

It isn't worth \$5 million, but property values often rise and tax thresholds fall.

Will New York Tax My Upstate House?

By Mitch Zimmer

So the New York Legislature has allowed New York City to tax people with a second home in the city. The so-called pied-à-terre tax hits co-op and condo owners with properties assessed at \$1 million or more and owners of houses assessed at \$5 million or more.

Disappointment is almost certain. Some owners will sell, businesses will reduce their presence, and fewer tax dollars than expected will roll in. Pundits will extol the benefits, especially of getting rich people to pay their "fair share," as money disappears down that hole of no return: blue-city government.

As an out-of-stater with a summer home in upstate New York, I have a different perspective: What's next? New York is one of the top states for family cottages, called camps in the Adirondacks. Quite a few have been in families for generations. Location and improvements have raised many of their values close to the \$5 million mark. Not mine, but values can go up and tax thresholds can come down. In my circle of friends, about half of camp owners are from elsewhere. Is New York's next step to tax these out-ofstaters?

Here is a general description of my share for the privilege of owning a summer home in the Adirondacks. True, I pay no income tax to New York. I do, however, pay property and school taxes—almost as much for my 1,000-square-foot camp as for my four-bedroom house in Pennsylvania. For that, my family receives few benefits.

We have owned the house for more than 50 years without sending a child to the well-funded school system. Our house sits with five others on a private road. We pay to have it plowed and recently paid \$18,000 to repave it. Our water is municipal, but we must maintain the line to the highway. The last time it needed repair, the bill was \$25,000. We bring our garbage to the dump and pay a small per-bag fee. Leaves are accepted free, but we have to drive the half-hour to get there.

We use the services of local contractors, hope they show up, and fix things ourselves when they don't. We eat at local restaurants, shop at stores, buy gasoline and know all the hardware stores in the area. We contribute with sales taxes. We are small fry by most standards, but I can imagine state lawmakers looking at us as easy pickings.

My father began his retirement in our house. Friends and family assumed I would also retire to New York, but current tax rates nixed those plans. The New York rate is more than three times the Pennsylvania rate. I have told the family to be ready to sell our property if such a law is passed affecting us.

Then we would have additional taxes to pay for the sale. We would still visit New York, but for one to two weeks instead of 10 to 15. There are 49 other states that would like our travel dollars.

Mr. Zimmer is a former engineer, consultant and professor.

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