



Death & Taxes: A Close Look at Real Estate Taxes and Income Taxes from Real Estate

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Taxes are Unavoidable

- Rising Taxes:
 - Government services cost money
 - Increased population
 - Decreased state and federal funding
 - Aging government workforce leads to more retirements/more pensions/more healthcare costs

Description of Major New York City Taxes

New York City Tax Revenues Fiscal Year 2010 (Millions)

Tax	Revenues
Real Property Tax	\$16,184
Personal Income Tax	\$6,858
Sales Tax	\$5,059
General Corporation Tax	\$1,976
Unincorporated Business Tax	\$1,560
Banking Corporation Tax	\$969
Real Property Transfer Tax	\$615
Commercial Rent Tax	\$594
Utility Tax	\$375
Mortgage Recording Tax	\$366
Hotel Tax	\$363
Other	\$609
Total	\$35,528

Audit revenues are excluded.
Amounts may not add exactly due to rounding.

Source:
*The City of New York Financial Plan
Summary: Fiscal Years 2011-2015*

Taxable Assessment and Market Value Profiles

Final FY 2010/11 vs. Tent FY2011/12 - Citywide

PROPERTY TYPE	NUMBER OF TAX LOTS			* RESIDENTIAL UNITS or SQUARE FOOTAGE		
	FY 2010/11 F NUMBER	FY 2011/12 T NUMBER	% CHANGE	FY 2010/11 F	FY 2011/12 T	% CHANGE
Class One	702,059	702,292	0.03%	1,090,473	1,091,135	0.06%
Class Two	238,201	241,854	1.53%	1,855,917	1,853,668	-0.12%
Class Three	306	305	-0.33%			
Class Four	89,636	92,268	2.94%	1,219,151,921	1,224,123,379	0.41%
CITYWIDE TOTALS:	1,030,202	1,036,719	0.63%			
PROPERTY TYPE	FULL MARKET VALUE			TAXABLE VALUE		
	FY 2010/11 F \$	FY 2011/12 T \$	% CHANGE	FY 2010/11 F \$	FY 2011/12 T \$	% CHANGE
Class One	\$390,337,077,467	\$393,706,993,587	0.86%	\$14,952,733,843	\$15,349,248,528	2.65%
Class Two	\$188,766,568,417	\$196,338,677,283	4.01%	\$50,771,297,554	\$54,821,567,451	7.98%
Class Three	\$25,373,961,010	\$25,338,921,209	-0.14%	\$11,035,982,884	\$11,075,634,723	0.36%
Class Four	\$189,264,012,609	\$208,094,093,538	9.95%	\$70,869,198,301	\$76,072,398,674	7.34%
CITYWIDE TOTALS:	\$793,741,619,503	\$823,478,685,617	3.75%	\$147,629,212,582	\$157,318,849,376	6.56%

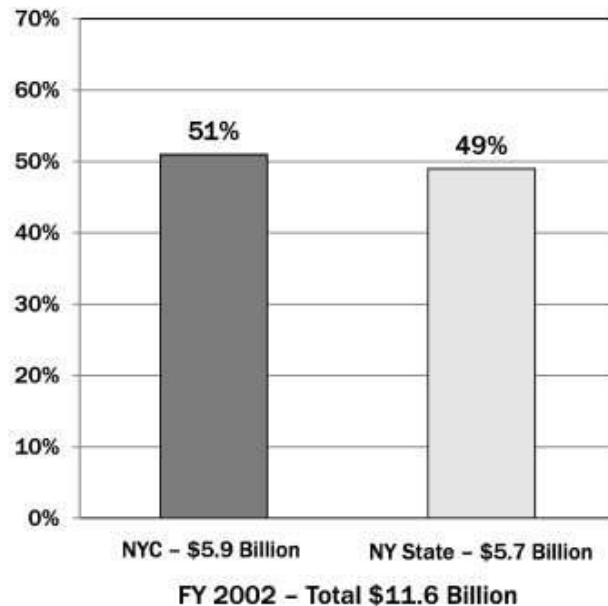
* Classes One and Two show residential unit counts. Class Four shows gross building area of square feet. Area figures are not available for Class Three.

Source: FY12 Tentative Assessment Roll (January 14, 2011)

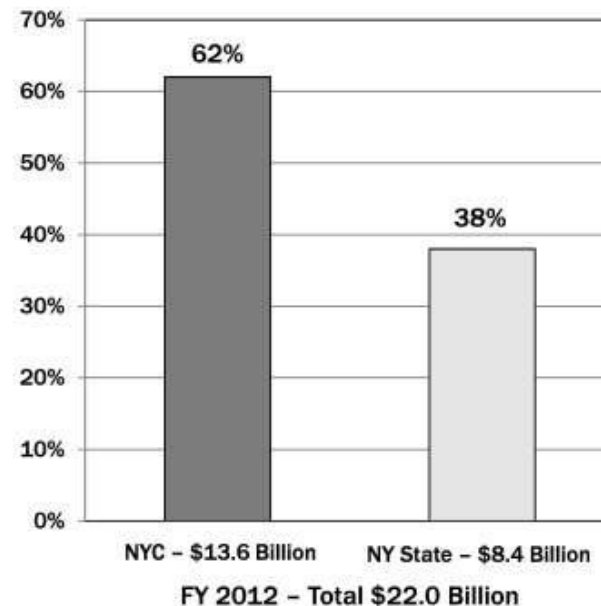


Over the last 10 Years, NY State has not maintained its support of NY City's public schools

In FY 2002, New York State and New York City shared the non-federal portion of funding NYC's public schools equally.



