

ROCKEFELLER INSTITUTE

Forum

(Preliminary)
Effective Real Property Tax Rates
Downstate Hudson Valley Region

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The Property Tax in New York State

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QUESTION:

WHAT ARE THE EFFECTIVE TAX RATES?

Effective tax rates measure the Nominal Tax

Rate multiplied by the Ratio of assessed value to

full Market value of real property.

Why Calculate The Effective Tax Rates?

- Local governments levy their property taxes on the basis of “assessed values” which are a fraction of full, or market value. These fractions can often range widely.
- Often these fractional assessments have little or no relationship to the market value of a home or commercial properties. In most taxing jurisdictions, these fractional values have been attacked repeatedly for their *inadequacies*, *inaccuracies*, and *inconsistencies*.

How Do We Calculate the ETR?

Effective Tax Rate =

Nominal Rate x (Assessed Value/Market Value)

For this study

**EFFECTIVE TAX RATES ARE CALCULATED
FOR BOTH**

**RESIDENTIAL AND COMMERCIAL
PROPERTIES**

HISTORY OF ETR'S

- Center for Local Tax Rates (1978-1982)
- NYU Wagner School (1997-2000)
- Rutgers: Center for Urban Studies (2006-09)

Structure of the Study

N.Y. Metropolitan Region

States (NY-NJ-Conn.)	3
Counties	24
Towns	560
New York City-(Counties)	5

N.Y. Hudson Valley Region

Counties	9
Towns	124

Why Will the ETR's Go Up or Down?

Condition:

If % Change in Tax Rate = % Change in Mkt. Value = No Change in ETR

If % Change in Tax Rate < % Change in Mkt. Value = ETR Will Declines

If % Change in Tax Rate > % Change in Mkt. Value = ETR Will Increase

Summary (Preliminary) Statistics Hudson Valley Region Equalized Nominal Rates (Means)

New York	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	97-07
Columbia	2.47	2.50	2.55	2.61	2.60	2.61	2.48	2.38	2.50	2.28	2.12	-14.16
Dutchess	2.23	2.40	2.52	2.53	2.39	2.30	2.13	2.00	2.03	1.86	1.73	-22.40
Greene	3.30	3.31	3.46	3.39	3.28	3.26	3.25	3.12	2.98	2.85	2.91	-12.02
Orange	2.60	2.83	2.90	2.85	2.84	2.76	2.76	2.49	2.58	2.42	2.23	-14.02
Putnam*(98-05)	1.78	2.47	3.44	2.70	2.42	2.35	2.20	2.20	2.06	1.96	1.93	8.26
Rockland	2.76	2.95	3.09	2.78	2.61	2.51	2.13	2.21	2.50	2.41	2.28	-17.44
Sullivan	2.78	2.89	2.93	2.98	3.09	3.04	3.12	2.96	3.24	3.02	2.66	-4.12
Ulster	8.66	7.01	22.73	2.83	4.28	2.85	2.81	2.68	2.55	2.12	1.96	-77.36
Westchester**	2.60	2.57	3.95	2.45	2.40	2.31	2.07	4.20	4.08	1.97	1.90	-26.75
Hudson Valley	3.24	3.21	5.29	2.79	2.88	2.67	2.55	2.69	2.72	2.32	2.19	-32.41
NY Metro - NYC	2.30	2.31	2.47	2.32	2.27	2.19	2.04	2.06	2.21	2.21	2.21	-4.13
NY Metro - Total*	2.59	2.61	2.67	2.60	2.56	2.50	2.48	2.61	2.59	2.46	2.39	-7.51

