

Regarding other states' treatment of secondary residences:

As a testament to the difficulty in defining a secondary residence, the Department was not able to identify any other states or jurisdictions that define and report on secondary residences as proposed in this request from the Legislature. While there is no state or local tracking, some other jurisdictions attempt to identify secondary residences through the income tax for the purposes of determining eligibility for certain income tax provisions.

New York is considering a proposal to allow local jurisdictions to increase taxes for certain secondary residences through the property tax system.

The IRS uses a definition of "second home" when determining whether a taxpayer qualifies for a mortgage interest deduction when filing an income tax return. This definition has limited usefulness for purposes of this report because it is used only for income tax purposes and is something declared directly by a taxpayer when filing income taxes in certain situations. Not all qualifying taxpayers claim the deduction and only some second-home owners qualify, so it only captures a fraction of second-home owners.

Non-homestead and homestead rate:

We used to report the base homestead tax rate (which didn't reflect per pupil spending). Following Act 46, the State started reporting the average homestead rate, which reflects education spending. On a town-by-town basis, the factor of education spending applied to a town's homestead rate can move the homestead rate to actually be higher than the non-homestead rate, which is a single rate statewide.