Vexed by property tax systems

Survey: LIers see them as outdated and inefficient

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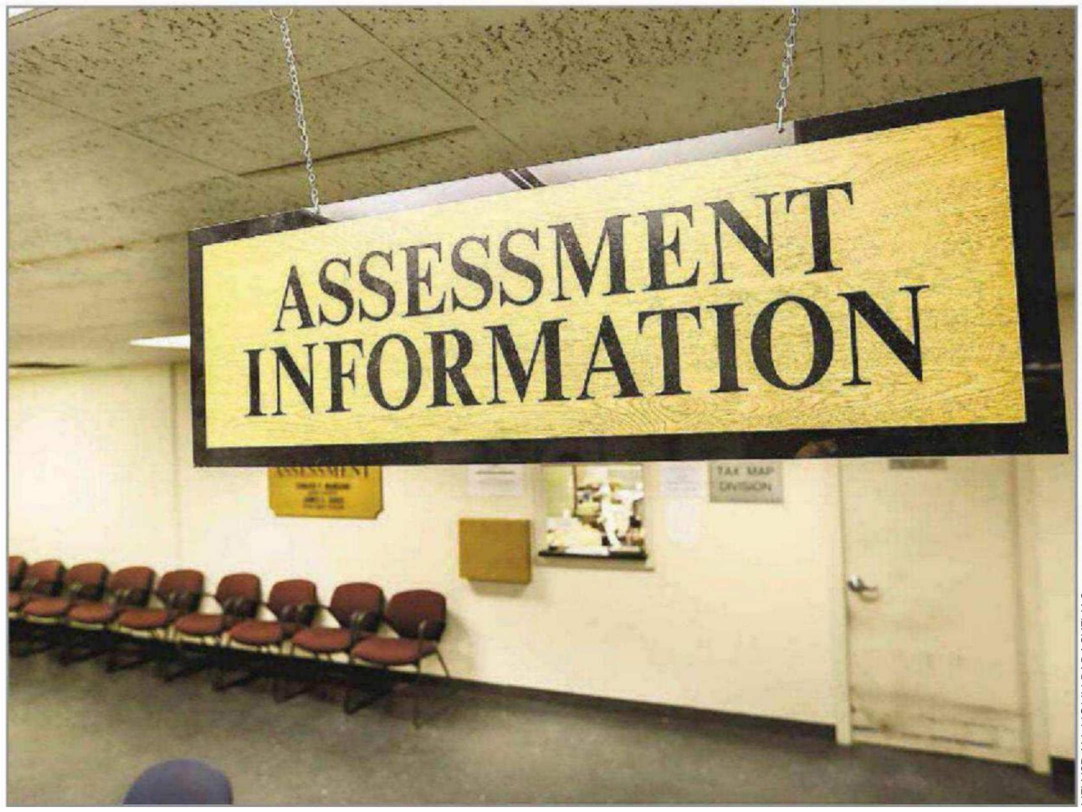
A survey of Long Island homeowners showed widespread frustration with the Nassau and Suffolk property tax systems and significant concerns about how taxes raise the cost of homeownership.

About 43% of respondents said they thought their county's property tax system was inaccurate and outdated, while another 34% responded it was somewhat accurate but inefficient, according to an online poll of 164 property owners on Long Island conducted by Ownwell, an Austin, Texas-based company that helps homeowners appeal property tax assessments.

Of the remaining respondents, 18% said they were neutral on their county's property tax system and about 5% said it was accurate and well-managed.



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The Nassau County Department of Assessment in Mineola fields questions about LIers' property taxes.

Significant concern on LI

Property taxes are a significant concern in Nassau and Suffolk counties, where homeowners pay among the highest property taxes in the country. The counties are among 16 in the United States where the average property tax bill is $10,000 or more, according to a Tax Foundation analysis of 2023 census data.

