

IS 607 Final Project Presentation: An Evaluation of New York State Property Taxes

Stacey Schwarcz

Sunday, December 14, 2014

Motivation

- ▶ Two counties in New York State: Westchester and Nassau County, are known for having some of the highest property taxes in the country.
- ▶ During a housing search a few years ago for neighborhoods within commuting distance of New York City, I discovered just how high property taxes are in Westchester County.
- ▶ Curious about how much rates had increased over the last few decades.
- ▶ Preliminary internet research showed that the property tax rates had increased faster than inflation, and much of this was due to the increase in the school tax rate.
- ▶ Interested in conducting a more in depth analysis of property tax data for New York State counties.

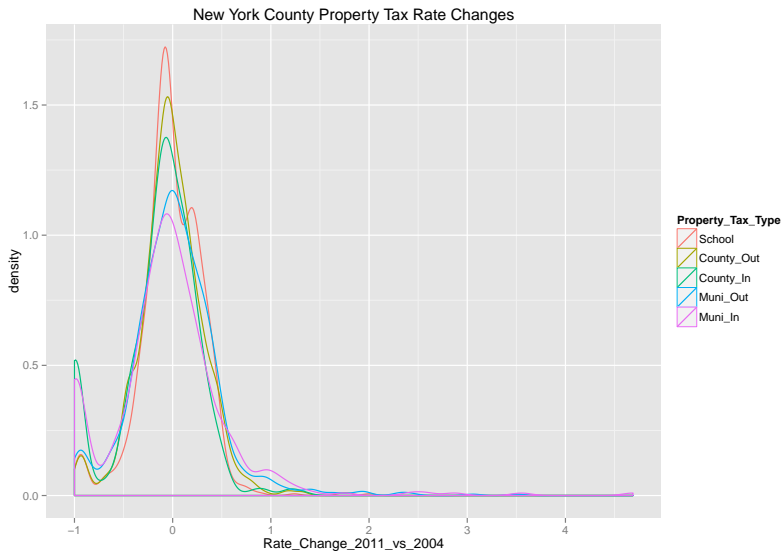
Primary Analysis

- ▶ Time period: 2011 vs. 2004
 - ▶ Data availability, limit scope
- ▶ Property Tax Rate Overview
- ▶ Property Tax Rates changes vs inflation
- ▶ Property Tax Rates changes vs. income

Data Sources

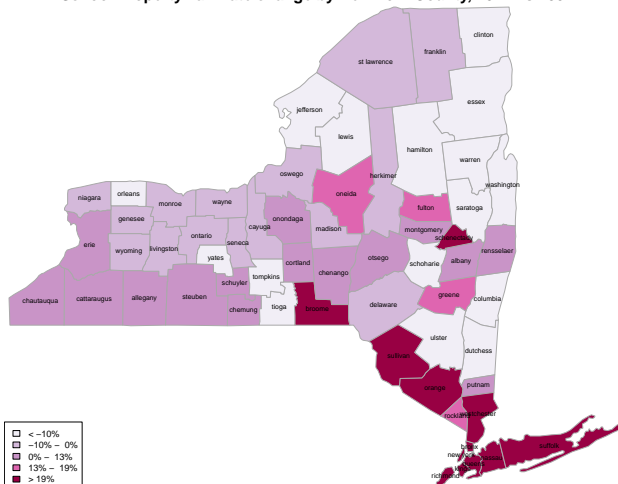
- ▶ The Real Property Tax Rates Levy Data and Municipality (2004-2012)
 - ▶ Source: New York State Department of Taxation and Finance
- ▶ Total Income Liability by Place of Residence
 - ▶ Source: New York State Department of Taxation and Finance
- ▶ CPI data
 - ▶ Source: U.S. Bureau of Labor Statistics
- ▶ New York State County Population:
 - ▶ Source: 2010 Census

Property Tax Distribution by type



School Property Tax by County

School Property Tax Rate change by New York County, 2011 vs 2004



Property Tax Rates and Income

- ▶ School tax rate vs. average income between 2004 and 2011
 - ▶ 15 counties including the 5 counties (boroughs) of New York City where the school tax rate has increased faster than average income.

Challenges

- ▶ Most significant challenge: data that was wrong or corrupted
 - ▶ Property tax rate is supposed to be per \$1000 of assessed value
 - ▶ 2011 rates illustrating the problem
 - ▶ New York City school rate 76.49
 - ▶ Columbia County school rate 15.25
 - ▶ Westchester school rate 505.23
 - ▶ Nassau County rate school 4159.17
 - ▶ Problem persisted for all years of available data
 - ▶ solution for this project: assumed the relative change was still accurate
- ▶ Other challenge, the names of counties were slightly different between files
 - ▶ required data cleaning and editing

Conclusions

- ▶ New York State Property tax rate changes have varied considerably across counties
 - ▶ Some counties have increased property taxes in excess of the rate of inflation (18.9%) between 2004 and 2011
 - ▶ Some have reduced their tax rates between 2004 and 2011.
- ▶ Due to population concentrations in certain counties
 - ▶ Nearly half of the population of New York State (45.9%) lives in a county where the school portion of the property tax rate increased at a rate that exceeded inflation between 2004 and 2011.
 - ▶ 63.2% of the population of New York State lives in a county where the school property tax rate has outpaced the rate of increase in incomes.
- ▶ Does not take into account changes in property values
 - ▶ increased/decreased property values will result in higher/lower taxes