

Act Now to Reduce Your Property Taxes

By Clint Mueller – Sage Real Estate Advisors

Because your property taxes are based on your county's assessment of your home's value, successfully reducing your home's tax value can result in property tax savings.

Lower Tax Value – Lower Taxes

Your property taxes are based on your home's *fair market value*, as determined periodically by the county Tax Assessor. For years, home values in metro-Atlanta have steadily increased, with properties being periodically re-assessed at their higher values. With the current economic downturn, however, the market value of many homes has fallen; in some cases, dramatically. Because counties are not required to re-assess homes annually, the valuation assigned to your home may not automatically change to reflect the current market. If the market value of your home has decreased since it was last assessed, taking action to have your home re-assessed at its current value could lower your 2009 property tax liability*. Tax savings can be substantial, but you must act quickly.

Is Your Home Over-Valued?

For the most part, the current market value of your home is reflected in the price at which homes comparable to yours have been recently selling. Sage can provide you with a research-based opinion of your home's current market value based on comparable home sales. Compare what you believe to be your home's current value to the *fair market value* stated in your 2008 tax bill. If the assessor's fair market value is clearly greater than what you believe your home's actual value to be, you will want to act to update your valuation.

Updating Your Tax Valuation

Changing your home's tax value begins with filing a *Real Property Tax Return* indicating what you believe the value of your home to be. Filing a Real Property Return is not an *appeal*, it simply prompts a re-assessment of your property. After the Tax Assessor has reviewed your proposed valuation and determined what, if any value adjustment to make, a *Notice of Assessment* will be mailed to you reflecting any changes in the county's valuation. If you are satisfied with the re-assessed value, no further action on your part is required and your 2009 taxes will be based on the new valuation. Value issues are often resolved by the Assessor accepting the value indicated on the Tax Return, or by an acceptable property re-assessment.

Homes Purchased in 2008

Purchasing a home does not, in itself, trigger a re-assessment. If you purchased your home in 2008, you will likely want to file a Real Property Tax Return. Logically, you would assert the purchase price as the "value" of the home. Recognize, however, that the Assessor is not bound by the purchase price in assessing value, particularly in distressed sale situations such as lender-owned (foreclosed) properties.

Appealing Your Tax Valuation

It is the re-assessment of your property that opens the door to appealing the Tax Assessor's valuation. If you disagree with the value indicated in your Notice of Assessment, you will have the right to file an appeal. It is at this point that you will want to gather and submit evidence supporting what you believe the value of your property to be. Specific instruction (including deadlines) concerning the appeals process in your county will be included in the Notice of Assessment.

Filing Deadlines

In order to have your home re-assessed for 2009, you must file a Real Property Tax Return with your county's Tax Assessor by the county's specified deadline. The Tax Return forms, the filing deadlines and Tax Assessor Office contact information for select metro-Atlanta counties are listed below:

<u>County</u>	<u>Form</u>	<u>Deadline</u>	<u>Assessor's Link</u>	<u>Phone</u>
Cobb	Cobb Form	April 1	Cobb Assessor	770-528-3100
Dekalb	RPTR Form	March 1	Dekalb Assessor	404-371-0841
Forsyth	RPTR Form	April 1	Forsyth Assessor	770-781-2106
Fulton	Fulton Form	April 1	Fulton Assessor	404-612-6440
Gwinnett	RPTR Form	March 1	Gwinnet Assessor	770-822-7200

Additional Assistance

For questions and assistance in determining the current value of your home, or for help in filing a *Real Property Tax Return*, contact a Sage Associate.

* Of course, as property valuations fall, property tax revenues drop. In order to meet budget requirements, counties may raise millage rates (i.e., the tax rate applied to value) to compensate for decreased property values. In such a scenario, without an off-setting reduction in your taxable value, your property taxes could actually rise.

Clint Mueller serves as an in-house advisor to Sage on land-use and planning, property taxes and other local government issues. Contact Clint at cmueller@sage-rea.com