

NEWS RELEASE

For Immediate Release: November 24, 2015

“Stop cutting my taxes, I can’t afford it anymore.”

Onondaga County Comptroller Robert E. Antonacci II, CPA, released his office’s memorandum regarding property tax cuts and with specificity addresses the claims the real property tax revenue of the County is down 25%.

Mr. Antonacci stated, “There has been continued chatter regarding claims made during the political process the County cut property taxes 25%. We felt it was incumbent upon our office to address this issue as it continues to be a question from many of our constituents. As one voter said to me on the campaign trail, ‘Stop cutting my taxes, I can’t afford it anymore!’”

The change in sales tax agreement and explanation of the previous County mechanism including sales tax credits is indeed confusing. There is no question the current method of taxation is much more transparent and results in a much clearer picture in what the County is doing to collect real property taxes. However, to compare 2008 to 2015 is not only difficult to do, but is misleading,” Antonacci said.

“Our report is County-centric and examined the amount of money used by Onondaga County government from the source revenue. In fact, the County uses more than \$20 million of real property tax revenue in 2015 than it did in 2008,” explained Mr. Antonacci.

Mr. Antonacci concluded, “With the upcoming consolidation report to be issued in early 2016, we must have the trust of the people when it comes to properly explaining data. The residents know their tax bills have been distorted and have been told many things, but how are we to expect to have their attention and trust during the consolidation process? We must be as transparent as possible.”

For further information please contact Robert Antonacci II, CPA, at 435-2130.



COUNTY OF ONONDAGA

Office of the
County Comptroller

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November 25, 2015

Honorable Onondaga County Executive
Chief Fiscal Officer

Re: Claim Regarding 25% cut in Property Taxes

Our office investigated recent claims made by the Administration regarding a 25% cut in property taxes since 2008. Claims made during the recent campaign for Onondaga County Executive can be chalked up to political hyperbole. In the weeks since the election concluded, the claim was again restated. No longer in the throes of a campaign, this statement can only be considered the official position of the Office of the Onondaga County Executive.

As this community moves forward to discuss the Consensus report on government efficiency and decide a possible referendum on the role of local government, it is imperative government leaders have the trust of the citizens of Onondaga County. Facts must be presented clearly and concisely. Any misstatement or misunderstandings on the operation of local government could have detrimental effects on our community for decades to come.

Our office's review of the facts clearly shows the claim "the total amount of property tax collected in the county... is \$40 [million] less" is without merit. The cited figure of \$180 million was never collected by the County in property taxes. Perpetuating this statement is to continue the distortion on how local government operates.

It is advisable that when explaining the current sales tax agreement and its effect on County property taxes that the Administration use the statement it previously used: "some people's taxes went up, and some people's taxes went down". This more accurately describes the net result of County's decision to no longer share sales tax revenues with towns and villages.

Our draft report is enclosed herewith and any questions can be directed to the undersigned.

Sincerely,

Robert E. Antonacci II, CPA

Onondaga County has multiple funding streams, including sales tax and property tax. Constituents have questioned the claim property taxes were cut 25% from 2008 to 2015, during the current administration's tenure. This report will present the stated claim and evaluate it against the presented budgets.

Issue:

The claim as stated by Onondaga County Executive Joanne M. Mahoney on November 17, 2015 during a "live chat" on www.syracuse.com:

Question: You claim our taxes went down 25 percent, but the county's line item on my property taxes has not changed more than a few dollars since 2011. I consider it a win they did not go up but what was the 25% you mentioned?

Response: Your tax bills include more than just your county taxes. The property tax levy when I took office was \$180M and today it is \$140M. **That is the total amount of property tax collected in the county and it is \$40M less.** [Emphasis added] I plan to continue to try to reduce the county property tax by working with the state to reduce mandates and not replace every employee who retires with a new employee until we make sure that we have to.¹

Background:

Joanne M. Mahoney was elected Onondaga County Executive in 2007 in a four-way race. Her term began January 1, 2008. Under the prior sales tax agreement effective through 2010, towns and villages in the County were able to use their portion of sales tax revenue to offset their municipality's portion of County property tax. In 2010, a new sales tax agreement was approved which changed the distribution of monies collected by sales tax. Now, sales tax is divided between the City of Syracuse and the County with a small portion (0.7%) going to the school districts.

Analysis:

In 2008, the "Total Property Tax Levy" was \$179,707,960, or the \$180 million referenced by the County Executive. However, most towns within the County used their portion of sales tax as a credit against the county property tax. In 2008 that sales tax credit against property tax was approximately \$58,797,432. This left a "Net Property Tax Levy" of \$120,910,528, being the actual dollar amount taken out of taxpayers' wallets by way of property tax in 2008, or the "total amount of property tax collected in the county".

¹ [The Post-Standard](#), November 19, 2015, Neighbors West, Page 6

This analysis is displayed in the 2008 budget, page 2-16. The county at that time called the \$179.8 million (cited as “\$180M” in County Executive’s comment above) levy a “Total Property Tax Levy”. After crediting sales tax to the County tax bill, the resulting “Net Property Tax Levy” was \$120.9 million, again these were the funds used by County government in its operations.

