

Queens Civic Congress organized a *Real Property Tax Reform* [forum](#) May 18. It remains clear that much can be done to raise revenue and at the same time give the middle and working class (homeowners and tenants) a break. City assessment practices that unfairly benefit the wealthiest New Yorkers and luxury homes and apartments require change. Queens Civic Congress will continue its conversation with the City Assessors (and Appraisers) Local 1757 and concerned state and city electeds to reform a system that so unfairly treats those who struggle to get by each day. [CIVIC2030](#) includes our reform measures. For more details, click [here](#).

[http://www.nytimes.com/2008/06/14/nyregion/14taxes.html?\\_r=1&ref=nyregion&oref=slogin](http://www.nytimes.com/2008/06/14/nyregion/14taxes.html?_r=1&ref=nyregion&oref=slogin)

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## **Bloomberg Says Tax Rate on Property May Go Up**

By [MICHAEL BARBARO](#)

With the economy in the doldrums, Mayor [Michael R. Bloomberg](#) said on Friday that the city might scrap a popular tax cut for homeowners in 2009 — a step he previously said he would try to avoid.

The mayor's remarks come as job losses mount on Wall Street and the city faces a \$700 million bill for a retroactive raise of nearly 10 percent granted to the roughly 23,000 police officers in May.

But any change in taxes could prove politically tricky. Under pressure to roll back a big property tax increase introduced after the Sept. 11 terrorist attack, the mayor and the City Council trimmed the tax rate by 7 percent a year ago.

Eliminating that reduction would effectively mean a property tax increase that would cost the average New York City homeowner about \$200 a year.

Speaking on his weekly radio call-in program, Mr. Bloomberg said that things were “starting to get to the point where I'm not sure that we can maintain the 7 percent cut.”

“We are just not going to subsidize and stand things that we can’t justify, that are not absolutely necessary,” he said at one point. Such a tax increase could prove especially unpopular given that the city is expected to end 2008 with a \$4.6 billion budget surplus, according to the city’s [Independent Budget Office](#). But the mayor’s office said that those funds were already tied up in future budgets.

Eliminating the tax cut could also shrink the separate \$400 property tax rebates many homeowners have become accustomed to, the mayor’s office confirmed.

The property tax rate and the rebates are linked under a state law, though the law could be amended to keep the \$400 rebate in place.

Several members of the City Council immediately expressed opposition to the proposal, saying it would unduly burden homeowners at a time of rising prices for food and fuel.

Negotiations between the Council and the mayor over the budget for fiscal 2009, which begins on July 1, are in their final stages and should be completed in the next two weeks.

“Middle-class families are under siege,” said Councilman Eric N. Gioia of Queens. “Raising their taxes now, at a time when they can least afford it, would be a mistake.”

When Mr. Bloomberg unveiled his budget plan in May, he called for preserving the 7 percent reduction in the property tax rate, but he conceded it might have to be reversed for 2010.

Since then, the city’s economic picture has further darkened. Wall Street firms have laid off thousands of workers, depriving the city of future taxes on their income and spending.

The weakened economy and the police raise are expected to help create a more than \$2 billion budget shortfall by 2010, the mayor’s staff said. Rather than make drastic cuts over the next two years, they said, the mayor prefers to start making trims now.

Deputy Mayor Edward Skyler said in an interview that the property tax cut was “dependent on favorable labor arbitration and the economy not deteriorating, and so far, both of those are going in the wrong direction.”

Abolishing the 7 percent property tax cut would provide the city with \$1.2 billion in new revenue next year, said Doug Turetsky, a spokesman for the city’s Independent Budget Office.

Mr. Bloomberg, a by-the-numbers mayor known for his rainy-day approach to budget negotiations, appears to be eyeing trouble ahead, rather than any immediate financial crisis. Mr. Turetsky said that the city “is in pretty good shape for 2009, unless the bottom falls out on the economy.”

Even Mr. Bloomberg acknowledged that the city could most likely balance its budget for 2009 with the current property tax cut in place, but he warned that “we’d make next year so onerous

that nobody wants to have that kind of precipitous tax raise.”

He suggested “a smaller” tax increase, “now, maybe.”

Councilman David I. Weprin, chairman of the City Council’s Finance Committee, said that given the current state of the city’s economy and the size of the budget surplus, there was no reason to abolish the property tax cut for 2009.

“I don’t think we are in crisis mode yet,” he said. But he added that if the economic picture darkened, the Council could reverse the tax cut in the middle of 2009.

Council Speaker [Christine C. Quinn](#) appeared open to the possibility of tossing out the property tax cut, but said that keeping the current rate in place was “incredibly important to all of us on the City Council. It’s a priority.”