

# ***NEW YORK STATE PROPERTY TAX CAP:***



## ***LONG ISLAND'S PROJECTED PROPERTY TAX RATES OVER THE NEXT DECADE IF THE PROPERTY TAX CAP IS NOT EXTENDED***

***LONG ISLAND ASSOCIATION  
RESEARCH INSTITUTE  
March 2015***



***New York State Residential Property Tax Cap Impact  
Summary of Findings***

**I. HISTORICAL PROPERTY TAX GROWTH RATE**

The following tables indicate that average residential property taxes on Long Island grew by 91.5 percent in the 1970s (or 9.2 percent annually), 77.6 percent in the 1980s (or 7.8 percent annually), 48 percent in the 1990s (or 4.8 percent annually), and 69.5 percent between 2000 and 2012 (or 5.8 percent annually), prior to the implementation of the property tax cap.

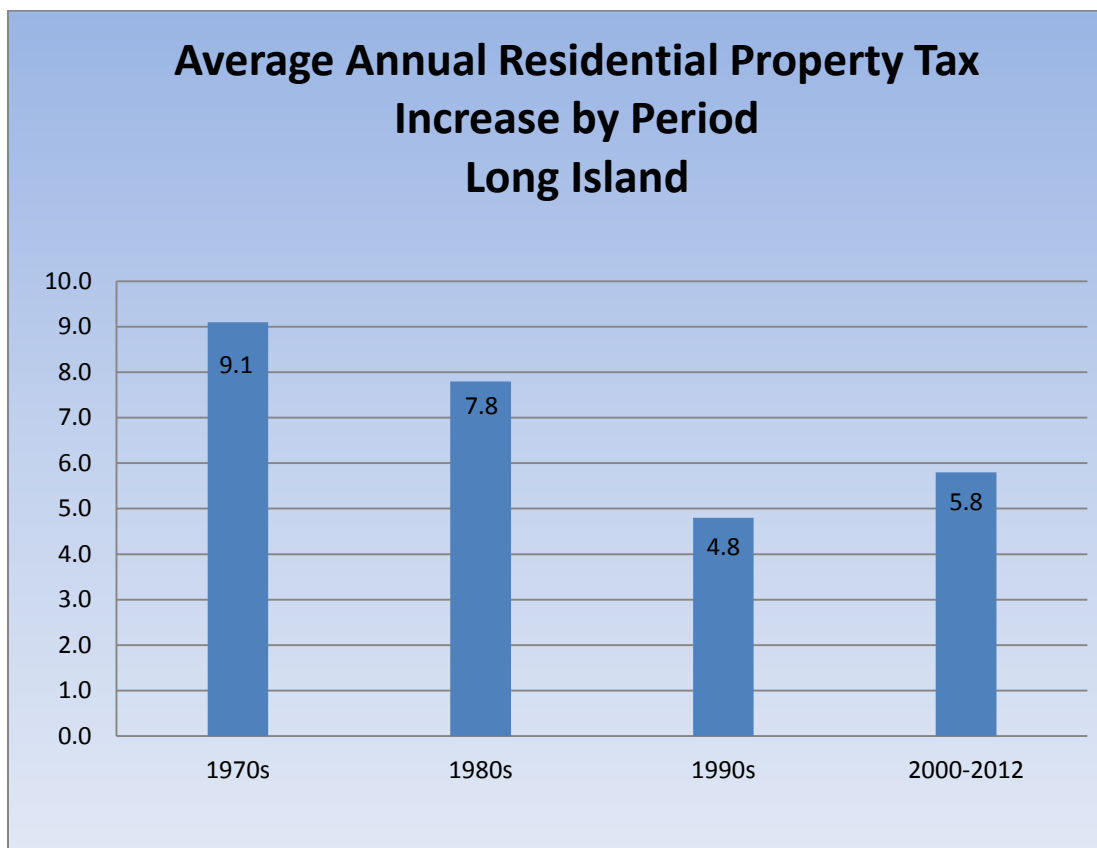
In the three years since the property tax cap was in effect, local government tax levies have been held to growth of 2 percent or less.

