

For Some, It's Time To Appeal Property Tax Bills

by Broderick Perkins

Pay close attention to your next property tax bill. Your home may be worth less than the local tax assessor or taxing agency believes and that could mean a smaller property tax bill.

However, unless the assessor takes it upon himself or herself to perform a wholesale property tax reduction for all properties -- rare, but possible -- it's up to you to appeal your tax bill.

"An overvalued, over assessed property is one of the most common and successful grounds for challenging your tax bill," says Eric Cunliffe, a senior vice president with RealEstate.com.

Generally, when home prices rise, so do property taxes, which are tied to a home's value. Conversely, when home values fall, so do those same property taxes.

The problem is, many taxing agencies simply wait until the property is sold or the home owner performs a major value enhancing alteration before reassessing the property.

In the current market, however, the increased incidence of foreclosures would indicate, in some cases, there's not enough value in some properties to cover the mortgage. Some owners, wisely or not, are allowing their homes to go back to the bank.

The housing boom frenzy caused many buyers to bid up the price of the property and artificially inflate the value. In some markets, sellers who purchased homes at the height of the boom and must now sell, are finding they have to price their home to move. That means a price, and possibly, value reduction.

The National Taxpayers Union (NTU) says as many as 60 percent of all homes are over-assessed and not in line with their actual value.

Many errors are clerical mistakes according to the American Homeowners Association (AHA).

The vast majority of homeowners who find errors and contest their bill enjoy a lower property tax, says the AHA, which offers a QUIZ that points to signals your home could be over assessed...

Tell-tale signs include:-

- * Errors in the description of your property on the tax bill.
- * Compatible homes in the area that have sold for less than your appraised value.
- * Neighbors with lower assessments on similar houses. (Keep in mind some homes retain the same assessed value for years and assessed values often don't rise in step with market values or home sale prices.)
- * Value reducers in your home or area, including drainage problems, easements, re-zoning, heavy traffic, nearby railroad tracks, freeways, industry or toxic waste.
- * Depreciation factors, including the quality of materials, inefficient heating, structural cracks, deterioration, or chronic defects.

The AHA, NTU and others offer property tax reduction kits for a fee and while they may be useful tools to help walk you through the process, appealing your property tax is a right you typically can exercise for FREE.

Beware of official-looking mailings and email come-ons due out any day now offering to do the work for you -- for a fee. Some are scams designed to appeal to nothing more than your sense of dread at going it alone. They want only your money, but not to appeal your property tax assessment.

The Federation of Tax Administrators can point you to your property tax assessor or administrator where you can get all the details you need for appealing your property tax.

Cunliffe says, "**The first thing you should do** is examine your tax records in the local assessor's office to make sure the information is complete and accurate. To do this, ask yourself the following questions:-

- * Did you buy your home in a bidding war? An overvalued property is an over assessed property.
- * Are there errors in your tax records? Look closely at your records and make sure there aren't reporting errors. A condo listed as a single-family home, an incorrect age, square footage that's off, too many rooms and other descriptive factors could falsely boost assessed value.
- * Do the math. Many states put a cap on how much above the market value an assessment can be and how much it can rise each year.