

The State Report

A look at issues important to Employer Associations from The Business Council of New York State, Inc.

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New York Property Tax Cap Coalition Launches Website

A broad-based coalition of individuals, associations and businesses called the New York Property Tax Cap Coalition has formed to support Governor David Paterson's proposed property tax cap.

The cap, recommended by The Commission on Property Tax Relief chaired by Nassau County Executive Thomas Suozzi, would limit the growth in school property tax levies to 4 percent or to 120 percent of the rate of inflation, whichever is less.

This coalition will bring together people from around the state to amplify their voices supporting the cap. The coalition will work with the Governor to see the cap is enacted. Supporters of the cap can join the coalition at www.taxcapnow.org.

"Every property tax increase is a pay cut for working New York families and small business owners," said Todd Shimkus, president and CEO of the Adirondack Regional Chamber of Commerce. Shimkus has first hand experience with a tax cap having served on school and town boards in Massachusetts, which has a cap.

"New York's highest-in-the-nation property tax burden is a key reason why we also have the second-highest cost of doing business in the country. This staggering tax burden is a double-whammy for small business owners, who get hit by the tax man at their business and in their homes," said Michael Elmendorf, state director of the National Federation of Independent Business/New York.

"From Long Island to Buffalo and everywhere in between New Yorkers are demanding the tax cap. Groups like Unshackle Upstate and major chambers of commerce are mobilizing on this issue," said Kenneth Adams, president and CEO of The Business Council of New York State.

Business Council Says Property Tax Cap First Step Toward Reform

"New Yorkers overwhelmingly want property tax relief. To really achieve that relief the state must start with a property tax cap," said Kenneth Adams, president & CEO of The Business Council of New York State.

"A circuit breaker, without a tax cap to stop the unsustainable growth in property taxes, will simply mean a tax shift among taxpayers," added Adams. "Like the current STAR program, a circuit breaker without a tax cap, will make the situation worse as property taxes continue to skyrocket and the majority of taxpayers pay the full bill."

"A circuit breaker alone will also do further damage to the state's economy as businesses and most homeowners are forced to pay higher property taxes to subsidize other taxpayers. The property tax is already the largest tax bill for many businesses and the crushing burden is killing jobs in this state," said Adams.

"The property tax cap is the essential first step to bring long-term relief to New York's taxpayers," Adams concluded.

Business Council Helps Keep Health Care Affordable For Sole Proprietors

The state legislature enacted legislation strongly supported by The Business Council of New York State and the Chamber Alliance of New York State that will help to keep health insurance affordable and accessible for thousands of sole proprietors.

The bill (S.7550-Seward/A.10656-Morelle) extends, until 2011, the maximum premium rate differential established for group coverage for individual proprietors who buy group health insurance through associations.

"Associations, including the several hundred chambers of commerce across New York State, are often the only resource for sole proprietors to access affordable health insurance coverage. As the cost of health care coverage in general has increased dramatically over the past ten years, fewer options are available to sole proprietors," said Margaret Moree, director of federal affairs for The Business Council.

The Business Council supported similar legislation in 2001 and 2002, when a rate differential was first enacted.

Legislative Session Has Mixed Results For IDAs

A broad coalition of business groups, including The Business Council of New York State, defeated labor proposals that would have crippled Industrial Development Agencies (IDAs) as an economic development tool. But the legislature refused to re-instate IDAs' ability to make low-cost financing available for not-for-profit projects.

"Labor-backed legislation to mandate that 'prevailing wages' be paid on IDA projects and at the facilities built with IDA funding would have increased costs on these projects so much that the IDAs would become useless," said Kenneth Adams, president and CEO of The Business Council.

"The failure of the legislature to re-instate IDAs' ability to make low cost financing available to not-for-profit groups means that more than \$2 billion worth of vital construction projects planned by New York not-for-profits are stalled," added Adams.

"Important projects in local communities all over the state are being held hostage in Albany's horse trading as the not-for-profit authority is not renewed because of the push for the prevailing wage mandate," said Adams.

Material from The Business Council of New York State, Inc. For more information, contact chambers@bcnys.org.