1,501,563	17793		17793	\$ 84	
Mohawk Valley	SCHOHARIE	43,252,899	44,522,231	1,269,332	9737		9737	\$ 130	
North Country	CLINTON	95,884,766	98,836,748	2,951,982	21562		21562	\$ 137	\$ 107
North Country	ESSEX	48,989,868	50,659,623	1,669,755	11771		11771	\$ 142	
North Country	FRANKLIN	38,102,491	39,640,411	1,537,920	13865		13865	\$ 111	
North Country	HAMILTON	14,050,381	14,483,337	432,956	1760		1760	\$ 246	
North Country	JEFFERSON	58,235,611	59,979,563	1,743,952	25824		25824	\$ 68	
North Country	LEWIS	21,296,616	21,643,728	347,112	8284		8284	\$ 42	
North Country	ST LAWRENCE	91,505,553	94,908,748	3,403,195	29681		29681	\$ 115	
Southern Tier	ALLEGANY	36,837,311	37,768,234	930,923	13959		13959	\$ 67	\$ 107
Southern Tier	BROOME	237,951,013	244,727,539	6,776,526	53223		53223	\$ 127	
Southern Tier	CHEMUNG	64,346,792	66,450,378	2,103,586	24064		24064	\$ 87	
Southern Tier	CHENANGO	44,608,674	45,587,635	978,961	15031		15031	\$ 65	
Southern Tier	DELAWARE	60,363,864	61,667,834	1,303,970	14876		14876	\$ 88	
Southern Tier	SCHUYLER	12,965,533	13,455,874	490,341	6143		6143	\$ 80	
Southern Tier	STEUBEN	106,610,540	109,879,403	3,268,863	29530		29530	\$ 111	
Southern Tier	TIOGA	43,006,130	43,879,573	873,443	16236		16236	\$ 54	
Southern Tier	TOMPKINS	122,201,802	126,244,608	4,042,806	21431		21431	\$ 189	
Western NY	CATTARAUGUS	69,933,825	71,571,867	1,638,042	23520		23520	\$ 70	\$ 106
Western NY	CHAUTAUQUA	119,223,777	122,008,618	2,784,841	38131		38131	\$ 73	
Western NY	ERIE	720,605,415	744,999,273	24,393,858	249822	47385	202437	\$ 121	
Western NY	NIAGARA	175,777,258	181,473,089	5,695,831	62053		62053	\$ 92	

Downstate Suburban	PUTNAM	291,946,164	299,710,350	7,764,186	29222		29222	\$ 266	\$ 324
Downstate Suburban	ROCKLAND	754,143,225	776,086,428	21,943,203	68924		68924	\$ 318	
Downstate Suburban	WESTCHESTER	2,308,111,002	2,375,082,941	66,971,939	214097	73705	140392	\$ 477	
Downstate Suburban	NASSAU	3,959,271,434	4,074,146,863	114,875,429	360215		360215	\$ 319	
Downstate Suburban	SUFFOLK	3,436,361,799	3,548,038,552	111,676,753	397764		397764	\$ 281	

Methodology

This data set provides an estimate on the size and distribution of rebate checks based upon the proposal in the 2014-15 Executive Budget. This estimate is based upon the most recently available data which is the tax levy for 2013-14. It is reasonable to anticipate a similar distribution in the coming year. The data used only shows the portion of the rebate that would be attributable to the school tax levy. The Big 5 cities are excluded because the data for those cities is not available for any year more recent than 2012-13. The data is not intended to show the exact size of the checks for any homeowner, but it does give a reasonable estimate about the average rebates by geographic region. The analysis is designed to examine the geographic disparities in the size of rebate checks between regions of the state. Two counties, Oswego and Orleans, saw their tax levies go down in 2013-14. For calculating the average, the levy in these two counties was treated as if it were no increase or decrease since anyone who actually sees their levy go down would not receive a rebate.

SCHOOL TAX LEVY

The proposed tax levy change was calculated by subtracting the Total Proposed Tax Levy 2012-13 from the Total Proposed Tax Levy 2013-14. The source of the data is the NYSED Property Tax Report Database at <http://www.p12.nysed.gov/mgtserv/propertytax/>.

OWNER OCCUPIED UNITS

The number of owner occupied units per counties was extracted from the 2014 housing survey of the Census http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_12_5YR_DP04&prodType=table (Column Mortgage Status: Owner Occupied Units). The owner occupied units in the Big 4 cities (Yonkers, Buffalo, Rochester, Syracuse) was subtracted from each county's total since the tax levy for these cities is not included in the calculation.

REGIONS

The downstate suburban region includes Westchester, Rockland, Putnam, Nassau and Suffolk counties. For the other areas of the state, we used the labor market regions the Department of Labor defines. http://www.labor.ny.gov/workforcenypartners/swib/nysmap_lwainteractive.pdf The downstate suburban communities were separated from the Mid-Hudson due to the significant differences in wealth in these areas.

CALCULATION OF AVERAGE ESTIMATED REBATE

To calculate the rebate check per owner occupied unit we divided the Proposed Tax Levy Increase by the Owner Occupied Units. We summed the Proposed Tax Levy Change for each county in the region, then we summed the Owner Occupied Units in each county in the region. We divided the total proposed tax levy change with the total Owner Occupied Units to calculate the average rebate check amount per region.