<b>Residential Properties</b>	<b>1969-1970</b>	<b>1978-1979</b>	<b>1970s</b>	
			<b>% Change 1970-1979</b>	<b>Annual Change</b>
Suffolk Average Prop. Tax	\$1,008	\$1,929	91.5	9.1
Nassau Average Prop. Tax	\$1,088	\$2,084	91.5	9.1
<b>LI Avg. Prop. Tax</b>	<b>\$1,047</b>	<b>\$2,005</b>	<b>91.5</b>	<b>9.1</b>

<b>Residential Properties</b>	<b>1979-1980</b>	<b>1988-1989</b>	<b>1980s</b>	
			<b>% Change 1980-1989</b>	<b>Annual Change</b>
Suffolk Average Prop. Tax	\$2,010	\$3,570	77.6	7.8
Nassau Average Prop. Tax	\$2,171	\$3,856	77.6	7.8
<b>LI Avg. Prop. Tax</b>	<b>\$2,089</b>	<b>\$3,710</b>	<b>77.6</b>	<b>7.8</b>

<b>Residential Properties</b>	<b>1989-1990</b>	<b>1998-1999</b>	<b>1990s</b>	
			<b>% Change 1990-1999</b>	<b>Annual Change</b>
Suffolk Average Prop. Tax	\$3,576	\$5,293	48.0	4.8
Nassau Average Prop. Tax	\$3,862	\$5,716	48.0	4.8
<b>LI Avg. Prop. Tax</b>	<b>\$3,716</b>	<b>\$5,500</b>	<b>48.0</b>	<b>4.8</b>

<b>Residential Properties</b>	<b>1999-2000</b>	<b>2001-2012</b>	<b>2000-2012</b>	
			<b>% Change 2011-2012</b>	<b>Annual Change</b>
Suffolk Average Prop. Tax	\$5,284	\$8,955	69.5	5.8
Nassau Average Prop. Tax	\$5,707	\$9,671	69.5	5.8
<b>LI Avg. Prop. Tax</b>	<b>\$5,491</b>	<b>\$9,306</b>	<b>69.5</b>	<b>5.8</b>



## II. PROJECTED PROPERTY TAXES WITHOUT TAX CAP

Assuming the average annual residential property tax increase of the 2000-2012 period would prevail in the 2016-2025 ten year period (5.8 percent annually) the average residential property tax in Suffolk would increase from \$9,988 in 2016 to \$15,781 in 2025, while Nassau county's average residential property tax would increase from \$11,110 to \$17,554. The average residential property tax on Long Island as a region (both Nassau and Suffolk counties) would increase from \$10,538 to \$16,649; a 58% increase.

Residential Properties	Without Tax Cap in Place*		% Change 2016-2025	2016-2025 Annual Change
	2015-2016	2024-2025		
Suffolk Average Prop. Tax	\$9,988	\$15,781	58.0	5.8
Nassau Average Prop. Tax	\$11,110	\$17,554	58.0	5.8
<b>LI Avg. Prop. Tax</b>	<b>\$10,538</b>	<b>\$16,649</b>	<b>58.0</b>	<b>5.8</b>

\* The 2000-2012 annual percent increase is used

**III. PROJECTED PROPERTY TAXES WITH TAX CAP**

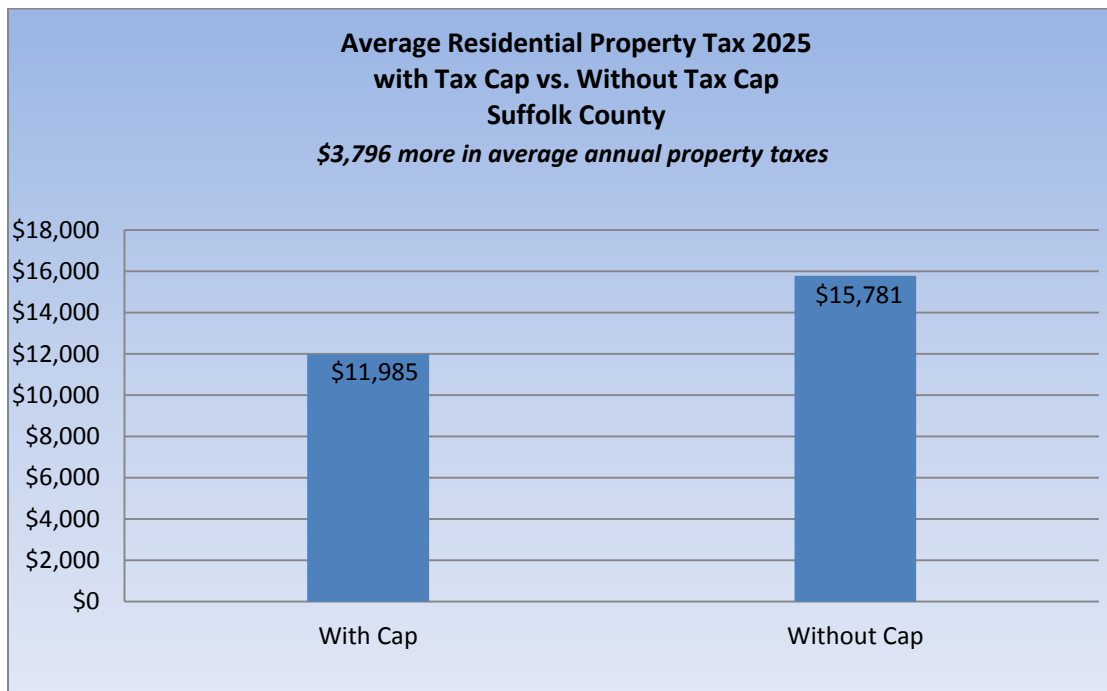
However, assuming that the New York State Property Tax Cap limiting property tax increases (with provisions allowing the cap to be pierced under certain conditions) to 2 percent is continued, it is likely that average residential property taxes between 2016 and 2025 would be limited to an estimated 2 percent annually, or 20 percent over the decade.

