



Legislation Text

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Res. No. 667

Resolution calling upon the New York State Legislature to introduce, and the Governor to sign, legislation which would provide a tax credit to commercial building owners who lease space to small business owners.

By Council Members Brewer, Barron, Dickens, Dromm, Ferreras, Gentile, Jackson, James, Lander, Mark-Viverito, Mealy, Mendez, Palma, Rose, Williams, Nelson, Halloran and Ulrich

Whereas, In the last few years, property taxes in New York City have rapidly increased for property owners; and

Whereas, Specifically, the 18.5% property tax increase enacted in 2002, the rescindment in 2009 of the 7% property tax reduction, the increase in property tax assessments due to rapidly increasing market values during the housing boom, and new property tax levies have virtually doubled the property tax revenue in the city, from \$8.6 billion in 2002 to \$16.1 billion in 2009, a rate of growth nearly three times the rate of inflation; and

Whereas, These increases have not only affected homeowners in New York City, but business owners as well, especially because New York City taxes commercial properties at nearly eight times the rate for homeowners in an effort to alleviate the tax burden on residential property owners; and

Whereas, While business owners are absorbing the brunt of the pain imposed by the increased property taxes, small business owners have been disproportionately affected; and

Whereas, According to the publication, “What Firms Value Most”, which details findings of a study sponsored by the Citizens Budget Commission and the Federal Reserve Bank of New York,, New York City has more than 200,000 small businesses, accounting for two-thirds of the city’s private sector jobs, undeniably making small businesses the backbone of New York City’s local economy; and

Whereas, Of the city's private sector jobs, 96% have fewer than 50 employees; and

Whereas, Unfortunately, property taxes have created a huge financial burden for landlords and for small-business owners who rent; and

Whereas, When commercial real estate owners are faced with increased property taxes and a struggling economy, such owners often offset this increase by increasing the rent paid by their tenants; and

Whereas, In fact, it is now not uncommon for many landlords to insert clauses into leases requiring tenants to pay any increase in real-estate taxes; and

Whereas, Moreover, in addition to property tax increases, fees and fines in New York City have almost doubled in the last two years as city departments increased their inspections and enforcement efforts; and

Whereas, As a result, renting commercial space in New York City has become cost-prohibitive for many small business owners, who may contemplate renting space outside of the five boroughs; and

Whereas, Providing owners of commercial real estate a tax credit against their real property taxes when renting to a small business owner would incentivize property owners to pass the savings along to the small business owners and thwart hefty rent increases; and

Whereas, Providing such a tax incentive will allow small business owners to keep their businesses in New York City and keep their businesses financially viable; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to introduce, and the Governor to sign, legislation which would provide a tax credit to commercial building owners who lease space to small business owners.

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