

# The Property Tax: More or Less?

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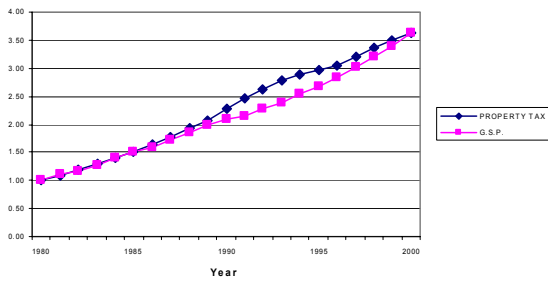
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AAUS Property and GSP



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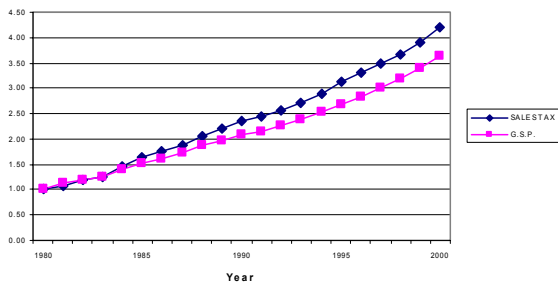
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AAUS Sales and GSP



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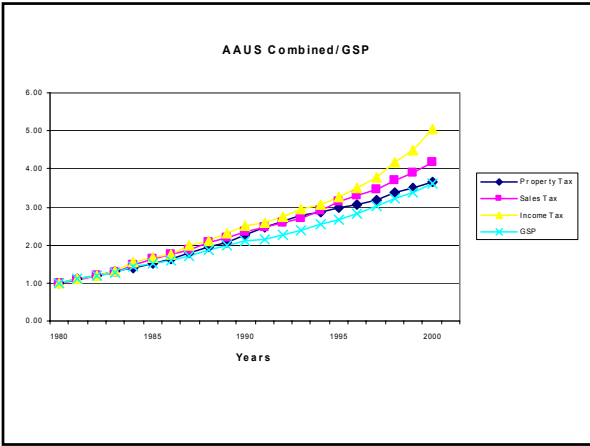
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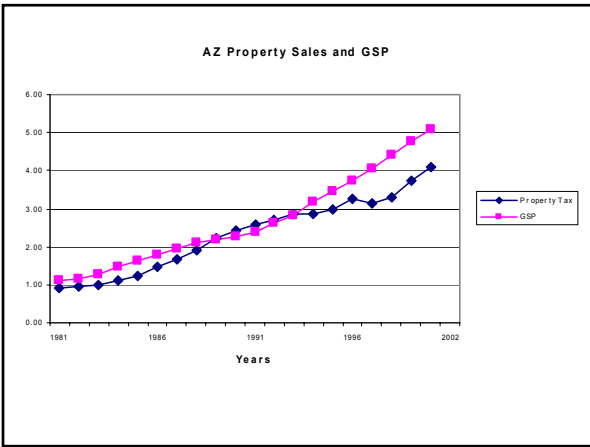
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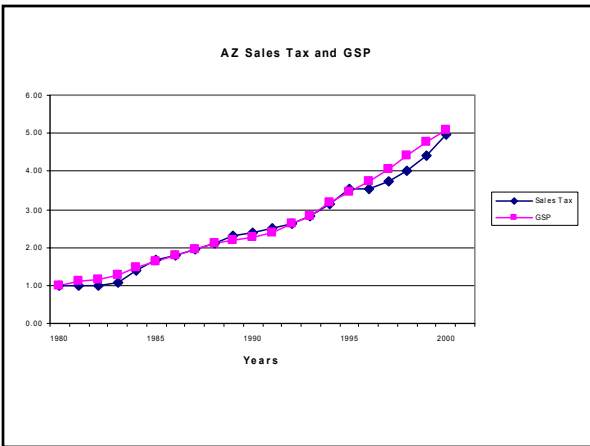
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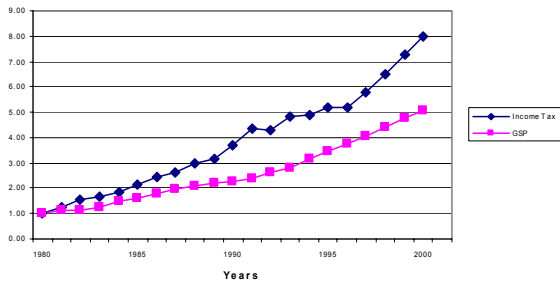
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AZ Income and GSP