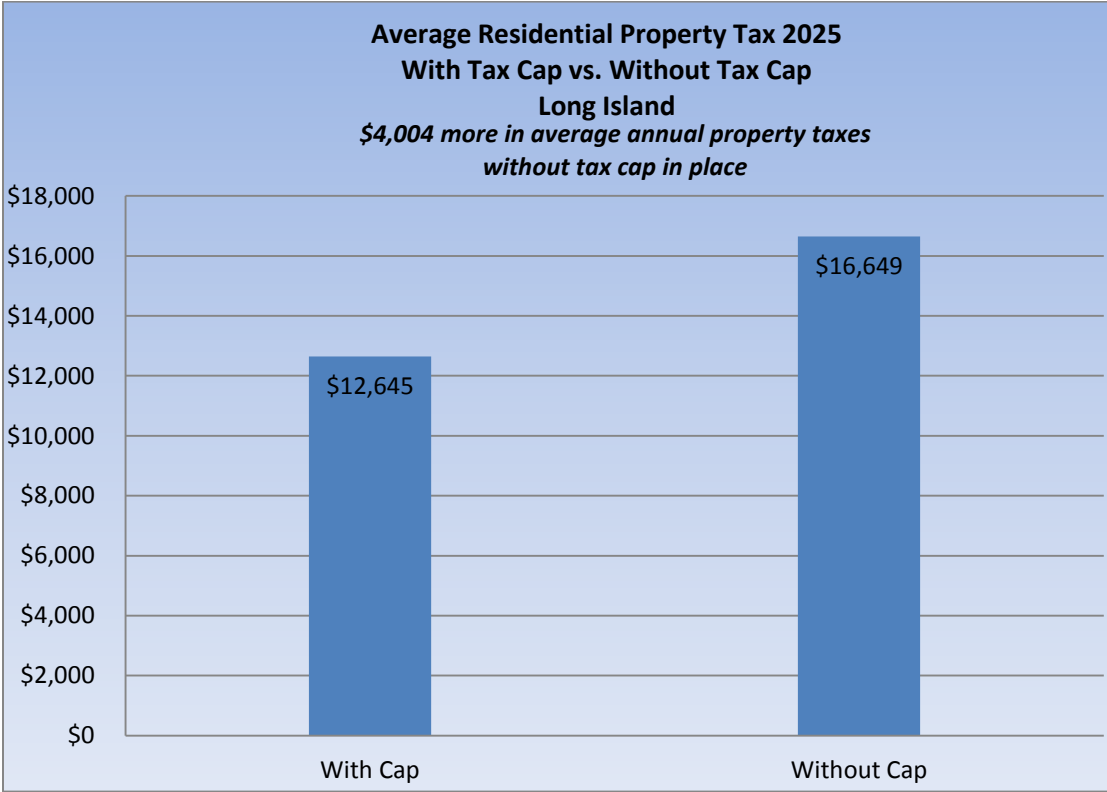
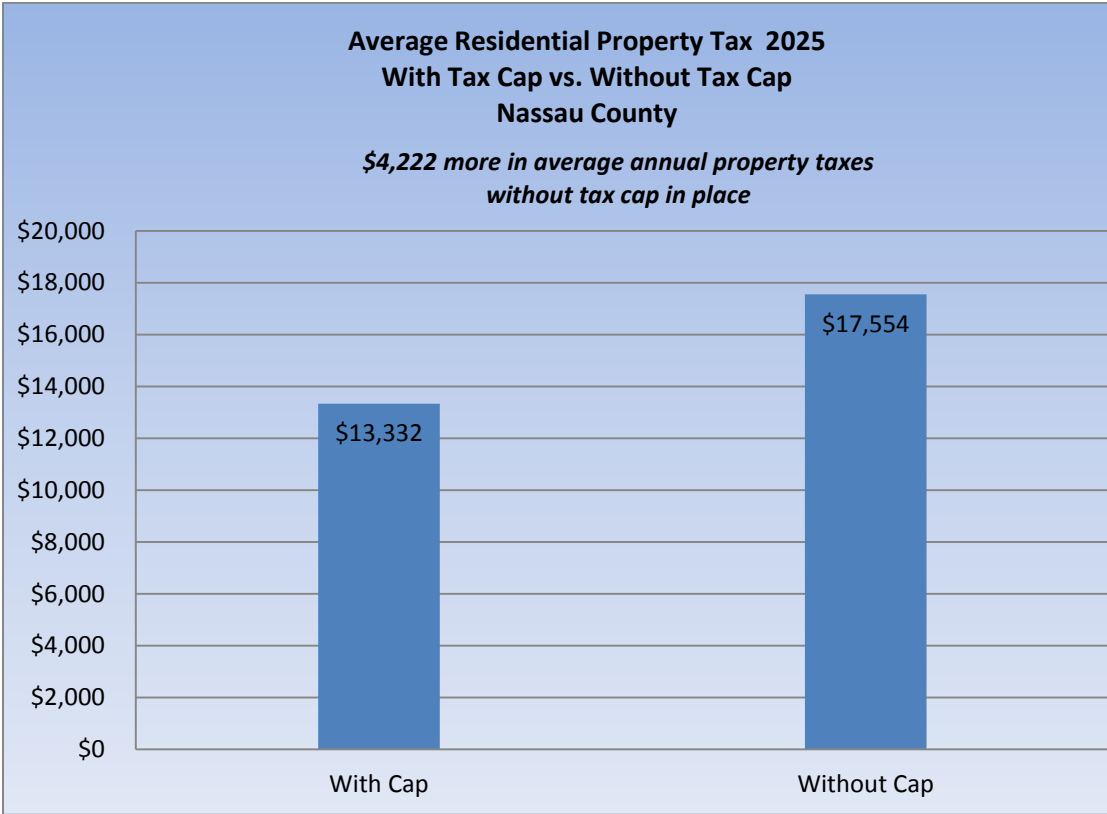
In that case, average residential property taxes in Suffolk would increase from \$9,988 to \$11,985, while average residential property taxes in Nassau would increase from \$11,110 to \$13,332. For Long Island as a region, average residential property taxes would increase from \$10,538 to \$12,645.