In FY 2012, NYC is providing 62% of the non-federal portion of funding for our public schools.



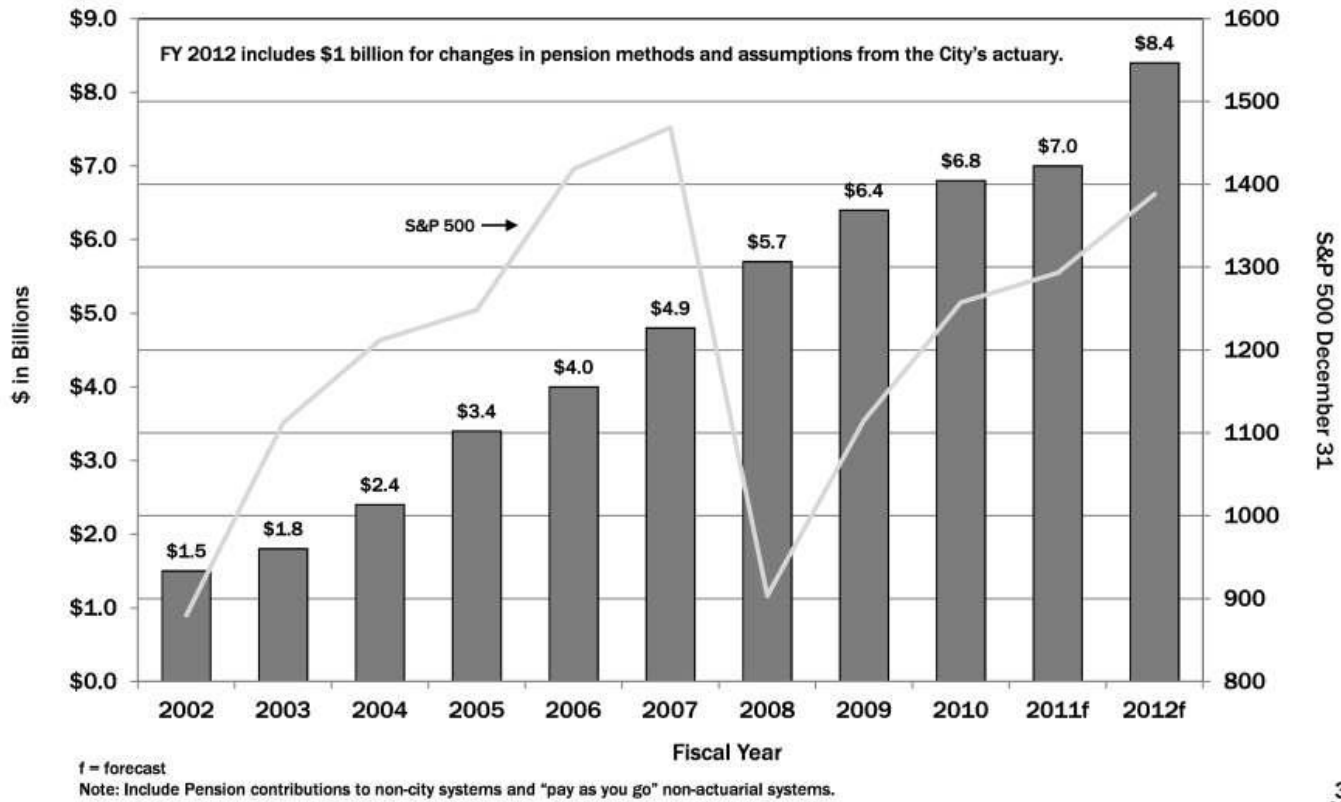
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Fiscal Year 2012

