

IS AN EQUITABLE PROPERTY TAX
ASSESSMENT PLAN ACHIEVABLE?

by Philip Finkelstein

The following is an excerpt from a speech given at Forum '81, a Public Affairs Dialogue for the People of Long Island, sponsored by the Nassau Democratic Committee, held February 28, at Hofstra University, in Hempstead, NY.

There is no magic, not even a great amount of sophistication necessary, to determine a single standard of value as the basis of everyone's assessment. Market value, or some uniform percentage thereof, however calculated, is a determination well within the capabilities of any local jurisdiction that levies a property tax. If it is not, then a higher level of jurisdiction, be it county or state, would be delighted to oblige.

The real question is not whether assessment can be equitable, but whether this state and this county will ever yield their disgraceful positions in imposing the highest burdens as well as one of the worst administered property tax systems in the country. Nowhere are the disparities between jurisdictions and between different kinds of property so broad, and to aggravate this mess, nowhere in this highest property-tax state in the contiguous forty-eight, are the burdens on taxpayers higher than in Nassau County.

Here in Nassau, the problems of inequity and unfair burden must be dealt with as one and the same issue. We do not have a Manhattan whose commercial values can more than make up for deterioration in the outer boroughs and even give some homeowners a big break. Even those communities that thought themselves secure with a nearby commercial ratable, are learning to their costly consternation just how far they can go in burdening them with local taxes. In the end, we all pay, whether the higher taxes are ours or our neighbors, on our homes or our businesses.

Continued on page 8

CENTER FOR LOCAL TAX RESEARCH
PROPOSES N.Y. TRANSIT TAX

Public transportation could be financed in part by a tax on land values created by access to such transit, according to a proposal by the Center for Local Tax Research. The proposal was presented by Louise R. Pulini, Assistant to the Director, before the New York State Senate Transportation Committee at a Public Hearing of Commission on Critical Transportation Choices in Albany in March. The proposal stated:

"The question of financing public transit, always critical and controversial, takes on a new urgency with the proposed cutbacks in federal support. Even before legal questions were raised about the subsidy of public transportation from other sources, it has been clear that the economic base of our transit system is far from secure, even to maintain service at present inadequate levels.

The Center for Local Tax Research therefore proposes that a fundamental shift in the burden of support for public transit must be considered by the state at this time. If we want to tax the real beneficiaries of public transit, we should look not to the user, whether he is employer or employee, store or customer, factory or supplier. We should instead look to the one who profits most from public transportation and contributes least to it. The owner of the land, whose location values are substantially enhanced by the very existence of public transportation today enjoys a benefit, which we, the public subsidize

The instrument for recovery for public transportation purposes is not even a new kind of taxation but the oldest and most widely applied tax of all, ad valorem tax on property. If every jurisdiction properly assessed all of its land on a current full value basis, there might be some measure of recovery of this unearned increment for at least local purposes. A special transportation tax on the values provided by public transportation to

Continued on page 8

TAX PLAN continued from page 3

Difficult as the situation may be, we can act now to make things better. We can assess all property at full value and permit its taxation at varying rates. Classification of rates rather than assessments is at the very least honest in that it allows every taxpayer to know what he and everyone else should pay and doesn't permit the assessor to hide his mistakes.

A homestead exemption, which would allow the homeowner-taxpayer an automatic break of a percentage of his value, is another option. As far as I'm concerned, I would be prepared to exempt the entire house and every improvement thereon, if we could get a full assessment of the land value. That is not so far-fetched as it may seem, since it has been the position of proponents of the exemption, in the State Board of E&A and the Governor's Office, that the maximum exemption, at whatever percentage it is set, never exceed the value of improvement.

NY TRANSIT TAX continued from page 3

property could be administered through a special assessment district, through local or regional authorities, or with the property tax itself, without a new, expensive, administrative apparatus. The method would be the same as those of special assessment districts which provide such improvements as irrigation in California or sewerage elsewhere and any number of capital improvements that confer a special benefit to particular locations. Fortunes were created by transportation systems, from the billions amassed by Penn. Central, to the profits of land owners all along major transit lines".

Others offering testimony before the committee included Donald Plavin, new Executive Director of the Metropolitan Transit Authority, Henry Peyrebrune, Assistant Commissioner of the New York State Department of Transportation, and Carol Bellamy, President of the City Council of New York.

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