In 2015, the “Total Property Tax Levy” was \$139,891,159. There are no credits taken against the “Total Property Tax Levy”. Therefore, \$139,891,159 is the actual dollar amount taken out of taxpayers’ wallets by way of property tax in 2015, or the “total amount of property tax collected in the county”.

The following chart uses information from the Onondaga County budget for each individual year. Interestingly, in 2008, 2009 and 2010 the County Budget Book specifically included a page known as “County Wide Tax Levy” that showed the reconciliation from “Total Property Tax Levy” to “Net Property Tax Levy” (see attached). Starting in the 2011 Budget Book, this page is no longer part of the Onondaga County Budget Book. Our chart, however, shows the reconciliation from “County Total Property Tax Levy” to “Net Property Tax Levy” for the budget years 2008 through 2015.

Year of Assessment	Total Property Tax Levy ²	Town Sales Tax Credit	Net Property Tax Levy
2008	\$179,707,960	\$58,797,432	\$120,910,528
2009	\$179,821,396	\$60,514,846	\$119,306,550
2010	\$183,997,042	\$58,544,079	\$125,452,963
2011	\$153,821,817	\$12,088,826	\$141,732,991 *
2012	\$148,216,571	\$3,867,816	\$144,348,755
2013	\$140,998,859	\$346,291	\$140,652,568
2014	\$140,891,159	\$111,202	\$140,779,957
2015	\$139,891,159	-	\$139,891,159

*In 2010 the County Legislature attempted to prevent the drastic swing in property tax collected by attempting to over-ride the County Executive’s veto as part of the 2011 budget process. Legislator Patrick Kilmartin warned of the County Executive veto’s effect in a letter to the editor when he stated:

The county executive is empowered to override any “increase” contained within the Legislature’s budget. A veto may be utilized to eliminate any increase in projected revenue or any increase in use of the county’s emergency savings funds. Any veto by the county executive will increase property taxes. This is an indisputable fact. Regardless of the political rhetoric or policy debates, a veto will increase county property taxes.³

The County Legislature was unable to gather enough votes to over-ride all of the County Executive’s vetoes, but if the County Legislature had enough votes, the then Net Property Tax Levy would have been further reduced by \$18 million, in effect eliminating the large property tax increase in 2011.

² The budget book uses the terms “total property tax levy” and “county gross tax levy” interchangeably.

³ http://blog.syracuse.com/opinion/2010/10/onondaga_county_legislator_pat.html as retrieved 11/24/2015

Conclusion:

The County Executive's statement that real property taxes were cut 25% is misleading. The starting number of \$180 million in property taxes was an amount which was never collected. The comparison between the "Total Property Tax Levy" of 2008 and 2015 is erroneous because it does not account for sales tax revenue credited to the taxpayers. The real starting number for comparison of 2008 to 2015 should have been the "Net Property Tax Levy" of \$120,867,833⁴. As the taxpayers currently receive no credit against today's "Total Property Tax Levy" of \$139,891,159, the Total and Net tax levies are the same. Instead of a 25% cut, the raw data shows property tax revenues increased 16%.

⁴ \$120.9 million as shown on 2008 Budget Page 2-16, "County Wide Tax Levy.

County Wide Tax Levy

	(in millions)			
	2007	2008	Change	% Change
Total Property Tax Levy	\$183.8	\$179.7	(\$4.1)	-2.2%
Reductions				
Town Sales Tax Credits	(\$60.4)	(\$58.8)	\$1.6	-2.6%
Payments by Towns	\$0.0	\$0.0	\$0.0	\$0.0
Adjustments				
Prior Years Surplus				
Sales Tax Reconciled	\$0.0	\$0.0	\$0.0	\$0.0
Net Property Tax Levy	\$123.4	\$120.9	(\$2.5)	-2.0%

County Wide Tax Levy

	(in millions)			
	2008	2009	Change	% Change
Total Property Tax Levy	\$179.7	\$179.8	\$0.1	0.1%
Reductions				
Town Sales Tax Credits	(\$58.8)	(\$60.5)	(\$1.7)	2.9%
Payments by Towns	\$0.0	\$0.0	\$0.0	\$0.0
Adjustments				
Prior Years Surplus				
Sales Tax Reconciled	\$0.0	\$0.0	\$0.0	\$0.0
Net Property Tax Levy	\$120.9	\$119.3	(\$1.6)	-1.3%

County Wide Tax Levy

	(in millions)			
	2009	2010	Change	% Change
Total Property Tax Levy	\$179.8	\$184.0	\$4.2	2.3%
Reductions				
Town Sales Tax Credits	(\$60.5)	(\$58.5)	\$2.0	-3.3%
Payments by Towns	\$0.0	\$0.0	\$0.0	\$0.0
Adjustments				
Prior Years Surplus				
Sales Tax Reconciled	\$0.0	\$0.0	\$0.0	\$0.0
Net Property Tax Levy	\$119.3	\$125.5	\$6.2	5.2%