

WATCHDOG

LIPA shuns Bellone ask

Exec seeks delay in Northport tax challenge verdict

BY MARK HARRINGTON
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Suffolk County Executive Steve Bellone raised the specter of “fiscal ruin” for Huntington Town if LIPA doesn’t ask a judge to delay a verdict in the power authority’s case over the Northport power plant’s taxes because of the coronavirus pandemic.

LIPA in a response said it “respectfully declined” Bellone’s request.

In a letter Wednesday to LIPA Chief Executive Tom Falcone, Bellone said it was “disheartening to hear” that LIPA had declined Huntington’s request to delay its pending property tax case in light of the pandemic.

“Now is not the time, in the midst of the ongoing battle against the COVID-19 virus, to slam the door shut on reaching a fair and equitable solution,” said Bellone, who called a settlement proposed by LIPA last year “unacceptable.”

Bellone asked LIPA to petition the state court to delay any decision on the matter until there’s “greater clarity on the fi-



A sign at a protest rally Wednesday in Northport Village. ■ Video: newsday.com/northport

nancial impacts” of the virus on local communities.

LIPA’s Falcone, in a response Thursday, said LIPA’s primary concern was for “all Long Islanders who are struggling” because of COVID-19.

“The Town of Huntington’s excessive tax bill places a burden on all Long Islanders through their electric bills, including Suffolk County’s residents, towns, villages, and school districts,” Falcone wrote. “LIPA’s responsibility to all Long Islanders means

that it cannot agree to continue to overpay taxes for an additional two years to subsidize a single school district.”

LIPA board vice chairman Mark Fischl called the idea of delaying resolution of the tax case for even another year “preposterous.”

“We have bent over backwards to try to settle this case for years,” Fischl said.

Northport residents who gathered at a protest in a village park Wednesday night noted Bel-

lone’s letter and urged public officials to resist a settlement.

“We can’t afford this,” said Paul Darrigo, a leader of the protest group, Concerned Taxpayers Against LIPA.

Darrigo asserted residents will see annual tax increases in the thousands of dollars, while typical LIPA ratepayers will only see around 30 cents a year in savings from any tax settlement.

The group wants LIPA to halt its tax litigation, which seeks to drastically cut the \$84

million LIPA pays in taxes for the National Grid-owned Northport plant, Long Island’s largest.

The Concerned Taxpayers group says a delay in the lawsuit “is warranted to allow time for a settlement that works for all parties.”

Bellone in his letter said, “At this time of extraordinary crisis, a harsh result in the courts could create chaos and fiscal ruin. I therefore urge you to petition the court to delay any decision in this matter until such time that we gain greater clarity on the potential fiscal impacts” of COVID-19.

Newsday has reported that LIPA has moved slightly from its original proposal of cutting taxes on the plant by 50% over a seven-year period, but it’s unclear what the latest settlement offer includes.

LIPA wants Huntington to accept an offer by July 10, and to finalize it by July 31. A state court judge has withheld a verdict in the case pending the outcome of settlement talks.

State Sen. James Gaughran (D-Northport) said he plans to push for passage by the full State Legislature of a Senate-approved bill that would bar LIPA from recovering past tax payments in tax-challenge lawsuits.

Bill seeks end of Suffolk septic-grant taxes

BY MICHAEL GORMLEY
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WATCHDOG

A massive House infrastructure bill passed Wednesday would bar taxation of grants to residents of Suffolk County and other municipalities who upgrade their septic systems, Rep. Thomas Suozzi said.

Suozzi (D-Glen Cove) said his proposal would “reverse a wrongheaded IRS ruling” requiring federal taxation of water improvement grants after residents had entered the county program.

The proposal was part of the \$1.5 trillion House infrastructure bill to fund road and mass transit work as well as water projects, internet service for schools and

housing for the working poor.

Senate Majority Leader Mitch McConnell (R-Ky.) said the Democratic-led package won’t pass in the Republican-controlled Senate. McConnell called the package pointless and a gift to the “radical left” that House Democrats should have known wouldn’t pass the Senate. President Donald Trump’s aides said the White House supports some unspecified infrastructure projects in the bill, but that overall it is wasteful spending.

In a statement, Suozzi said: “Senator McConnell simply re-

fuses to accept that America must finally make a significant investment in combating climate change and protecting our environment. In any event, he must simply begin negotiations on infrastructure and so many other issues that have gone to the Senate to die.”

The Internal Revenue Service had ruled that Suffolk residents would have to pay federal tax on grants of \$10,000 to \$20,000 to upgrade septic tanks and replace cesspools under a county program to protect water quality.

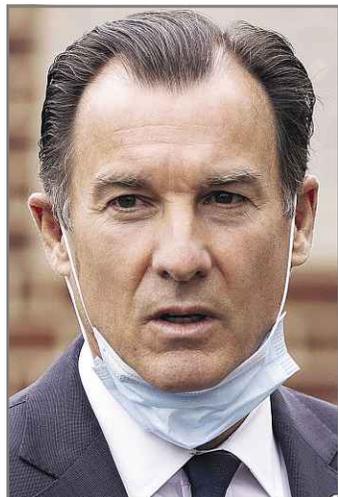
Some homeowners joined the program voluntarily before realizing the grants would be treated as income under the

Jan. 15 IRS ruling.

The IRS said the grants would count as taxable income even if homeowners never receive a check. In most cases, the county pays grant money directly to contractors who install the systems, officials said.

Suozzi’s bill would allow residents to exclude from taxable income any subsidy from state or local governments for “any waste management measure” to their homes. The measures are defined as any installation or modification, including septic tanks and cesspools.

The House bill also would allow Suffolk County taxpayers to amend past tax returns to avoid paying tax on the grants.



Rep. Thomas Suozzi

KENDALL RODRIGUEZ