About 62% of respondents on Long Island said they had grieved their tax assessments in the past. In Nassau County, it was 81%; in Suffolk, it was 43%.

"That's the highest we've seen anywhere," Pace said of the Long Island survey results.

It's far higher than the 22% of homeowners who say they grieved their tax assessments in a national Ownwell survey.

He attributed the higher percentage on Long Island to the ease of the process compared with other areas and outreach from lawmakers to educate residents about the process.

There's also motivation to avoid shouldering a greater tax burden. About 91% of Long Island respondents said they believe homeowners who didn't file grievances were negatively affected.

That has led many to file grievances. Nearly 60% of Nassau homeowners filed a grievance of their property assessment last year, and about 8 in 10 of those filers won settlements, Newsday previously reported.

Jeff Gold, a Bellmore-based attorney and former Nassau County Assessment Review Commissioner, said the widespread inaccuracy of Nassau homeowners' tax assessments and the thousands of letters sent by property tax reduction companies had increased awareness of the grievance process.

He said the survey's findings were in line with opinions he's heard from the more than 40,000 members of a Facebook group where he provides information on the Nassau County tax grievance process.

"It's become a very easy process, very well advertised, and the county, by not keeping the tax rolls accurate, encourages it," Gold said.

About 96% of respondents said they were concerned about the long-term affordability of owning a home on Long Island due to property tax increases, including 65% who responded they were extremely concerned.

Unhappy with high taxes

That shouldn't come as a shock given the area's high property taxes, said Lawrence Levy, executive dean of Hofstra University's National Center for Suburban Studies.

But he questioned whether the 43% who characterized their county's tax assessment system as outdated and inefficient had issues with the assessment system overall or their own property taxes.

"Most of those people are probably saying the taxes they're paying are too high," he said.

Irv Miljoner is among those extremely concerned about property taxes on Long Island. The 73-year-old Oceanside resident says he pays too much in property taxes decades after his children graduated from schools and he would like to see greater exemptions for seniors. He also worries that rising property taxes could motivate his daughter and her children to move away.

"If seniors can't age in place and young adults can't afford to stay here where they were raised, then there's a real existential crisis," Miljoner said.

IRS boosts limits on 401(k) contributions

The Associated Press

Americans will be allowed to contribute more of their money to 401(k) and similar retirement savings plans next year.

The IRS said Thursday the maximum contribution that an individual can make in 2026 to a 401(k), 403(b) and most 457 plans will be $24,500. That's up from $23,500 this year.

People aged 50 and over, who have the option to make additional "catch-up" contributions to 401(k) and similar plans, will be able to contribute up to $8,000 next year, up from $7,500 this year. That's means a 401(k) saver who is 50 or older will be able to contribute a maximum of $32,500 to their retirement plan annually, starting in 2026.

Workers between the ages of 60 and 63 will be allowed catch-up retirement plan contributions of up to $11,250 annually, unchanged from this year.

The IRS also raised the 2026 annual contribution limits on individual retirement arrangements, or IRAs, to $7,500, up from $7,000 this year. The IRA "catch-up" contribution limit will include an annual cost of living adjustment of $100, increasing it to $1,100 in 2026.

The changes, among others announced by the IRS, make it easier for retirement savers who use these types of tax-advantaged plans to set aside more of their income toward building their nest egg. That's especially helpful for older workers who got started saving for retirement later in life and can benefit from higher contribution limits.

Boosting the contribution rate on a 401(k) or IRA plan, even by 1%, can make a big difference over 10 or 20 years, assuming the saver remains employed and making contributions the entire time.

The IRS also increased for 2026 the income ranges for determining whether someone is eligible to make deductible contributions to traditional IRAs, Roth IRAs or to claim the "saver's credit," also known as the retirement savings contributions credit.

Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income.

The average balance on a 401(k) account was $137,800 in the second quarter, up 8% from a year earlier and 32% from the same quarter in 2020, according to Fidelity Investments.