



# A REAL PROPERTY TAX CAP for Working Families



Property Tax Relief for Working Families who need it.

**CAP PROPERTY TAXES THE SMART WAY:** using a “circuit breaker” to actually cut property taxes for working families, in a way that’s **fair** to all taxpayers.

**PAY FOR IT THE RIGHT WAY:** with a modest, **partial repeal of income tax cuts for the wealthy.** Doing so lets New York cap property taxes for the middle class and seniors **without** threatening critical public investments.

Example of how a circuit breaker might apply to various income brackets.

## How does a “circuit breaker” work?

A “circuit breaker” would cap property taxes above a certain percentage of a household’s income. In this example, 70% of property taxes owed over the cap would be rebated by the state and **43% of New Yorkers** would see **immediate help** that would bring their taxes down to manageable levels.

**Renters would also get a rebate based on a similar model.**

GROSS ADJUSTED HOUSEHOLD INCOME	MAXIMUM PROPERTY TAX AS % OF OF INCOME	PROPERTY TAX RANGE WHEN THE CIRCUIT BREAKER KICKS IN
Below \$25,000	5%	0 - \$1250
25,000-100,000	6%	\$1,500-\$6,000
100,000-150,000	7%	\$7,000-\$10,500
150,000-200,000	8%	\$12,000 - \$16,000
200,000- 250,000	9%	\$18,000 - \$22,500

### AN EXAMPLE:

- A firefighter in Rye, New York lives in a small single family home he has owned for 15 years.
- Now his household income is **\$88,437** and he pays **\$5,977** in property taxes.
- Under this example of a circuit breaker, his cap would kick in at \$5,306. **70%** of the \$670.78 property tax he pays above that circuit breaker—**\$469.55—would be rebated.**

## How would a “circuit breaker” be paid for?

The only **responsible** way to provide working families with property tax relief **and** maintain our commitment to providing crucial public services is to **repeal a fraction of the income tax giveaways** the wealthiest 1% New Yorkers have enjoyed over the last 15 years. This circuit breaker example would cost approximately \$3.9 billion.

### Example of Personal Income Tax Increases on the Wealthy

TAX ON MARGINAL INCOME OVER:	# OF TAX FILERS AFFECTED	% OF TAX FILERS AFFECTED	TOTAL REVENUE CREATED
2.5% > \$500,000	63,719	0.8%	<b>\$6.5 billion</b>
3.5% > \$1 million	26,360	0.3%	
5% > \$5 million	3,326	0.04%	
7% > \$10 million	1,305	0.02%	

Based on 2004 data

Undoing Personal Income Tax cuts on the New Yorkers who can most afford it would raise **billions of revenue** for the state *and* make the state’s overall tax system fairer.

**Critically**, repealing tax giveaways would also shift the burden of funding public investments back to the state level and limit Albany’s ability to irresponsibly shift costs to local communities. Declining state aid is one of the biggest causes of high local property taxes, and **local taxes in New York State now pay for a higher share of public goods than in any other state except Texas.**