

# 7 Steps to Lower Your Property Tax Bill

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*By Lisa Gerstner and Sandra Block*

Home values have risen across the country, which means many homeowners' property taxes are going up, too. But **if your property tax bill has increased significantly, you may have grounds for an appeal**, particularly if the increase seems out of line with overall appreciation in your area.

Most jurisdictions give you 90 days after you receive a new assessment to appeal, although some close the appeals window after 30 days, says Pete Sepp, executive vice-president for the National Taxpayers Union. Some lawyers handle property tax appeals on a contingency basis, but most homeowners can appeal on their own, Sepp says.

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## **Step 1: Know the Rules**

Schedules vary, but local governments commonly send assessment notices to homeowners in the first few months of the year. As soon as you get yours – or even before – check the deadline for challenging the value. You may have just a few weeks. And be sure you know how your locality assesses property.

Some set the tax assessment at a percentage of market value – 80%, for example – so don't be smug if you get a \$90,000 assessment on a home you think is worth at least \$100,000.

## **Step 2: Catch a Break**

When you get your property tax bill, check it for your tax rate, assessment figures and payment schedule, and make sure that you're getting the tax breaks you deserve.

Some states allow anyone who owns and lives in a primary home to shield a portion of its value from taxation, or you may be eligible for credits based on your income or status as a senior citizen, veteran or disabled person. (Contact your state's department of taxation or visit its Web site to see what breaks are available to you.)

## **Step 3: Set the Record Straight**

Check your property's record card, which you'll find at your assessor's office or possibly on its Web site. This is the official description of your house, and if you see an outright error – indicating four bedrooms and 3 ½ bathrooms for your two-bedroom bungalow, for example – the assessor may fix the problem on the spot, reduce the assessed value and your tax bill. That'll save you the trouble of a formal appeal.

## **Step 4: Size Up the Neighbors**

We'd never tell you to keep up with the Joneses, but comparing your property to similar ones in your neighborhood will determine whether you have a solid case.

Pull up property cards of several homes of similar age and square footage and with the same number of bedrooms and bathrooms to see how their assessments line up with yours.

## **Step 5: Build Your Case**

If you find that your assessed value is considerably higher than several similar homes, you may have grounds for appeal. But even if the assessment falls into the middle of the pack, it's not necessarily fair. Maybe your house has a leaky basement or lousy grading that doesn't allow you to have a garden. The assessment should be based on the market value of your home; if your place has issues that would turn off buyers, now's the time to own up to them.

## **Step 6: Fight City Hall**

The process varies by locality, but you'll likely send your appeal and your evidence – data on comparable properties, blueprints, photographs, repair estimates – to the assessor for review. You should get a verdict within a couple of months.

If you're dissatisfied, take your case to the appeals board and put your persuasive skills to work. Don't whine, and save your opinions on politics and tax rates for elected representatives who vote on those matters.

### **Step 6-A: Enlist Troops**

Try doing your own research first to help get a better perspective of what the property taxes are for comparable properties near you. An online resource that might be useful is the [National Taxpayers Union's](#) Web site. They have a brochure available for purchase titled [How to Fight Property Taxes](#). It's filled with tips on how property assessments are conducted, how to check for errors and how to determine if the assessor's appraisal is too high.

If you don't have time, or the stomach, to do battle yourself, get a hired gun to do the legwork for you. A professional appraiser can provide the strongest evidence of your property's worth. If your community allows outside appraisals – and if you're willing spend at least \$250 – find an appraiser with national certification, such as through the [Appraisal Institute](#) or the [National Association of Independent Fee Appraisers](#). Don't fall for solicitations from law firms or other services saying they'll assist you in return for a high percentage of the savings on your bill – it's not worth the cost.

## **Step 7: Reap the Rewards**

If you need added incentive to bring a skeptical eye to your real estate appraisal, remember this: A successful appeal is truly the gift that keeps on giving, year after year. Raise a toast to your success.

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