



## MEMO OF OPPOSITION

### S9822 (Sepúlveda) / A10530 (Dais)

*Extends deadline for ICAP tax break applications*

August 21, 2024

#### **TITLE OF BILL**

An act to amend the real property tax law and the administrative code of the city of New York, in relation to extending the application deadlines for tax abatements for certain industrial and commercial properties in a city of one million or more persons.

#### **STATEMENT OF OPPOSITION**

Reinvent Albany opposes this bill because it extends a tax expenditure that costs New York City government \$500-million-a-year with little to any evidence that this expense is more beneficial than spending on parks, public health, or helping the most vulnerable.

Since replacing the Industrial and Commercial Incentive Program (ICIP) tax break over a decade ago, the cost of the Industrial and Commercial Abatement Program (ICAP) has exploded. Over the last five years alone, ICAP tax expenditures are up 68%, from [\\$301 million](#) in 2020 to [\\$506 million](#) in 2024. (By comparison, the FY 2025 budget for NYC Parks is \$618 million.)

Despite this huge increase in ICAP costs, neither the State nor City appear to have conducted any analysis of whether the program is delivering for taxpayers. This is especially unfortunate because many assessments of corporate tax subsidies – [including the state's own](#) – show that they are a [poor use of taxpayer dollars](#).

New Yorkers deserve better than a never-ending blank check to developers for a program of questionable value. We urge the Governor to veto the bill.

## **SUMMARY OF PROVISIONS**

This bill amends various sections of law to extend the deadline for applying for ICAP benefits from 2025 to 2029:

- Section 1: Real Property Tax Law §489-dddddd(1)(a)
- Section 2: Real Property Tax Law §489-dddddd(3)
- Section 3: NYC Administrative Code §11-271(a)
- Section 4: NYC Administrative Code §11-271(c)

Section 5 states that the bill takes effect immediately.