

New York Taxes Called Shocking

The Citizens Budget Commission, an independent New York City civic group, estimates a "shocking" 8.87% increase in the local real estate tax in the next fiscal year, 1972-73. The Commission bases this figure upon estimates of the City's debt released by the City's Budget Bureau.

According to an item in the New York Times of January 7, this would be a 53% increase over the present rate of taxation. Dr. David Bernstein, acting executive director of the Citizens Budget Commission, calls this increase "alarming and astonishing."

The real estate tax increase would be due to new needs and old miscalculations in the capital budget. First is balancing last year's budget. Second is paying the uniformed forces. Third is higher interest rates. Fourth is larger capital projects and their higher cost these days.

In dollars and cents, the increase would be from \$5.97 to \$6.50 for each \$100 of assessed valuation. That is, a home worth \$30,000-40,000 and assessed at \$15,000 would cost its owner about \$80 more in taxes this year. Rexford Tompkins, chairman of the Real Estate Board of New York, is reported to have said "Zowie!" upon hearing of the estimated increase. "We are taxing ourselves to death in our town." Tompkins also noted that new leases contain tax escalator clauses whereby landlords can pass on such tax increases to tenants. By 1974, tenants could be paying an additional 2½% apartment and house rent.

As economist M. Mason Gaffney is wont to say, "The property tax is a *progressive* tax!"