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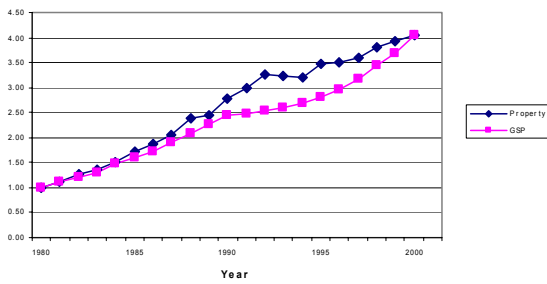
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CA Property and GSP



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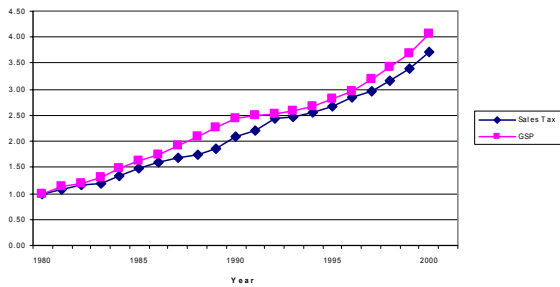
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CA Sales and GSP



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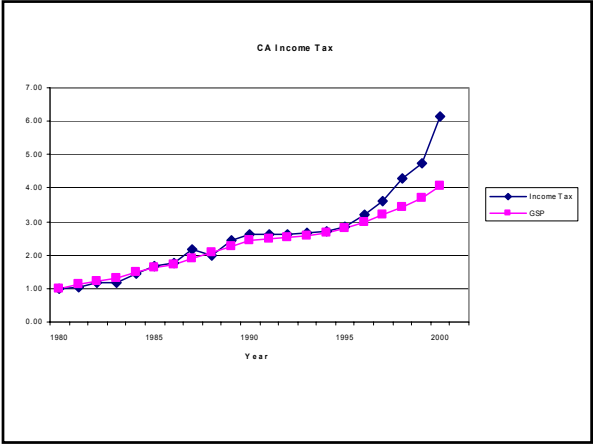
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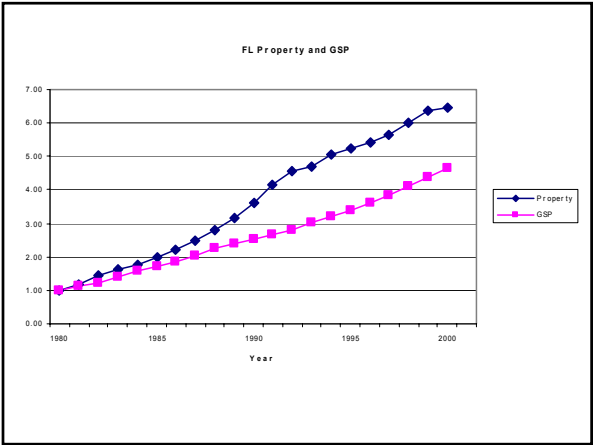
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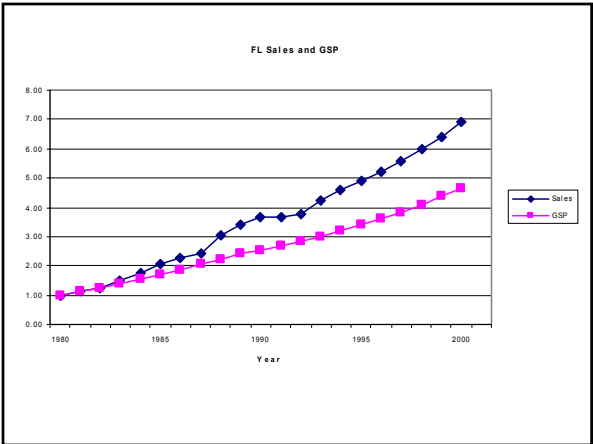
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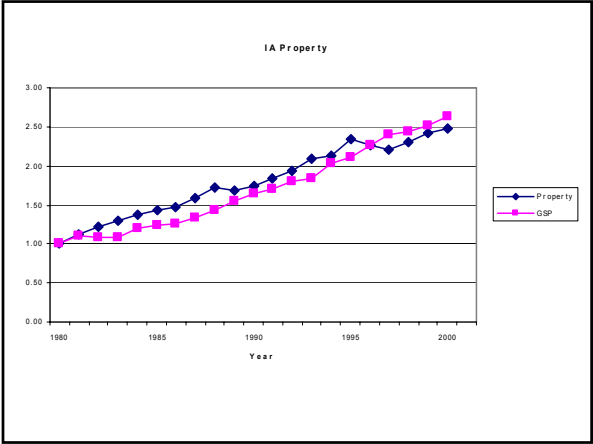
