

REAL ESTATE TAX SAVINGS OPPORTUNITIES -- PROTEST BEFORE THE MARCH 31ST DEADLINE!!

OVERVIEW OF OHIO REAL ESTATE TAX

Real estate taxes represent a significant annual expense for most property owners. This is the time of year to evaluate whether your property is fairly valued in the eyes of the county and whether we may assist you in seeking a tax reduction. The tax owed is ultimately based on the "fair market value" of the real estate. 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 31st of the year following the tax year whose value is being contested. For example, tax year 2014 complaints may be filed between January 1, 2015 and March 31, 2015. Many property owners soon will be receiving their 2014 tax year bills, which may provide the owner the chance to refresh his memory as to the county's alleged value of the property.

Note: Your property tax bill may indicate either the Auditor's alleged "fair market value" or the "taxable value" (or both). The "taxable value" is 35% of the alleged "fair market value." Accordingly, if your tax bill indicates only the "taxable value," divide that "taxable value" by 35% to derive the alleged "fair market value" of the property.

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 the 2014 tax bill and the valuation of the alleged fair market value that the auditor has assigned; if the owner believes the property is overvalued, the owner considers whether to file a complaint to challenge the alleged fair market value (recall the Note above regarding the difference between "fair market value" and "taxable 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, sales of comparable property, etc.);

- 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, 2015;
- The Board of Revision assigns a hearing date at which time the owner may present evidence of fair market value of the property; and
- At the Board of Revision, an informal hearing is held at which the owner provides support for a reduction in the taxable value of the property. The savings, if any, could impact multiple tax years.

NEXT STEPS

Between now and March 31, 2015 is the time frame to decide whether to protest your real estate's alleged fair market value, which ultimately impacts the tax due. Our attorneys have experience in assisting owners with real estate tax reductions. If you would like to discuss whether filing an appeal makes sense for your property or if you have questions about the valuation process, please contact one of our attorneys listed below.

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