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NY POLITICS

Speaker Silver Probe Offers Glimpse of Work by Firms That Challenge Property Taxes

Law Firm Linked to Silver Handles Over 1,000 Tax Appeals a Year Before NYC Commission

By JOSH BARBANEL

Dec. 30, 2014 9:49 p.m. ET

The investigation into New York state Assembly Speaker Sheldon Silver's income sheds a rare spotlight on a small group of lawyers who specialize in challenging tax assessments in New York City's complex property tax system.

Goldberg & Iryami PC, the two-lawyer Manhattan firm linked to Mr. Silver in the federal probe, handles more than 1,000 tax appeals each year before the New York City Tax Commission, according to Glenn Newman, president of the commission.

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It is one of a dozen law firms that handle a large share of the appeals of property valuations set by the city's Department of Finance each year.

Firms handling such appeals typically earn a percentage of the tax savings they are able to win from either an appeal to the commission or a court challenge to a commission's determination.

Such fees once were about a third of the amount recovered. In more recent years, they have fallen—with fees on large buildings closer to 5%—said one lawyer familiar with the process. Nearly all cases are now settled or dropped before trial.

In 2013, owners of 7,419 properties won \$572.9 million in relief from appeals to the commission. The commission said it received 53,000 applications, representing about 75% of the assessment rolls' total value.

Jay Arthur Goldberg, a principal of Goldberg & Iryami, was a member of the tax commission during the administration of Mayor Edward Koch. Mr. Goldberg didn't respond to requests for comment. The firm's other principal, Dara Iryami, declined to comment

Mr. Newman said hearings and analysis by the commission and its staff of 40 are based on strict criteria.

"I cannot believe there is any type of political influence at the tax commission," said Paul J. Korngold, a tax-appeal lawyer at Tuchman, Korngold, Weiss, Leibman & Gelles, LLP. His firm handles about 2,500 cases each year.

Mr. Newman said: "It is an absolutely fair and evidence-based process."

He said he gets letters from politicians all the time asking the panel to give "due consideration" to a constituent.

He said he writes back, "We give due consideration to everybody."

Mordechai Lipkis, a Manhattan investor and property owner, said he brought in Mr. Goldberg to handle a number of tax appeals over the years, and said he "focused on substantive questions and indicated to me that we have to prove our case."

Still he found the tax system hard to understand. He said he has been trying without success to get an assessment reduction on a commercial condo located near the Second Avenue subway construction site, where a tenant stopped paying rent for many months.

“It is like fighting when you are deep in mud,” he said.

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