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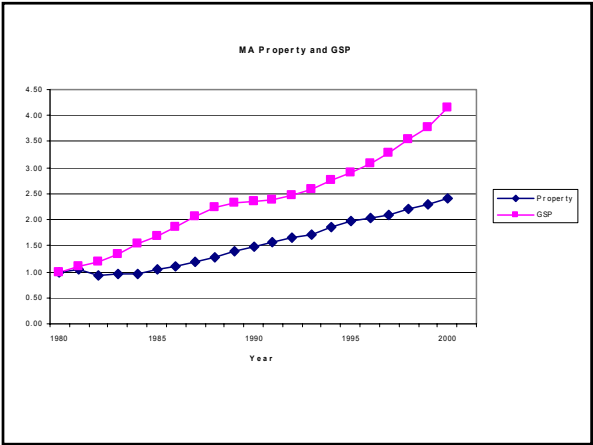
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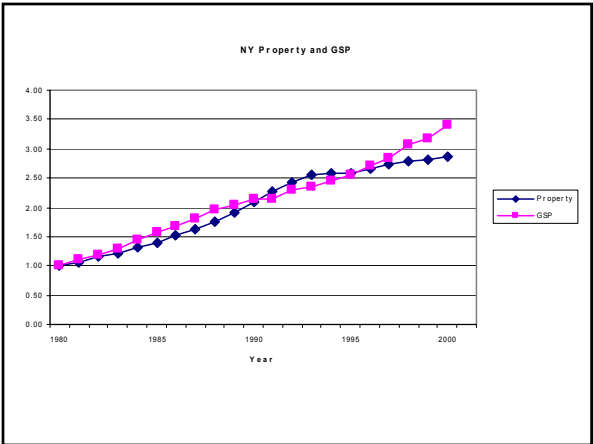
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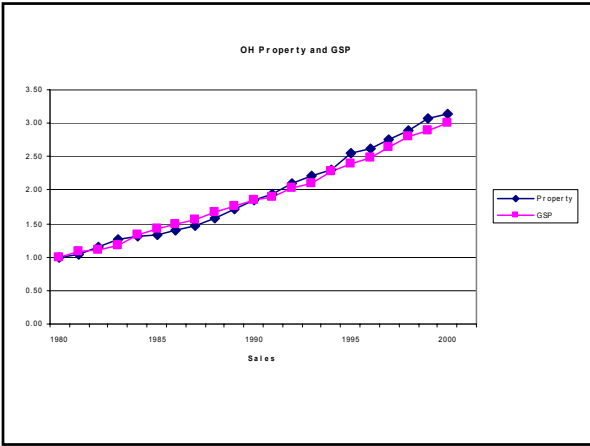
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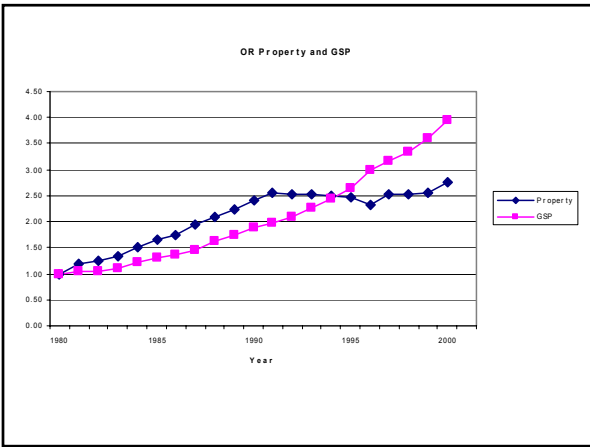
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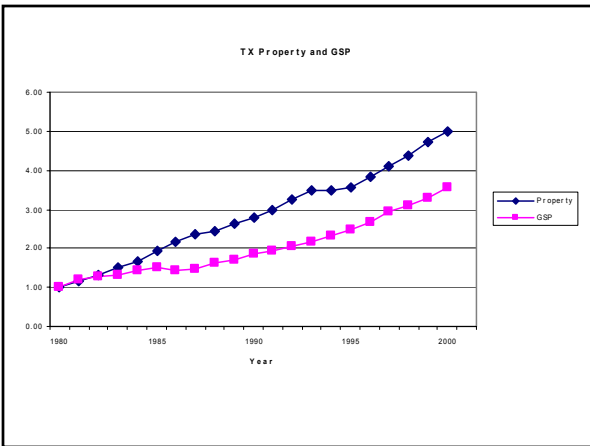
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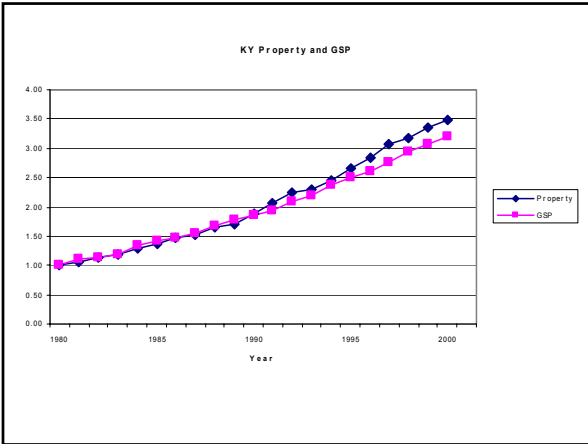
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## Why The Property Tax Survives

