

BRIEF

New York Renters and Homeowners Want Property Tax Reforms Now

Land Value Taxation Has Majority Support Statewide

IZIAH THOMPSON

Introduction

Before the state legislative session got underway, and just ahead of a New York City election with historic turnout, the Community Service Society of New York (CSS) administered our Annual Survey of Housing and Economic Security to 4,000 New York State residents. The survey included questions assessing views on property tax fairness, reform, and potential policy solutions. Survey results show broad concern about the current property tax system and support for change across regions and housing tenures. From The Bronx to Erie County, residents want reform.

New Yorkers recognize that property taxes are not just a homeowner issue. Many respondents understood that property taxes paid by landlords are passed on to tenants, and more than a quarter said that wealthy landlords don't pay their fair share. These findings point to structural features of the current system, where speculators win while working families pay the bill. Against this backdrop—and with a new New York City mayor elected on a promise of tax equity and Albany seeking to address affordability for everyday New Yorkers—the path is clear: the time is right to authorize a Land Value Tax (LVT) and advance basic property tax reforms.



Intersection in Allentown, Buffalo, New York

The Case for Authorizing Land Value Taxation

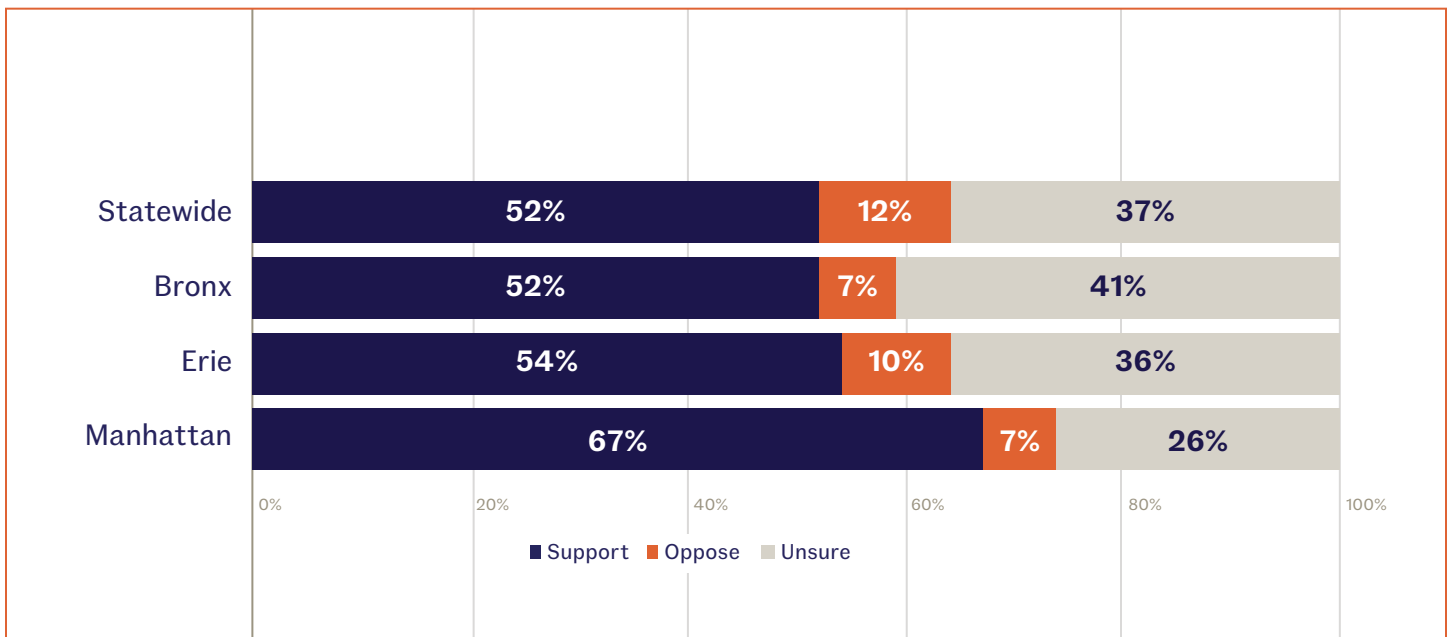
As laid out in the March 2025 joint CSS and Progress and Poverty Institute report [Footing the Bill: Fifty Years of NYC Overtaxing Tenants, Towers, and Low-Income Communities of Color](#), under the current system in New York City, property owners face higher taxes when they renovate or build new housing, while speculators who keep land vacant can remain lightly taxed. A Land Value Tax (LVT) flips this incentive structure by shifting the tax burden off buildings and onto land value.

