

The New York Property Tax Cap Coalition

Why a Property Tax Cap Must be the First Step

A tax cap slows the rate of spending growth

The problem is runaway spending. A reasonable tax cap at 4 percent or 120 percent of CPI is what is needed to create a new fiscal discipline. While a circuit breaker would treat the symptom of the problem, only the tax cap actually attacks the problem.

A circuit breaker without a tax cap could actually make things worse

A circuit breaker simply shifts the burden among taxpayers and could actually encourage school spending because it does not address spending. We know from our experience with STAR and record state school aid increases in recent years that local property taxes have continued to grow at an unsustainable rate.

A circuit breaker won't make our economy competitive again

While a circuit breaker would benefit some taxpayers, others would pay more. Our economy would suffer because businesses that often have the property tax as their largest tax bill would get no relief. A state Tax and Finance Department analysis of one legislative proposal for a circuit breaker estimated it would cost \$2.8 Billion! Someone would have to pay that bill.

Is the choice either a tax cap or a circuit breaker?

No! The Commission on Property Tax Relief has proposed a lower-cost circuit breaker using parts of the existing STAR program for funding. This may be a worthwhile proposal, but only if a property tax cap is in place to control spending.

Find out more at: www.taxcapnow.org