



State Financial Support for Property Tax Exemptions

It is the position of the New York State School Boards Association (NYSSBA) that any new school property tax exemption enacted by the state should be funded by the state, instead of the local taxpayer.

In late 2013, the legislature adopted and the governor signed a state law that authorized the extension of an existing alternative veterans tax exemption to school property taxes. This exemption, when applied, effectively reduces the amount of property taxes otherwise paid by residential property owners who served during periods of conflict from the Spanish-American War through the first Persian Gulf conflict. Prior to that time, the alternative veterans tax exemption was only applicable to county, city, town and village taxes.

Because there is no state financial support, if and when such exemptions are offered by a school district to eligible residents, school districts are placed in the difficult position of either cutting programs and services available to their students in order to accommodate the reduced revenue or raising taxes on the remaining taxpayers, many of whom are ill-positioned to afford it. In addition, when the tax burden is shifted, it is both residential and commercial taxpayers that end up paying more. Because the exemption is only available to residential taxpayers, commercial taxpayers can only be negatively impacted. This can be challenging for school districts, especially in areas of the state already experiencing dwindling commercial investment.

Many school boards want to be able to recognize veterans for their selfless service and dedication. At the same time, it is important for tax policies to be fair for all residents of the state. A state funded veterans property tax exemption programs achieves the goal of providing such a benefit to veterans without shifting the resulting tax burden to other residential and commercial taxpayers within the district. There is already precedence for this type of state financial support by way of the current School Tax Relief (STAR) program.

NYSSBA supports the intent of legislation that recognizes our servicemen and women, but feels strongly that the state's expansion of exemptions should be supported by state funds, instead of the redistribution of the local tax burden. Specifically, NYSSBA supports legislation, including S.1699-A (Carlucci) / A.966-A (Abinanti), which reflect these principles. We ask that any current and future property tax exemption proposals be amended to include appropriate state financial support.

For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.