A majority of respondents (52 percent) statewide support this shift; among those who expressed an opinion, in opposition or support, more than 80 percent supported an LVT.¹ This support cuts across geography, shattering the myth that land value taxation is solely a “New York City issue.”



A vacant lot in Manhattan's Upper East Side with a view of the backyard space behind several buildings, New York City.

SUPPORT VS. OPPOSITION: LAND VALUE TAX



Support for Land Value Taxation by Housing Tenure

Support for LVT is nearly identical among renters and homeowners.

Demographic	Support for LVT
Renters	54%
Homeowners	53%

This cross-tenure support likely reflects how LVT would affect different households

in distinct ways. For many working-class homeowners, whose home value exceeds their land value, shifting taxes toward land would likely reduce overall tax liability and remove penalties for home improvements.

Renters, meanwhile, might view LVT as a mechanism to discourage speculation and bring vacant lots into productive use. New housing construction, in turn, could increase supply and ease upward pressure on rents.

Even Wealthy Owners Know Assessments are Unfair

While tax rates draw significant attention, the method used to value properties drives much of the system’s inequality—specifically fueling a massive giveaway to the owners of the most expensive homes in the city. The New York City Department of Finance does not value condos and co-ops based on their actual sales price; instead, it estimates their value using the income of “comparable” rental properties. This process forces assessors to use often-unrealistic rental comparables—frequently rent-stabilized buildings—which results in significant under-assessment for high-value luxury units.

The result is a regressive bias where properties at the low end of the market are assessed at a much higher proportion of their actual value, while luxury condos and co-ops are severely under-assessed and therefore undertaxed. Essentially, the current system forces lower-value sites to pick up a greater tax burden so that luxury buildings can pay less.

However, our survey reveals a stunning rejection of this status quo—mostly from the very people who benefit from it. When New York City residents were asked about reforming this system to tax condos and co-ops more fairly, 51 percent of higher-income respondents supported reform, with only 18 percent opposing it.² Even more tellingly, support was highest in Manhattan (59 percent), the epicenter of the luxury market that currently enjoys these tax breaks.

	Support	Oppose	Neither
New York City	47%	16%	37%
Manhattan	59%	14%	27%
Higher Income	51%	18%	31%
Renters	51%	11%	38%

This data shatters the assumption that wealthy New Yorkers will inevitably fight or flee from fair taxation. Despite currently enjoying a system that artificially deflates their tax bills, a majority of high-income and Manhattan respondents want to see

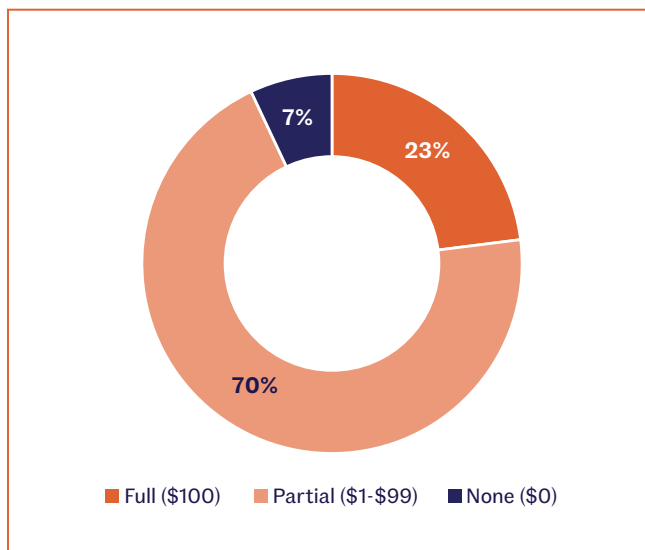
these loopholes closed. The regressivity of the current model is so stark that even its primary beneficiaries—wealthy owners in luxury districts—recognize it is unsustainable and are signaling a readiness to pay their fair share.

The Hidden Tax on Renters

There is a common assumption that renters do not—or should not—care about property taxes. New Yorkers reject this premise. Most market-rate renters in New York City recognized that property taxes are an operating cost for landlords that are passed on to tenants through rent increases.