Summary (Preliminary) Statistics

Hudson Valley Region

Effective Residential Rate

New York	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	97-07
Columbia	2.44	2.52	2.55	2.61	2.62	2.61	2.47	2.31	2.52	2.26	2.12	-13.45
Dutchess	2.30	2.42	2.52	2.56	2.55	2.01	1.85	1.93	1.82	1.60	1.75	-24.02
Greene	1.50	1.52	1.95	1.91	2.07	2.15	2.54	2.19	2.03	2.15	2.13	24.19
Orange	2.73	3.04	2.77	3.12	3.28	2.58	2.35	2.32	2.13	1.97	1.91	-29.99
Putnam*(98-05)	2.35	2.47	2.54	2.70	2.70	2.30	2.07	2.18	1.93	1.86	1.85	-25.05
Rockland	2.53	2.58	2.62	2.46	2.59	2.55	1.71	1.80	1.74	1.04	1.76	-30.56
Sullivan	2.62	2.74	3.08	2.84	2.99	2.75	2.74	2.76	2.54	2.40	2.19	-16.39
Ulster	3.03	2.48	2.19	2.14	2.16	1.93	1.89	1.78	1.85	1.44	1.45	-52.16
Westchester**	2.15	3.52	3.52	2.25	2.44	1.75	1.71	4.12	1.66	1.61	1.61	-25.40
Hudson Valley	2.41	2.59	2.64	2.51	2.60	2.29	2.15	2.38	2.02	1.96	1.79	-23.87
NY Metro - NYC	2.10	2.27	2.28	2.19	2.16	1.97	1.78	2.71	2.20	2.92	2.67	27.15
NY Metro - Total*	1.92	2.02	1.74	1.92	1.87	1.75	1.64	2.20	1.89	2.33	2.17	13.36

Summary (Preliminary) Statistics

Hudson Valley Region

Effective Commercial Rates

New York	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006*	2007*	97-07
Columbia	2.54	2.51	2.55	2.61	2.58	2.61	2.52	2.58	2.52	2.26	2.12	-16.59
Dutchess	2.36	2.53	2.57	2.40	2.61	2.16	2.28	2.53	2.17	2.20	2.28	-3.56
Greene	1.49	1.50	1.76	1.73	1.65	1.54	4.22	1.19	0.96	1.10	1.11	-25.23
Orange	2.54	3.21	2.81	2.74	3.30	2.86	3.01	2.81	2.94	2.59	2.74	7.74
Putnam*(98-05)	1.78	2.47	2.54	2.51	2.70	2.51	2.41	2.53	2.37	2.10	2.15	-13.02
Rockland	2.55	2.90	3.35	2.48	3.04	3.38	2.83	2.62	2.79	2.69	2.62	2.74
Sullivan	2.57	2.80	3.05	2.93	2.95	2.95	3.05	3.18	3.20	2.72	2.65	3.07
Ulster	5.90	5.88	3.07	4.08	4.10	2.94	3.10	3.37	2.85	2.40	2.34	-23.69
Westchester**	5.54	5.20	4.52	2.34	3.61	2.64	2.80	2.71	5.06	3.16	2.23	-59.72
Hudson Valley	3.03	3.22	3.03	3.22	2.91	2.65	2.95	2.62	1.79	2.61	2.76	-8.82
NY Metro - NYC	2.34	2.46	2.53	2.34	2.48	2.33	2.23	2.09	2.10	1.88	1.69	-27.65
NY Metro - Total*	1.95	2.04	1.83	1.91	1.98	1.88	1.82	1.74	1.75	1.61	1.50	-23.00

Hudson Valley Region ETR Differences (Commercial - Residential)

	RESIDENTIAL			COMMERCIAL				
	1997	2007	% CNG	1997	2007	% CNG	1997	2007
New York								
Columbia	2.44	2.12	-13.45	2.54	2.12	-16.59	0.09	0.00
Dutchess	2.30	1.75	-24.02	2.36	2.28	-3.56	0.06	0.53
Greene	1.50	2.13	24.19	1.49	1.11	-25.23	-0.01	-1.02
Orange	2.73	1.91	-29.99	2.54	2.74	7.74	-0.18	0.83
Putnam*(98-05)	2.35	1.85	-25.05	1.78	2.15	-13.02	-0.57	0.30
Rockland	2.53	1.76	-30.56	2.55	2.62	2.74	0.02	0.86
Sullivan	2.62	2.19	-16.39	2.57	2.65	3.07	-0.05	0.46
Ulster	3.03	1.45	-52.16	5.90	2.34	-23.69	2.87	0.89
Westchester**	2.15	1.61	-25.40	5.54	2.23	-59.72	3.39	0.63
Hudson Valley Mean of Means	2.41	1.83	-23.87	3.03	2.76	-8.82	-0.62	-0.93
NY Metro - NYC	2.10	2.67	27.15	2.34	1.69	-27.65	-0.24	0.98
NY Metro - Total*	1.92	2.17	13.36	1.95	1.50	-23.00	-0.03	0.67

Possible Future Research

- Analyze the Relationship of Personal Income to Residential ETR's.
- Analyze the Relationship of Employment to Commercial ETR's.
- Develop a Model to Estimate ETR's for Residential & Commercial ETR's.
- Ideas accepted.