

A Penta White Paper

**Penta** Policy Insiders

# New York Insights Review Series

Taxation

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# Executive summary

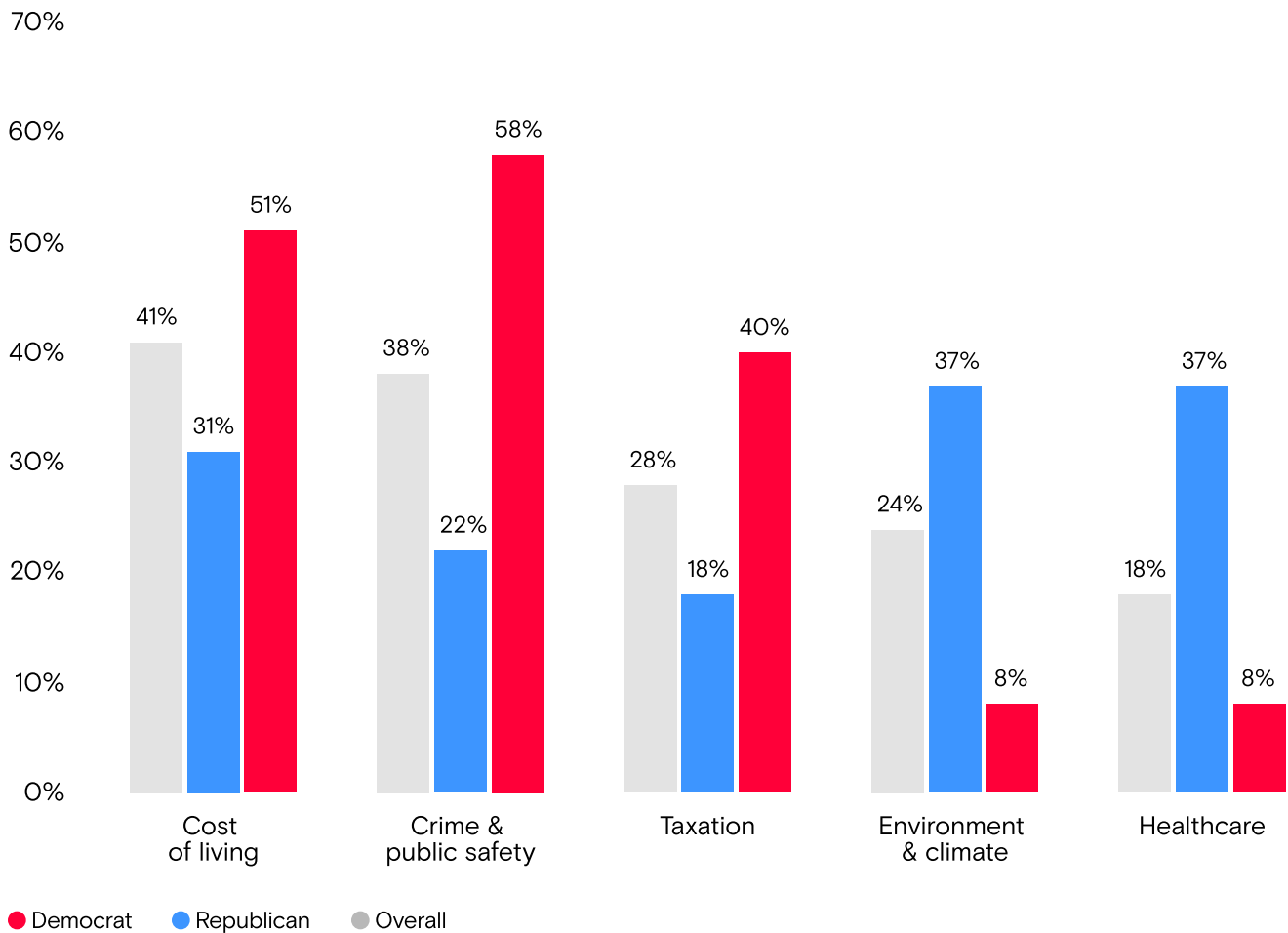
We are pleased to share our findings in this year's New York Insights Review. From X to X 2023, we spoke to over 270 policymakers in the state about their policy priorities and the top issues facing their communities.

Cost of living is the top priority for New York policymakers this year, who have placed particular focus on addressing the lack of affordable housing options throughout the state. Policymakers also note the state's high tax rates as another issue they would like to spend time on. Crime and public safety, environment and climate, and healthcare are all also at the top of policymaker priorities this year.

This report is fourth in a series that examines five of New York policymakers' top priorities, which include (i) cost of living (ii) crime and public safety (iii) taxation (iv) environment and climate and (v) healthcare.

## Top policy priorities in New York

Multiple selections permitted



Source: Penta Policy Insiders

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## New York deep dive

# Taxation

Almost a third of policymakers in the state of New York agree that tax rates are too high and call for the state's tax structures to be reformed. Policy staff feel that the property tax rates and income tax rates are placing a significant burden on constituents.

