

## **March 31st Deadline!! – Ability to protest Ohio Real Estate Taxes / Utica Shale implications**

### **Overview**

Real estate taxes represent a significant annual expense for most property owners. Much of Ohio has experienced significant reductions in the fair market value of real estate when compared to values from several years ago. This is the time of year to evaluate whether your property is fairly valued in the eyes of the county and whether we can assist you in seeking a tax reduction. Ohio law requires that county auditors re-appraise real estate every six years for purposes of calculating the value of the property that will be used for computing the real property taxes. The appraised values are also updated every three years, generally through the use of a computer-based system. Although real estate values have fallen significantly in some regions of Ohio, the county auditor’s valuations may not accurately reflect the true value of the property for a variety of reasons.

### **Timing**

The deadline for filing formal complaints with the auditor is March 31 of the year following the tax year whose value is being contested. For example, tax year 2012 complaints may be filed between January 1, 2013 and March 31, 2013.

### **Process of the appeal**

The process is relatively simple and can, in some circumstances, provide significant tax savings. Generally, the process works as follows:

- The owner reviews his or her tax bill and the valuation of the alleged fair market value that the auditor has assigned; if the owner believes his or her property is overvalued, he or she considers whether to file a complaint to challenge the alleged fair market value;
- After reviewing the pros and cons of filing the complaint, the owner’s attorney files a complaint with the auditor not later than the deadline of March 31, 2013;
- The Board of Revision assigns a hearing date at which time the owner can present evidence of fair market value of the property. However, the school district in which the property is located may file a counter-complaint alleging a different fair market value;
- The taxpayer gathers information about the property’s fair market value (sale price of the subject property, an appraisal, rent rates for comparable property, etc.); and,
- At the Board of Revision, the owner, his or her attorney, and expert witnesses of the fair market value appear to request a reduction in the taxable value.

## Unique issues related to Utica Shale

Furthermore, for those property owners located in eastern Ohio where the Utica Shale exploration opportunities exist, the issues of a property's real estate valuation become complex. For example, should a property owner be required to pay real estate tax based on an income approach related to the extracted minerals, or should the property owner be required to pay real estate tax based on the value that a willing buyer would pay for the property, regardless of whether extraction has begun. When the property is leased, for example, to an energy company for exploration, or, if the property is owned by a farmer who is receiving CAUV benefits, the issues become even more complex.

## Next steps

Between now and March 31, 2013 is the time frame to decide whether to protest your real estate taxes. However, do not wait until March 31 because the decision and analysis regarding the appeal could take some time. Our attorneys have experience in Boards of Revision in all regions of Ohio and have litigated real estate tax valuation cases at the Ohio Board of Tax Appeals. Furthermore, we have experience in addressing tax issues related to the Utica Shale regions of Ohio.

If you have questions about this alert or your ability to protest your real estate taxes, please contact any member of the team at Zaino Hall & Farrin LLC:

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