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Census Data Shows Property Taxes are Getting Worse

A Fact Sheet Prepared by the Staff of the
New York State Commission on Property Tax Relief

Background: Based on information from the United States Census Bureau's 2007 American Community Survey, the Tax Foundation has released new property tax data on owner-occupied housing. The data ranks counties across the country according to various property tax measures.

In terms of residential property taxes paid, New York has several of the highest taxed counties in America: Westchester, Nassau and Rockland counties are among the top ten counties nationally. (Putnam and Suffolk Counties ranked eleventh and twelfth, respectively.) Alarmingly, Nassau moved up one position from third to second. Westchester and Nassau are now the two highest taxed counties in the nation in terms of average household property taxes. Westchester's median property tax of \$8,422 is now more than four and a half times the national average of \$1,838.

Rank	County	State	Median Property Taxes Paid on Homes
1	Westchester County	New York	\$7,908
2	Nassau County	New York	\$7,726
3	Hunterdon County	New Jersey	\$7,708
4	Bergen County	New Jersey	\$7,370
5	Somerset County	New Jersey	\$7,201
6	Essex County	New Jersey	\$7,149
7	Rockland County	New York	\$7,066
8	Morris County	New Jersey	\$6,977
9	Union County	New Jersey	\$6,727
10	Passaic County	New Jersey	\$6,673

In terms of property taxes as a percentage of home value, New York counties fill the top ten positions nationally and hold all but one of the highest twenty-one counties in the nation.

Of particular note is that all of these counties are in the upstate area and are either losing population or experiencing slow population growth. Additionally, some of these counties are in rural areas of New York, where housing values tend to be lower, which necessitates higher tax rates to raise the same amount of taxes. The previous year's data showed New York as having the seven highest taxes counties in terms of tax rate. This year's data showed New York as having the ten highest taxed counties. For comparison, the national average tax rate for all counties is about one percent.

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Rank	County	State	Tax Rate
1	Orleans County	New York	3.0%
2	Niagara County	New York	2.9%
3	Allegany County	New York	2.9%
4	Montgomery County	New York	2.9%
5	Monroe County	New York	2.8%
6	Wayne County	New York	2.7%
7	Cortland County	New York	2.7%
8	Genesee County	New York	2.7%
9	Chautauqua County	New York	2.7%
10	Livingston County	New York	2.6%

In terms of property taxes as a percentage of household income, four of the highest taxes counties in America are in New York

These counties are all in the metropolitan New York City area, where both average incomes and property taxes are higher than in other states. The national average for taxes as a percentage of income is 2.9%, less than half than the rates for these four New York counties.

Rank	County	State	Taxes as a Percentage of Income
1	Passaic County	New Jersey	8.2%
2	Essex County	New Jersey	7.9%
3	Nassau County	New York	7.9%
4	Union County	New Jersey	7.7%
5	Bergen County	New Jersey	7.5%
6	Hudson County	New Jersey	7.4%
7	Westchester County	New York	7.3%
8	Suffolk County	New York	7.2%
9	Hunterdon County	New Jersey	7.2%
10	Rockland County	New York	7.2%

The Commission on Property Tax Relief has identified a comprehensive approach to relief

The Commission's principal recommendation is for a cap on the growth of property tax levies. Once that critical priority is addressed, two other key recommendations can supplement the first in important ways: individual relief based upon need – a "STAR circuit breaker," – and reform of state laws and mandates, where compliance causes an unwarranted growth in costs.