This past year, Wallethub compared the tax burden across states in the U.S. by analyzing “the three tax types of state tax burdens — property taxes, individual income taxes and sales and excise taxes — as a share of total personal income in the state.” Overall, New York is rated to have the highest tax burden out of any state. They also ranked first under the category of individual income tax burden and fifth in the country for property tax burden.<sup>1</sup>



Tax policy has to be another...**the state government has to stop passing laws that pass additional tax burdens on the counties.**

**Executive Director, New York State Municipality, D**



New York, constantly ranks in the top three in the country for the effective tax rate...**Taxation overall is a real problem here. We have pretty high income taxes, we have high property taxes.** Businesses will tell you that the business taxes, particularly unemployment insurance, which effectively is a tax, is out of control.

**County Legislator, New York State Municipality, R**



**[One of the top priorities [in New York], policy wise, going into next year.. Is tax reform.** New York is consistently rated as one of the highest tax counties.

**Senior VP, Executive, R**



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## Property tax and affordable housing

Policymakers are particularly concerned about high property tax rates and how they are affecting the development and availability of affordable housing in the state. Additionally, policy leaders are concerned that these rates are further exacerbating the high cost of living in the state.

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I do think people are hoarding properties because they get such an influx of cash flow in the summer, but just the property taxes and things out here make it very unfeasible for someone to do that for the long term. **The average house out here pays between 15 and 20,000 a year in taxes... the business model won't be sustainable unless you're able to rent it out all year round.**

Chief of Staff, New York House of Representatives, D

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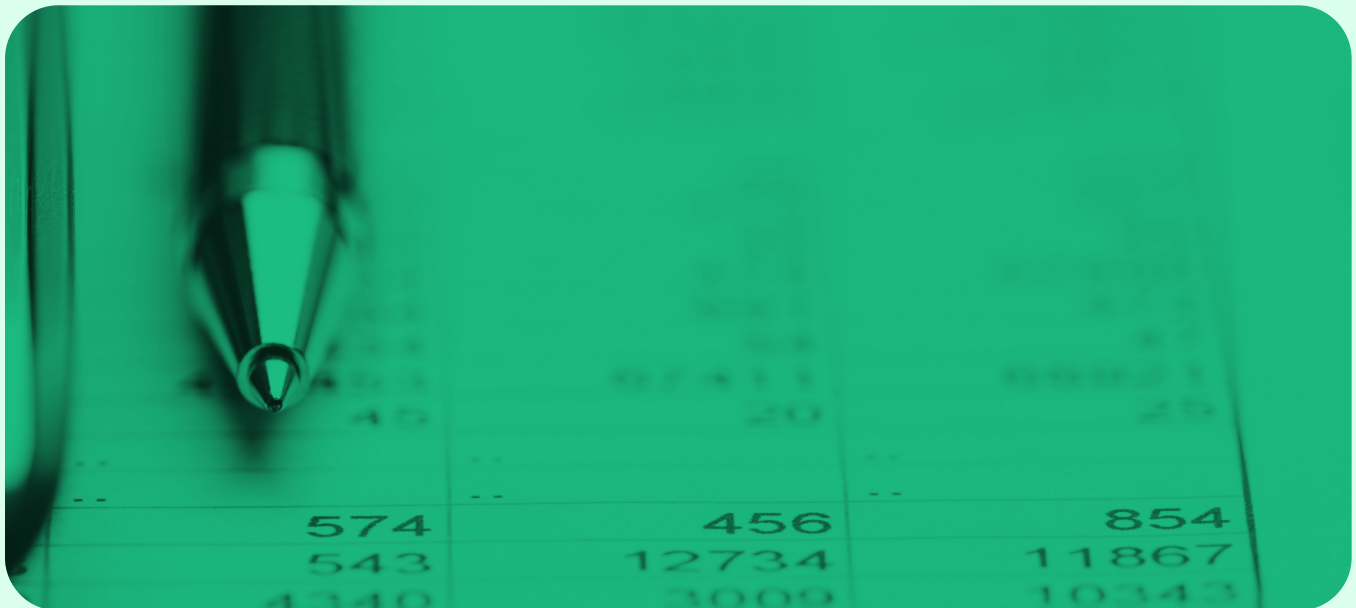
I'm paying \$15,000 in property taxes. **They've always talked about [tax] reform, but nobody's ever achieved it.** So that's one major issue.

Senior VP, Executive, R

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## Conclusion

Policymakers agree that taxes in New York are too high, and there is widespread consensus that tax policy in the state needs improvement. Policy leaders recognize the burden such policies have on residents and are working to mitigate the effects of high tax rates as they try to achieve more significant reform.



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## About Penta Policy Insiders

Penta Policy Insiders provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

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1. <https://wallethub.com/edu/states-with-highest-lowest-tax-burden/20494>

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