

# George In The News

## Some Good Tax News at Last

Report says the 'effective tax rate' is declining for homes in Nassau and Suffolk

By Bradford W. O'Hearn

Homeowners in Nassau and Suffolk can take heart from a recent study showing that, while they still pay among the highest property taxes in the nation, taxes as a percentage of their homes' value are beginning to decline.

The fifth annual report by the Center for Local Tax Research in New York City shows a definite downward trend in what it calls the "effective tax rate" for homes in Nassau and a lesser dip for homes in Suffolk. For homeowners in Queens—who have had exceptionally low rates for years—the news is not so sanguine: The city's fiscal problems are steadily driving the rate higher.

According to Philip Finkelstein of Valley Stream, assistant professor in Adelphi University's School of Social Work, the effective tax rate is a simple way of comparing the tax loads in communities where the actual tax rates vary widely. The effective tax rate is found by dividing the total taxes into the price paid for a home.

Although Finkelstein said that effective tax rates for homeowners "are beginning to stabilize and that's good news after some of the sharp increases we saw a few years ago," he also warned, "We shouldn't be too prideful because our taxes are already among the highest in the area."

The effective tax rate for homes in Nassau during 1978, the last year studied, was \$3.54 for each \$100 of market value, down from \$3.90 in 1975. The rate in Suffolk was \$3.16 in 1978, down from \$3.21 the previous year. "That's still way above alot of other places in the metropolitan area like Jersey and Connecticut," Finkelstein said. The 1978 rate for Greenwich, Conn., for instance was \$1.14 and in Bergen County, N.J., it was \$2.30.

Lee Koppelman, executive director of the Long Island Regional Planning Board, said, however, that the downward trend in Nassau and Suffolk is "a healthy sign."

Koppelman and Finkelstein differed on whether Long Island's high tax rates were a deterrent to business and industry. "It's definitely a deterrent to income-producing activity of all kinds, including new business, the growth of existing business and the building of new homes," Finkelstein said. But Koppelman said a planning commission study of why businesses moved to Long Island showed, "Taxes, if they appeared on the list of considerations at all were at the very bottom of the list."

Leonard Braun, president of the Long Island Area

Effective Property Tax Rates								
(For each \$100 of market value)								
		Residential					Commercial	
Nassau	3.90	3.74	3.67	3.54	5.69	6.67	6.53	6.62
Suffolk	3.06	3.09	3.21	3.16	3.98	4.15	4.31	4.60

Development Agency, agreed with Koppelman, but noted that business and industry are paying a much larger share of the tax load than homeowners. He said that when commercial property is reassessed, the shifting of the tax burden to homeowners "could be a very severe economic blow to the people of Long Island."

Calling the downward trend in effective tax rates for homes "a ray of sunshine," Mervin Schapiro, head of the Suffolk County Builders Association, said, "Taxes are still one of the major factors that are hurting the area. My personal opinion is that something drastic has to be done, such as getting the school taxes off the real-estate base."

Reprinted from *NEWSDAY*, January 23, 1980 page 3, with permission of the publisher.

### New SF Director Plans Earth Day Events

Alanna Hartzok, teacher and counselor, has been appointed Education Director of the Henry George School in San Francisco, succeeding Charles Turner. Ms. Hartzok has been associated with Friends of the Earth, and has been actively involved with the school since she first took a course in Georgist economics there over two years ago.

Among her first projects will be the school's participation in the Tenth Anniversary Celebration of Earth Day, which originated in San Francisco. "Earth Day is a tremendous opportunity to communciate George's ideas", Ms. Hartzok said. "Our involvement with a network of active organizations will help to give us greater visibility and recognition throughout the area".

Earth Day will be celebrated nationally on April 22, with conferences, seminars, and environmental happenings from California to Maine. The concept of the earth and its natural resources as a common heritage of all mankind, to be held in perpetual trust, is seen by many as a central theme in Henry George.