

## What stands in the way of upstate's prosperity?

Patrick Burke November 1, 2014

If you can't convince them, confuse them.

— Harry S. Truman

I don't know about you, but Tuesday's elections can't come soon enough. Politicians distorting information to make their opponents appear incompetent and diabolical is tiresome.

The governor says the real problem standing in the way of economic prosperity in upstate New York is high property taxes resulting from too many taxing authorities. Of course, the local response is to blame Albany mandates.

I live in Brighton, where my all-in property tax rate is approximately 4 percent of the assessed value of my house, while according to zillow.com the national average is 1.4 percent. Let's assume Brighton's taxes were 2 percent lower, the impact would be an increase in housing values. Put another way, a 2 percent annual reduction, over 20 years, would equate to an increase in value of over 40 percent, all else being equal. No new jobs, but a good way to increase middle class wealth.

Additionally, a recent <u>study published by George Mason University</u> has New York at the top of the list when it comes to providing corporate welfare. At \$21.7 billion annually, it exceeds the number two state, Washington, by 67 percent. Corporate welfare is doled out in tax breaks when an entity either threatens to leave the state or county and the politicians scramble to provide property tax abatements and/or easy and at times free money. The study concludes, "... Empirical studies on state subsidies find that these programs have little to no effect in producing their intended goals."

I heard another pol explain that the upstate prosperity blockade was a result of the expense of New York state individual welfare benefits. In 2013, the Cato Institute published "Work versus Welfare Trade-Off," which ranks New York seventh for individuals receiving assistance. A single mom with two children would need to earn in excess of \$20 per hour to replace the public assistance available to her in New York, the study says.

I'm all for incentives to attract business and assistance for those in need, but balancing these against leveling the playing field for all will go a lot further in creating a healthy ecosystem for existing businesses, workers, and families. In the end, I guess this is always about being reelected.

So let's get this over.