

# CUT YOUR PROPERTY TAX?

IT'S A

# 50/50

POSSIBILITY.

Your property taxes are levied based on the assessed value of your home. However, did you know that according to the National Taxpayers Union, 60 percent of homes are overassessed? That means there is a better than 50/50 chance you could lower your property tax.

## COMPARE YOUR PROPERTY VALUE TO YOUR NEIGHBORS.

Pull out at least five property cards\* from your neighborhood that are comparable in size, age and features. If the value of your home is off by 10 percent or more, you have good cause for your home value to be reassessed. It is the assessor's objective to ensure similar properties maintain uniform valuation.

## RESEARCH LOCAL PROPERTY TAX EXEMPTIONS.

Different localities have different property tax laws, but there are several exemptions to be on the lookout for. One common discount is for owners 65 years or older. Other exemptions aid veterans and active military, disabled citizens and residents of historical homes. All these tax exemptions vary from state to state.

## STATE YOUR CASE.

If you have reason to believe your home has been inaccurately assessed, you typically have 30 to 60 days from the time you receive your tax bill to appeal

and request an administrative review. Evidence is a must for an assessment review—bring along copies of property cards and photos of your home and comparable neighborhood homes. In certain instances, it may be beneficial to hire an independent appraiser.

If your appeal doesn't result in a reduction and you continue to believe you have just cause, you can take your case to an independent board for a modest filing fee, usually between \$25 and \$50. If you want to take your case even further, you can request a hearing from a circuit court. Keep in mind this option will incur additional filing fees, legal fees and possibly a witness fee for an expert appraiser, which may offset the tax break you are seeking.

## DOUBLE-CHECK YOUR INFORMATION.

Visit your local assessor's office to view your property card. Check all of the details listed for your home, from square footage to number of bedrooms and bathrooms. It's possible that your home's property card has inherent

errors or that transcribing mistakes occurred when your paperwork was entered electronically. If you find a mistake that you can prove incorrect, the tax assessor can likely address the error on the spot.

## FYI.

Assessors do not set local property tax rates; these are determined by local elected officials. If you would like to see lower property tax rates, contact your local governing authority.



\* Property cards are used by an assessor to determine your home's value based on the property information listed.



# TAKE ACTION TO LOWER YOUR PROPERTY TAX

Many states and municipalities have different property tax rates and assessment methods. However, the steps to take to cut your property taxes are the same no matter where you live.

## HERE IS A 10-STEP ACTION PLAN FOR LOWERING YOUR PROPERTY TAX.

**1.** Look for glaring errors in the description of your home in the official tax assessor's documents. Pay particular attention to incorrect age, square footage, acreage and condition. Document any mistakes you find using surveys, blueprints or inspection reports.

**2.** Compare your home's assessed value to similar homes in your neighborhood. You can get this information at your assessor's office or online at [www.domania.com](http://www.domania.com).

**3.** Request a list of all sales in your neighborhood within the past six months. The tax assessor or your real estate agent can usually supply this. Identify three to six homes that are similar to yours.

**4.** Study the lot size, floor plans and proximity to desirable or undesirable factors that could influence value.

Remember that only closed sales can be considered when deciding comparable value, so current asking prices can be ignored.

**5.** Obtain a copy of your purchase contract, along with a copy of your property card and any property cards of comparable homes you have discovered.

**6.** Take photographs of your home and comparable homes. If your home has any defects, highlighting them can lower your home's assessed value and lower your tax payment, so don't be shy in documenting any blemishes.

**7.** Get a copy of your most recent home appraisal. If the most recent appraisal was done for a refinance, you may want to consider getting a new appraisal. Many appraisers underestimate market value

during a refinance, and property tax review boards are aware of this tendency.

**8.** Research local property tax exemptions or reductions, including rebates for senior citizens, low-income households, citizens with disabilities, veterans and active military. Historic and "green" homes are often eligible for property tax breaks.

**9.** Calculate in writing the reduction you believe you are entitled to, factoring in comparable home values, assessment inaccuracies and qualified property tax breaks. Include a summary of your reasoning and attach documents to support your claims.

**10.** Present your case to your tax assessor or review board. Be careful not to disqualify your case by failing to complete the paperwork or meet deadlines.

Source: [www.kiplinger.com](http://www.kiplinger.com)



**MAKE PROPERTY TAX A MONTHLY EXPENSE.** Even though taxes—including property taxes—are one of life's few certainties, many people still fail to budget properly for these expenses. If you are prone to making this mistake, there are a few ways you can make sure your property tax payment doesn't sneak up on you next time.

- **MAKE A PAYMENT EVERY MONTH.** Rather than paying your property tax every six months, consider breaking up your property tax bill into smaller, monthly payments. A great way to remember to do this is to establish an escrow account and make the payment each month with your mortgage payment; doing this will ensure that your property taxes are accounted for in your monthly budget. Many areas now offer monthly property tax payment options.

- **SET ASIDE MONEY.** Even if you don't decide to pay your property tax each month, you can still calculate your estimated payment and set aside one-sixth of the payment each month until the payment is due. Setting this money aside will even allow you to make a little interest if you keep it in a savings account.