Residential Properties	With Tax Cap in Place		% Change	2016-2025
	2015-2016	2024-2025	2016-2025	Annual Change
Suffolk Average Prop. Tax	\$9,988	\$11,985	20.0	2
Nassau Average Prop. Tax	\$11,110	\$13,332	20.0	2
<b>LI Avg. Prop. Tax</b>	\$10,538	\$12,645	20.0	2

**IV. SUMMARY AND COMPARISON OF PROJECTED PROPERTY TAXES**

As the figures below indicate, the average residential property tax in Suffolk County in 2025 would be \$11,985 with the property tax cap in place and \$15,781 without the tax cap in place, a difference of \$3,796 annually. Similarly, Nassau County’s average residential property tax would be \$13,332 in 2025 with the property tax cap in place and \$17,554 without the tax cap in place, a difference of \$4,222 annually. The average residential property tax for Long Island as a region would be \$12,645 with the cap and \$16,649 without the cap, a difference of \$4,004 annually.





## **APPENDIX**

### **1. Commercial Property Taxes**

Average commercial property taxes are difficult to calculate since there are many property assessment codes for different types of commercial property, including industrial, office, retail, distribution, wholesale, warehousing, amusement parks, and auto dealerships, among others. An evaluation of all these property types goes beyond the scope of this analysis. But the Long Island Association's Research Institute estimates, using 2013 and 2014 property tax rolls and data from the New York State Real Property Tax Service's Munipro system, that commercial properties on Long Island account for approximately 6 percent of all parcels but pay an estimated 15 percent of the total property tax warrant. There is little doubt that extending the property tax cap would have positive implications for commercial property owners and renters.

### **2. Sources**

Property tax data were calculated for residential properties from Nassau and Suffolk county tax rolls. Nassau county tax rolls were not available for all years and were estimated using the average difference between Nassau and Suffolk residential property taxes from a variety of sources, including the [Tax Foundation](#). Average property taxes for 2014-2015 (the current year) were estimated using a 2 percent increase from 2014, the last available tax roll data. Average property taxes for 2015-2016 were estimated using a 2 percent increase from 2015.