

Keep NYC Congestion Tax Free

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Contact: Bill O'Reilly, 212-396-9117

Bill@NovemberTeam.com

SHRINKING OFFICE VALUES IN MANHATTAN BUSINESS DISTRICTS WILL PUT ADDED PRESSURES ON NEW YORK CITY AND STATE BUDGETS: GROUP

Congestion Pricing Tax Could Cost More Than It Would Bring In

*New York-Dec. 13...*The shrinking value of commercial properties caused by changing workplace habits spurred by the Covid-19 pandemic will blow holes in municipal budgets across the country as the value of commercial tax assessments plummet, according to [a story](#) just released by *The Wall Street Journal*, the group Keep NYC Congestion Tax Free today noted. And New York's planned Congestion Pricing Tax, which would institute a \$23 paywall to travel by vehicle to Manhattan's core business districts south of 60th Street, will only exacerbate the shortfall here in New York, the group said.

"The sharp decline in office building values is likely to become a growing problem for the budgets of cities, schools and other jurisdictions that depend heavily on property taxes from these building owners," The Wall Street Journal story reports. "Most municipal budgets haven't suffered much yet. For a variety of reasons, declines in property values typically take years before they are reflected in the real-estate assessments of most taxing jurisdictions. But municipalities might soon start feeling pain, say lawyers and appraisers throughout the country."

Keep NYC Congestion Tax Free argues that a Congestion Pricing Tax paywall will greatly inhibit efforts to bring office workers back to commercial offices, which, in turn, will significantly reduce commercial property values and their corresponding tax revenues to the City and State, as well as revenues lost from small businesses that service Manhattan workers. Almost half of Manhattan's workforce is now working from home offices.

"New York State hopes to raise \$1 billion per year through the Congestion Pricing Tax paywall, but how much tax revenue will it be losing in the process?," asked Keep NYC Congestion Tax Free spokesman Joshua Bienstock. "It's entirely possible that New York could end up losing more revenue than it gains from a Congestion Pricing Tax. Mayor Eric Adams and State Comptroller Thomas P. DiNapoli have each issued warnings about major property tax losses coming, but those pushing the Congestion Pricing Tax initiative are choosing to ignore reality. A Congestion Pricing Tax is a bad idea, and the closer one looks at it, the less it makes sense."

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[Keep NYC Congestion Tax Free](#), a diverse coalition of civic, business, and labor organizations and businesses throughout New York City, argues that implementing a tax on vehicles traveling south of 60th Street in Manhattan will, among other things, permanently damage efforts to revitalize the two districts.