



NYC Advisory Commission on Property Tax Reform 10 Preliminary Recommendations

1. The Commission recommends moving coops, condominiums and rental buildings with up to 10 units into a new residential class along with 1-3 family homes. The property tax system would continue to consist of four classes of property: residential, large rentals, utilities, and commercial.
2. The Commission recommends using a sales-based methodology to value all properties in the residential class.
3. The Commission recommends assessing every property in the residential class at its full market value.
4. The Commission recommends that annual market value changes in the new residential class be phased in over five years at a rate of 20% per year, and that Assessed Value Growth Caps should be eliminated.
5. The Commission recommends creating a partial homestead exemption for primary resident owners with income below a certain threshold. The exemption would be available to all eligible primary resident owners in the residential class and would replace the current Coop-Condo Tax Abatement.
6. The Commission recommends creating a circuit breaker within the property tax system to lower the property tax burden on low-income primary resident owners, based on the ratio of property tax paid to income.
7. The Commission recommends replacing the current class share system with a system that prioritizes predictable and transparent tax rates for property owners. The new system would freeze the relationship of tax rates among the tax classes for five-year periods, after which time the City would conduct a mandated study to analyze if adjustments need to be made to maintain consistency in the share of taxes relative to fair market value borne by each tax class.
8. The Commission recommends that current valuation methods should be maintained for properties not in the new residential class (rental buildings with more than 10 units, utilities, and commercial).
9. The Commission recommends a gradual transition to the new system for current owners, with an immediate transition into the new system whenever a property in the new residential class is sold.
10. The Commission recommends instituting comprehensive reviews of the property tax system every 10 years.