Source: *The City of New York Financial Plan Summary: Fiscal Years 2011-2015*



Pension costs have increased by 464% from \$1.5B in FY2002 to \$8.4B in FY2012

The Average Annual Growth in Pension Costs FY 2002 - FY 2012 Is 19%



Source: The City of New York Financial Plan Summary: Fiscal Years 2011-2015

City Funds Revenue

February 2011 Financial Plan

		\$ in Millions				
		FY 2008	FY 2009	FY 2010	FY 2011 ^f	FY 2012 ^f
Property Tax		\$13,062	\$14,338	\$16,184	\$16,847	\$17,643
	Year-to-Year	104	1,276	1,846	663	796
	Change:	0.8%	9.8%	12.9%	4.1%	4.7%
Economically Sensitive Taxes		\$25,703	\$21,673	\$21,017	\$23,135	\$24,276
	Year-to-Year	134	(4,030)	(656)	2,118	1,141
	Change:	0.5%	(15.7%)	(3.0%)	10.1%	4.9%
Subtotal – Tax Revenue		\$38,765	\$36,011	\$37,201	\$39,982	\$41,919
	Year-to-Year	238	(2,754)	1,190	2,781	1,937
	Change:	0.6%	(7.1%)	3.3%	7.5%	4.8%
Non-Tax Revenue		\$5,172	\$4,954	\$4,672	\$4,289	\$4,847
	Year-to-Year	997	(218)	(282)	(383)	558
	Change:	23.9%	(4.2%)	(5.7%)	(8.2%)	13.0%
Total Revenue		\$43,937	\$40,965	\$41,873	\$44,271	\$46,766
	Year-to-Year	1,235	(2,972)	908	2,398	2,495
	Change:	2.9%	(6.8%)	2.2%	5.7%	5.6%

f = forecast

Note: FY 2009 and prior years restated to include TFA PIT Retention.

Source: *The City of New York Financial Plan Summary: Fiscal Years 2011-2015*

Five-Year Financial Plan | Revenues & Expenditures

All Funds - \$ in Millions)

Revenues	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Taxes					
General Property Tax	\$16,847	\$17,643	\$18,197	\$18,632	\$19,062
Other Taxes	22,267	23,631	24,320	25,353	26,678
Tax Audit Revenue	868	645	644	651	651
Subtotal: Taxes	\$39,982	\$41,919	\$43,161	\$44,636	\$46,391
Miscellaneous Revenues	6,161	5,765	5,814	5,880	5,909
Unrestricted Intergovernmental Aid	14	12	12	12	12
Anticipated State Actions	---	600	600	600	600
Less: Intra-City Revenue	(1,871)	(1,515)	(1,512)	(1,512)	(1,512)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$44,271	\$46,766	\$48,060	\$49,601	\$51,385
Other Categorical Grants	1,315	1,160	1,157	1,154	1,150
Inter-Fund Revenues	559	500	493	493	493
Federal Categorical Grants	8,197	5,937	5,795	5,761	5,761
State Categorical Grants	11,565	11,263	11,286	11,330	11,331
Total Revenues	\$65,907	\$65,626	\$66,791	\$68,339	\$70,120
Expenditures					
Personal Service					
Salaries and Wages	\$22,124	\$21,263	\$21,371	\$21,598	\$21,685
Pensions	6,999	8,419	8,566	8,444	8,721
Fringe Benefits	7,664	7,994	8,439	8,959	9,523
Retiree Health Benefits Trust	(395)	(672)	---	---	---
Subtotal: Personal Service	\$36,392	\$37,004	\$38,376	\$39,001	\$39,929
Other Than Personal Service					
Medical Assistance	\$4,883	\$6,141	\$6,327	\$6,463	\$6,643
Public Assistance	1,562	1,526	1,546	1,546	1,546
All Other ⁽¹⁾	20,290	19,413	19,934	20,435	20,922
Subtotal: Other Than Personal Service	\$26,735	\$27,080	\$27,807	\$28,444	\$29,111
General Obligation, Lease and TFA Debt Service ^{(1),(2)}	5,046	5,908	6,672	6,919	7,269
FY 2010 Budget Stabilization & Discretionary Transfers ⁽²⁾	(3,646)	---	---	---	---
FY 2011 Budget Stabilization ⁽²⁾	3,151	(3,151)	---	---	---
General Reserve	100	300	300	300	300
Subtotal	\$67,778	\$67,141	\$73,155	\$74,664	\$76,609
Less: Intra-City Expenses	(1,871)	(1,515)	(1,512)	(1,512)	(1,512)
Total Expenditures	\$65,907	\$65,626	\$71,643	\$73,152	\$75,097
Gap To Be Closed	\$ ---	\$ ---	(\$4,852)	(\$4,813)	(\$4,977)

(1) Fiscal Year 2010 Budget Stabilization and Discretionary Transfers total \$3.646 billion, including G.O. of \$2.888 billion, TFA of \$371 million, net equity contribution in bond refunding of \$4 million, and subaides of \$383 million.

(2) Fiscal Year 2011 Budget Stabilization total \$3.151 billion, including G.O. of \$2.361 billion and TFA of \$790 million.

Source: The City of New York Financial Plan Summary: Fiscal Years 2011-2015



Top & Bottom Ranked States

2010 Top-Ranked States

State	Grade
Alaska	A
Delaware	A-
Idaho	A-
Minnesota	A-
Montana	A-
Virginia	A-
Arizona	B+
Mississippi	B+

2010 Bottom-Ranked States

State	Grade
California	D-
Louisiana	D
Florida	D
Rhode Island	D
Alabama	D
Illinois	D
New Mexico	D
Pennsylvania	D

Source: *The Best and Worst of State Tax Administration | COST Scorecard on Tax Appeals & Procedural Requirements (February 2010)*



Panel Discussion

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