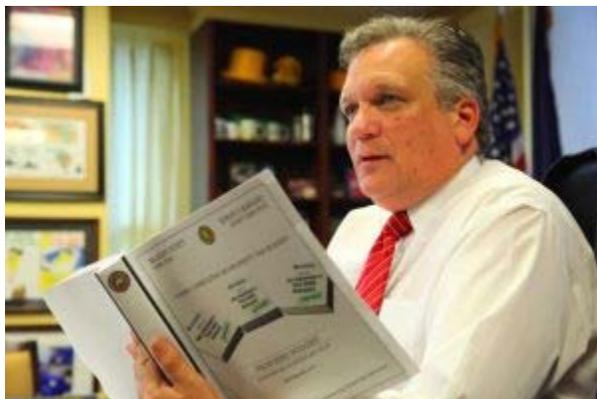


Local tax hikes hurt LI economic recovery

September 22, 2012 by JOYE BROWN / joye.brown@newsday.com



It's astonishing the lengths to which [Nassau](#) and [Suffolk](#) counties will go not to raise taxes. Last week, County Executive Edward Mangano announced a proposed no-increase budget for 2013 in [Nassau](#). To the east, County Executive Steve Bellone announced a proposed no-increase-in-the-general fund budget for [Suffolk](#).

But wait a minute.

Mangano's budget raises fees, many of them significantly, as a way to tap more revenue for Nassau, which is under fiscal watch from a

state control board.

Meanwhile, Bellone proposed increasing taxes in the police portion of the budget. Like Mangano's higher fees, which will hit only those who must pay, it's a politically neutral move because residents always want police protection.

Which is good because most Suffolk residents will pay the higher cost.

But while the counties are shy about raising tax-and-fee revenue, [Long Island's](#) towns and cities are taking a more direct approach.

A quick analysis of a series of reports in Friday's Newsday shows that executives in all but one town -- [Southampton](#) -- are considering the possibility of raising taxes.

In [Long Beach](#), where officials have been unable to get State [Senate](#) Majority Leader [Dean Skelos](#)' (R-Rockville Center) support for state approval for deficit financing, proposed increases of 6.6 percent over three years would be the region's steepest.

Officials in most other municipalities, however, said they intended to try to stay under or close to the state's mandatory 2 percent cap on tax increases. But two towns -- [Islip](#) and [Brookhaven](#), [Long Island's](#) largest -- find themselves grappling with the question of whether they might consider increases that would, by a needed majority vote of the town boards, pierce the cap.

It's hard to blame Mangano or Bellone for seeking politically safe harbor on tax increases. In Nassau, the [Republican Party](#) views county no-increase budgets as a political necessity.

But the county accounts for a pittance of the property tax bill. The largest part comes from school districts, most of which easily get resident approval to raise taxes or pierce the 2-year-old cap.

In towns, which cover the middle, politicians are fearful of raising taxes, too. But they know that (until re-election season) most residents reserve the toughest criticism for the counties.

Nonetheless, taken together, Long Island has some of the highest property taxes in the nation.

It's money that, according to Pearl Kamer, chief economist for the Long Island Association, otherwise would go toward consumer or business spending. "Residents are taking money from the private sector and putting it into the public sector," she said. "There is an economic impact."

Especially in a region that, as last week's reports on poverty and [unemployment](#) show, is still struggling to get past the Great [Recession](#).

Where's the relief? "That won't come, for the counties, the towns or the school districts, until the rising costs of mandates, health care insurance and pensions are under control," said Kevin Law, president of the LIA, the region's largest business group.

Until then, Long Island will see more layoffs and more service cuts as municipalities are forced to remake themselves. Some, thanks to strong leadership, are doing that better than others.

For now at least.

[< back to article](#)