

Tuxedo Town Board Meeting 13 February 2007 Public Hearing: Tax Exemptions

Statement of Helmut E. Nimke, P.E. regarding Tuxedo veterans' property tax exemptions under New York State real property tax law Section 458.

Unless someone else claims comment time and donates it to me, I have 3 impossible minutes to cover an issue deserving hours of open discussion, questions and answers, numbers and debate. It's time this subject is agenda again.

It reappeared at the meeting of 23 January, which set this hearing date. I spoke then noting that the issue seems without priority in that, as agenda item 5, it followed matters of contract (item 3) and cats and dogs (item 4), certainly items of precedent importance. That inadvertence of order characterizes the crass lack of conscious regard America has arrived at today of its debt to its veterans and active military.

To the issue: Assessor Stevens and I discussed this anew, at his invitation, on 22 January. He will tonight make recommendations regarding the tax and fiscal impacts of increasing Tuxedo's veterans' property tax exemption. I had hoped to know earlier of his position and comment herein; now necessarily as verbal postscript.

We had discussed the status, dollar level and application methodology of the County and Town veterans' service property tax exemption, as presently authorized. We share the view that dollar level increases, at both levels, and definitive procedural and structural modification of the State law, are urgent objectives.

The data Mr. Stevens presents for your consideration, as budget comparatives, should include and illuminate the increased levels of veterans' tax exemption available under 458 rules pertaining to "High Appreciation Municipalities", which apply since "Star" was created in dealing with school taxes. Tuxedo has yet to implement this available and deserved opportunity to enlarge the benefit range.

This appearance as proponent is my third. The last, on 25 February 2004, produced a Tuxedo Resolution which appears never to have been communicated to the County and remains unapplied since '04. I would spare you numbers, but cannot. We must put a practical face on numbers otherwise sterile. I begin with my case as Combat Veteran, then to explore the impact of 458 on Tuxedo's 'budget.

My '07 tax bill, as Combat Veteran, was based on a County exemption of \$35,000 and Tuxedo's at \$30,000. These are each applied independently to the specific County and Town taxes. Tuxedo's should have been billed at \$35,000, as intended by the Resolution of 25 February '04 to then match County. These exemption dollars must seem very generous to those who are not aware that they are subjected to the arithmetic application of "Equalization." Try it, or even seek out how. It's a mathematical yo-yo. What appears generous is pure tight fisted and unnecessarily complicated.

My benefit and tax impact of 458 may be regarded as representative of Tuxedo's other vets, permitting some revealing calculation. My entire '07 tax bill applied a combined 458 exemption for Tuxedo and County Combat Veteran benefit of \$235; a gross deduction 6.24%. Of Tuxedo's total portion, my exemption is \$126 or 5.2%; as calculated from a Tuxedo Combat Veteran exemption of \$30,000. Had my Tuxedo exemption been the \$35,000 Resolved on 25 February '04, as it should have, my bill would have, been reduced by an additional \$21 (0.87%). It appears that Tuxedo owes its veterans rebate for '04,5,6 and earlier. In short, each \$5,000 increase provided as Tuxedo exemption would increase my benefit by about \$21, or 0.87%.

My urgent recommendation is that Tuxedo establish a greater exemption, in the first range of those permitted by 458 for "High Appreciation Municipalities"; namely those presently under "Star," a definition met by Tuxedo, at a new level of \$39,000 Veteran plus \$26,000 Combat and \$130,000 disabled. For Tuxedo, \$65,000 would then apply to me as Combat Vet. This would provide me an additional saving of \$148, for a new Tuxedo total of \$273 or 9.4% of my otherwise gross Tuxedo tax. I get 10% at the Chinese Buffet and I never served in the Chinese army.

None of this makes me rich, nor Tuxedo poor, but it will help me pay my extortionary school taxes, "Star" notwithstanding, so I can survive in Tuxedo, pay my taxes and continue to enjoy your welcome. School taxes now total 12 times my FIT without STAR and 10 times as applied.

As to impact on Tuxedo: In his data table, Mr. Stevens speaks of these exemptions as "Proposed Tax Loss". What his chart really represents is a deserved "Tax Shift." Budgets and taxes being what they are, the Assessor would better define the tax exemption as displaced dollars. What has really happened as a result of taxes is a sad loss to Tuxedo of contributing veteran residents, as a part of the sustaining fabric of Tuxedo's population; never as liability.

The Assessor informs me that Tuxedo is home to about 105 veterans in the categories of Vet, Combat Vet and Disabled. It is likely that an additional 20% have never applied for benefits under 458. The impact of 458 on me may be regarded as representative average of Tuxedo's other vets so as to arrive at the budget impact of 458 on Tuxedo. Thus, one could approximate present '07 Tuxedo budget tax dollar impact as; $\$126 \times 105 \text{ vets} = \$13,230$. This compared with the Assessor's tabulation of \$13,380.97, a near identity, for the present level of 458 exemption of \$30,000, justifies the assumption of my case as an reasonably representative average. Thus, were the increase I recommend applied, this would become $\$273 \times 105 \text{ vets} = \$28,665$; an increase of \$15,435 over present '07. At that rate Tuxedo is not headed for bankruptcy, even if it were twice that. What percent of gross budget or payroll would that be? How would that compare with Tuxedo's retirement budget?

Don't ask me about my service pay. It still hurts. The new vets will speak of theirs when they get home from the glory of Iraq. I can't bear to compare that with the overtime pay our domestic security services are salting away in this "wartime." I remember one with "Dollar-a-Year" CEOs and Civil Defense Volunteers without overtime. Wars have a way of transforming someone's blood into someone else's gold.

Mr. Stevens will recommend how far Tuxedo's generosity should be carried. The entry of Tuxedo into the first step of the permitted range of the "High Appreciation Municipality" category of exemption levels is available and long overdue. Any improvement Tuxedo makes now in 458 exemption should not ignore this opportunity to demonstrate a fully open handed appreciation of dedication service and population stability. This would be in the community's self interest. There has been no effective increase of veteran exemption in 5 years or more. Meantime, Town taxes have been compounding at about 5% or more per year, along with the County.

To close: I recommend that Tuxedo give this issue the justice it deserves. The administrative application of 458 is in great disarray and poorly applied. The Assessor can provide Orange County data. Play dumb and seek information from agencies you might expect to provide it. Senator Morahan is a great target if you wish to prove the point. Endurance is everything. The indifferent disinterest of veterans themselves continues to astound me. In this, they need all the friends they can get.

On 23 January, I closed with the following; A heroic George Washington declared: "The willingness with which our young people are likely to serve in any war. . . shall be directly proportional to how they perceive the veterans of earlier wars are treated and appreciated by their nation."

Helmut E. Nimke, P.E.