

NEW YORK, YOU'RE BEING SCREWED

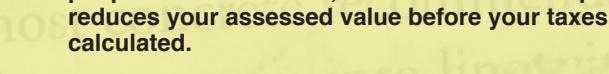
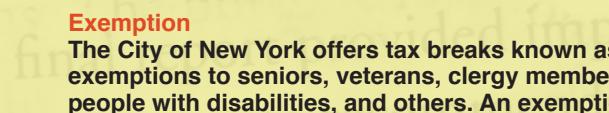
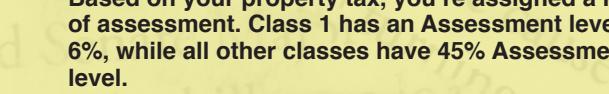
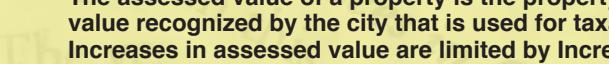
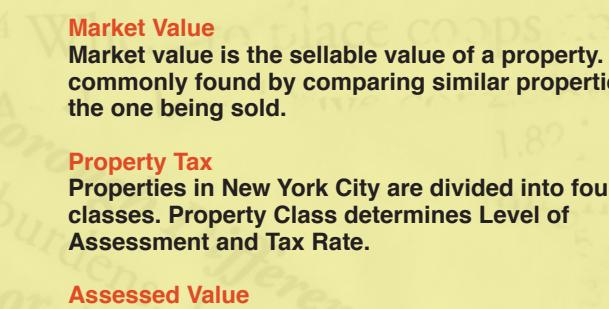
HOW?

Right now, our property tax system encourages home owners not to pay their fair share of the tax burden. This means that people who own apartment buildings are paying more than they should.

That sounds fine, until we realize that we, **the renters, are footing the bill with our high rent prices.** Not only that, but our landlords might be getting massive tax cuts for renovations they've never done, or charging us high rent while claiming that our apartment unit is rent stabilized. How does this happen?

THE NYC GOVERNMENT ISN'T DOING ITS JOB.

WHERE ARE THE RECEIPTS?



CALCULATING PROPERTY TAX:

TAXABLE VALUE = MARKET VALUE X ASSESSMENT RATE - EXEMPTIONS

PROPERTY TAX = TAXABLE VALUE X TAX RATE - ABATEMENTS

KEY TERMS

Market Value

Market value is the sellable value of a property. It is commonly found by comparing similar properties to the one being sold.

Property Tax

Properties in New York City are divided into four classes. Property Class determines Level of Assessment and Tax Rate.

Assessed Value

The assessed value of a property is the property value recognized by the city that is used for taxation. Increases in assessed value are limited by Increase Caps.

Level of Assessment

Based on your property tax, you're assigned a level of assessment. Class 1 has an Assessment level of 6%, while all other classes have 45% Assessment level.

Exemption

The City of New York offers tax breaks known as exemptions to seniors, veterans, clergy members, people with disabilities, and others. An exemption reduces your assessed value before your taxes are calculated.

Abatement

An abatement is another tax break that reduces your tax bill after your taxes have been calculated.

RICH OR POOR, NYC DOESN'T CARE

Because tax increases are limited, some property owners get rich without paying their fair share. As property values increase, property taxes may not rise proportionately.

The values of property A and B are increasing by or above 6% every year. Their taxes are rising at a maximum amount of 6% due to NYC's Increase Caps. As Property B's market value rises over 20 years from \$100,000 to \$673,000, more than doubling the worth of Home A, both property owners still pay the same amount in property taxes.

How is that fair?

YEAR 0
A
Market Value: \$100,000
Property Tax: \$10,000

YEAR 20
B
Market Value: \$673,000
Property Tax: \$32,000

POOF! Some tax burdens have disappeared! Where did they go? All of those properties in black- those are people paying most of the taxes collected by NYC. And the lightest properties? They're paying less than 45% of what they should be

THE WORLD'S WORST DISAPPEARING ACT:

The world's worst disappearing act: Properties that have disappeared from the tax rolls in New York City.

For more information, visit housingrightsny.org