Ninety-three percent of New York City’s market-rate renters think that when property taxes rise, landlords pass some or all of those costs on to tenants. While the amount of property taxes passed on to renters is a hotly debated topic, this perception is supported by research. A 2025 MIT Center for Real Estate [study](#) found that in competitive markets, commercial landlords pass through 80 to 90 percent of property tax increases to tenants, and an [analysis](#) of changes in rents before and after New York State allowed cities to tax rental properties more than owned properties found that 14 percent of the tax increase was passed

HOW MUCH OF A \$100 PROPERTY TAX DO YOU THINK WOULD BE PASSED ON TO TENANTS?



onto tenants. Together, these findings help explain renters’ interest in property tax reform, despite not owning property themselves. They also point to the need for relief mechanisms for renters comparable to those available to homeowners.

Perceptions of Fairness in the Current Property Tax System

Many respondents found the current property tax system to be inequitable. More than a quarter of New York City residents reported that wealthy homeowners do not pay their fair share of property taxes; a similarly high proportion of respondents felt the same regarding large landlords, reflective of the tax breaks large luxury condo buildings can receive at the expense of other types of housing.

When asked in an open-ended question what they wished elected officials better understood about what it takes to get ahead financially, some respondents raised concerns about property taxes and who bears their cost. For example, one resident emphasized unequal treatment, wishing that “policies were such that everyone and each corporation paid a fair share of income and property taxes. Exemptions for wealthy individuals are inhumane.”

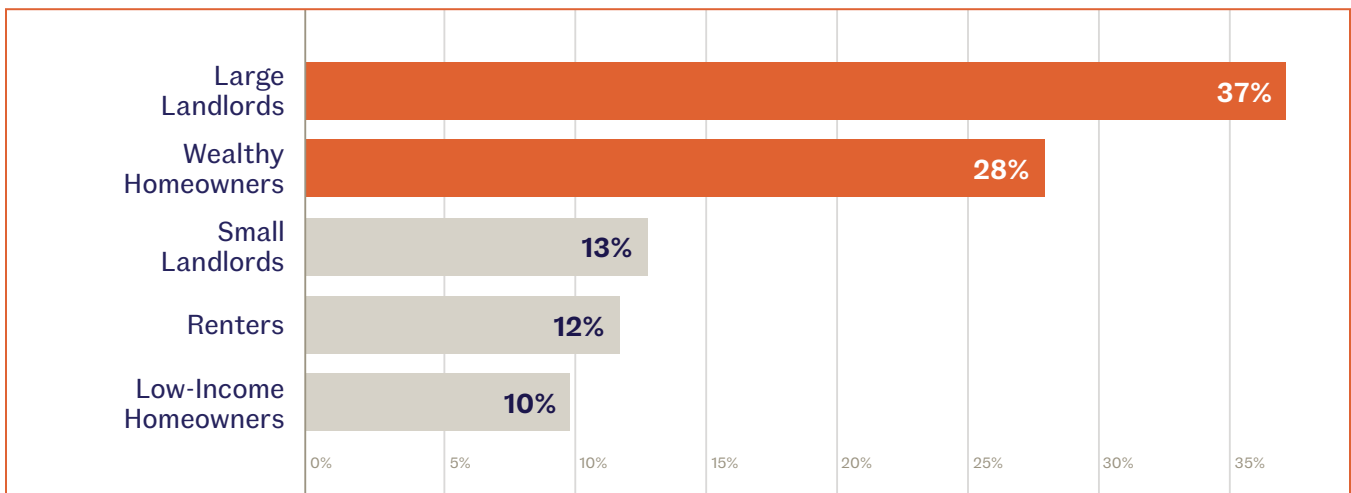
Others described the day-to-day burden of property taxes and the impact on housing affordability. As one Westchester respondent put it:

“[P]roperty taxes are crushing us. Rents and mortgages would be lower and more affordable if taxes were lower. I pay \$2900 (mortgage and tax) a month for my house. My mortgage is only \$1500 - the rest a whopping \$1400 is taxes.”

A New York City resident pointed to the cumulative effect of the cost burden: “[O]ur property taxes are too high now and have been going steadily up in the last several years. It has become too expensive to live here anymore.”

We understand these responses as reflecting concern about structural features of the property tax system—such as tax breaks given to special interests—that disproportionately benefit owners of high-value properties and shift costs onto everyday New Yorkers—including renters, as the Westchester resident noted. These perceptions align with our prior [research](#) showing that longstanding property tax structures have produced uneven outcomes across neighborhoods and income groups.

