

Reducing Taxes For LI Homeowners

Like a lot of people on LI, Paul Henry had a feeling he was paying too much in taxes on his Greenport home. Unlike a lot of people, he was in a position to really do something about it. A former research scientist and current independent computer consultant, Henry had both the skills and a plan to analyze and challenge his property taxes.

As a result, the first year Henry was able to get his taxes reduced by over \$2,000. Just a year later, he was able to get an additional 15% reduction.

After the success of his personal tax appeal, Henry soon found himself besieged by family and friends anxious to have him test his new methodology on their homes. The results were equally impressive. Within a year, Henry formalized this experiment into a cottage industry, Tax Reduction Services.

To date, he has helped hundreds of LIers gain substantial reductions on their property taxes through the appeal process. In fact, Tax Reduction Services has reaped an average \$920 savings for 85% of the clients for whom it filed tax appeals. Henry said "the other 15% are still definitely over-assessed. We just have to file again."

The company's success rate is the result of an exhaustive statistical study of real estate tax structures and assessing practices in virtually every community on LI. "What we've found" Henry explained, "is that there are substantial pockets of over-assessed neighborhoods throughout Nassau and Suffolk counties. Some of the assessment methods are either out-of-date or inconsistent or both."

Henry has examples of his experience. A homeowner in Huntington tried and failed to get a tax

reduction. However, a year later, Tax Reduction Services was able to file a grievance which resulted in a savings of \$1,250. And in Brookhaven, a student turned to Henry after her attorney refused to get involved and reaped an \$897 savings on property taxes.

The standard compensation for Tax Reduction Services is a \$45 charge for processing and the appeal filing fee. For the 15% for whom Tax Reduction Services is unable to gain a reduction, Henry urges the refile.

Tax Abatements

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program to locally control tax abatements to businesses."

"The 485b program doesn't make the best use of our limited public dollars," he said, because it is "inflexible and untargeted." Gatta said 485b has been rescinded

by 49 taxing jurisdictions in Suffolk because it requires "we give to all development or none." Gatta was working for Islip when the town rescinded 485b in 1986. It didn't allow abatements to be targeted at companies that would pump "real dollars back into the economy," he said.

During the 1980s, 50,000 jobs were created in Suffolk by computer and data processing firms, technical and scientific companies, financial services, research and testing laboratories and other industries, Gatta said. The LI Regional Planning Board (Hauppauge) estimates that with an amended tax law that enables pinpointing incentives, Suffolk

could create an additional 50,000 jobs in the 1990s. Using a conservative, two-to-one multiplier, those 50,000 jobs could stimulate the creation of a total of 100,000 jobs with estimated economic impact on Suffolk of about \$1.5-B.

Gaffney has called on the 49 taxing jurisdictions who rescinded 485b to reinstate the existing program until the law can be amended. Gatta said, "The school districts, the villages and all the others need to realize that economic development is a top priority. You can't do it by saying, 'We don't want to be a partner in that. We don't want to offer any (abatements).'"

"It doesn't seem very smart when they're saying, 'Well, we'd rather

have 100% of not than 50% something get us moving, again said. "I think we have to recognize that the old days are gone. The 1980s gave us a false sense of security. Defense is winding down. We have to look outward and change the base of the economy."

The Gaffney administration's proposed modification of 485b can be sponsored by members of the LI delegation. Since any amendment to the Real Property Law would require bipartisan support, it is questionable that incentives will be a reality. Other economic developers in the region would not comment on the proposed modifications of the 485b abatement program.