- Local Autonomy
- Upgraded Appraisal Processes
- Assessed Valuation & Market Value
- Stable
- Not As Influenced by Business Cycles

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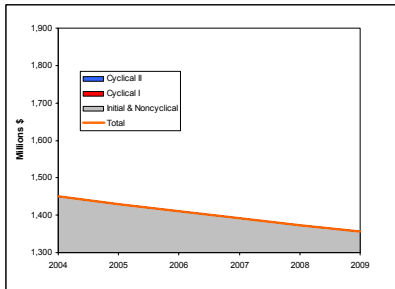
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## Sales and Use Tax

Total Nonagricultural Wage Growth = 0%



Non-Cyclical = -1.3

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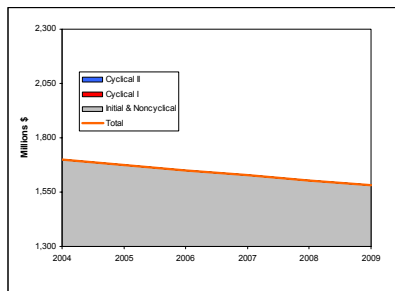
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## Individual Income

Total Nonagricultural Wage Growth = 0%



Non-Cyclical = -1.4

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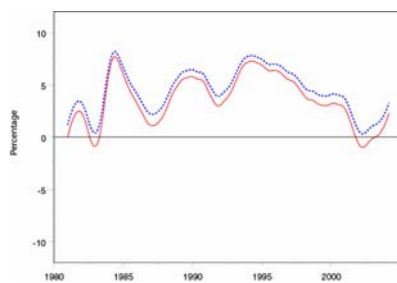
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## Sales and Use Revenue Pattern



Non-Cyclical = -1.3

Beta = 1.1

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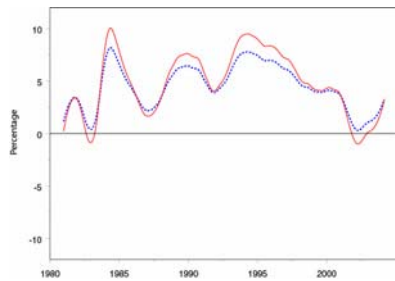
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## Personal Income Revenue Pattern



Non-Cyclical = -1.4      Beta = 1.4

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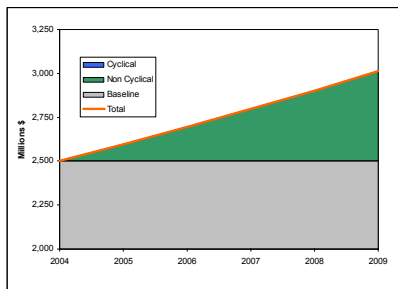
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## Property Tax

Total Nonagricultural Wage Growth = 0%



Non-Cyclical = 3.8%

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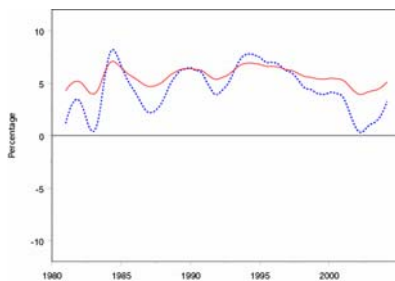
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## Property Tax Revenue Pattern



Non-Cyclical = 3.8%      Volatility = 0.4

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## Advantages of Property Tax

- Ease of collection
- Less elastic
- Location based

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## Resistance to Property Tax

- Lump sum payments (very visible)
- Ability to pay concerns in areas with high increases in property values
- Unequal wealth distributions among jurisdictions
- Benefits transparency

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## Issues in New York

### Financing Education :

- Courts mandate that State is to provide an adequate education for each child in New York City.
- “Adequate education” will cost 4 to 9 billion dollars annually
- Should Resources come from the state or local level?
  - Upstate or NYC
  - Ability to pay

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## New York Property tax

- There is not a New York state property tax– the property tax is completely administered at the local levels of government.
- Each locality handles assessment, levies, and collection. Courts require that property tax assessments must be made at full market value.  
Hellerstein V. Assessor, Town of Islip (1975)
- A state agency, office of real property services (ORPS), monitors the property assessment as to facilitate the comparisons of property market values among jurisdictions (critical for funding formulas)

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## Summary: More and Less

- Mixed bag
- Greater stability and growth
- Local autonomy
- Improved appraisal systems
- Still faces political resistance

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