OPINION: WHO PAYS LESS THAN THEIR FAIR SHARE OF PROPERTY TAXES?



Policy Recommendations

Based on survey findings, the Community Service Society of New York, Progress and Poverty Institute, Center for Land Economics, and legislative partners in the offices of Assemblymember Alex Bores and State Senator Rachel May recommend the following reforms:

1. Authorize Land Value Taxation (LVT):

Pass (Bill #: A3339B / S1131B), giving New York City and other municipalities the authority to tax land at a higher rate than improvements. This creates an incentive to build housing rather than bank land.

2. Tax Vacant Land Appropriately:

Implement targeted taxes on vacant residential and commercial land to discourage speculation. New York City and other municipalities already have the power to create vacant-land classifications that could be used more effectively to compel vacant lots into productive use.

3. Repeal §581(1)(a) of the Real Property

Tax Law: Allow New York City to choose a valuation method that considers fairness and accuracy. Section 581(1)(a) of the New York State Real Property Tax Law (RPTL) requires that condominiums and cooperatives be valued for tax purposes as if they were residential rental properties rather than based on their actual market sales prices. This statutory mandate effectively creates a “valuation ceiling” by forcing assessors to use often-unrealistic rental comparables, which leads to significant under-assessment and lower property taxes for high-value luxury units compared to single-family homes. This law was originally passed to encourage ownership and successfully

turned many rentals into homesteads. However, it is now obsolete and serves only to undervalue luxury condos by comparing them to artificially cheap rental buildings.

4. Expand the Renter’s Tax Credit:

Establish a meaningful, refundable tax credit for rent-burdened tenants. The existing renter’s credit is modest compared to the cost of living and the tax burden passed through rent. Expansion will help bring renter relief closer to parity with the STAR and Circuit Breaker relief programs provided to homeowners.

5. End Fractional Assessments:

Eliminate opaque assessment practices that hide the true value of high-end properties like luxury condos and mansions, ensuring that all property is taxed based on actual market value.

Endnotes

1. In order to ascertain whether or not New York State residents supported a land value tax, they either read or were read the following: “Some state lawmakers have proposed allowing cities to use a “land value tax” to calculate property taxes. Currently, property taxes are based partly on the value of the land and partly on the value of the buildings on it. A land value tax would lower the tax rate on buildings and raise the tax rate on land. This could raise property taxes for vacant or underused properties and parking lots in expensive areas, lower taxes for well-developed properties in less expensive areas, and have little impact on most others. Supporters say it could encourage owners of vacant land to build housing or use it more productively. Based on this description, would you support or oppose giving cities the option to use a land value tax?”
2. To learn about New York City resident’s opinions on condo/co-op valuations, they read or were read the following: “Currently, state law requires that the value of condominiums (“condos”) and cooperative apartments (“co ops”) in New York City be estimated as if they were rental properties, based on the income they could generate from rents. This method undervalues many luxury condos and co ops, so they often pay less in property taxes than they would if valued using other measures. Would you support or oppose legislation allowing New York City to use a different method to value condos and coops, which could result in higher property taxes for high value units?”



**Annual Survey of
Housing and
Economic Security**

Survey Methodology: For more than 20 years, the Community Service Society of New York has surveyed New Yorkers on housing, employment, benefits, finances, and policy views. The 2025 Annual Survey of Housing and Economic Security surveyed 4,000 adults statewide, including 2,000 New York City residents, between September 9 and October 2, 2025. Surveys were offered in English, Spanish, Chinese, Russian, and Haitian Creole via online panels, phone, and text recruitment. Results were weighted by region to reflect the demographic composition of New York State adults. The margin of error is ± 1.55 . Federal poverty level (FPL) bands

were calculated for each responding using their 2024 household income, household size, and the U.S. Department of Health and Human Services 2024 poverty guidelines. We categorize low-income respondents as those whose households are at or below 200% of FPL, moderate-income respondents as those who are between 201% and 400% of FPL, and higher-income respondents as those whose income is above 400% of FPL. Among the New York City sample, 31% were low-income, 26% were moderate income, and 43% were higher income. The borough distribution was 30% Brooklyn, 28% Queens, 21% Manhattan, 15% Bronx, and 6% Staten Island.

*For more information, contact
Iziah Thompson at ithompson@cssny.org.*



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