

MARCH 31ST, 2017 IS THE DEADLINE TO APPEAL REAL ESTATE TAXES!

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Recently, Ohio counties sent real estate tax bills to property owners. Real estate tax bills not only indicate the amount of real estate tax due but reflect the fair market value of the property as determined by the county auditor. The fair market value determination directly impacts the amount of real estate tax due.

Valuation of Real Estate for Tax Purposes

County auditors have a significant task in determining the fair market value of each parcel of property in their respective counties. Thus, the valuation reflected on the real estate tax bills sent to taxpayers may not accurately reflect the true fair market value of the property for a variety of reasons, sometimes merely because the county auditor may not know the specific circumstances surrounding a particular property. Therefore, property owners need to review their tax bills to determine if the county auditor properly valued their property.

A sale price may or may not be the correct value for real estate taxation, as the law changes

Historically, if a recent arm's length sale between unrelated parties occurred, that

sale price would generally be the default value for real estate tax valuation purposes. However, Ohio tax law is changing and this historic principle is now being challenged. Several cases currently on appeal to the Ohio Board of Tax Appeals and the Ohio Supreme Court may address this principle in the near future.

Process of challenging the fair market value through a formal complaint

- The owner reviews his or her tax bill and the purported fair market value.
- Owner decides to challenge the purported fair market value.
- After reviewing the pros and cons of challenging the fair market value, the owner's attorney may file a complaint with the county auditor no later than March 31, 2017.
- The Board of Revision assigns a hearing date at which time the owner may present evidence of the fair market value of the property.
- The taxpayer gathers information about the property's fair market value (sale price of the subject property, appraisal, rent rates for comparable property, or other information).
- At the Board of Revision, the owner, his attorney, and expert witnesses of value appear to request a reduction in the taxable value.
 - The school district in which the property is located may file a counter-complaint alleging a different fair market value and provide evidence of that value at the hearing.

The formal complaint and hearing process can usually be somewhat simple, so long as the taxpayer does not make procedural errors which can be fatal to challenging the fair market value of the property. If the appeal is successful, the property owner may significantly reduce his or her tax liability and experience multiple years of tax savings.

Next steps

Between now and March 31, 2017, consider whether you wish to protest your real estate tax valuation. Our attorneys have practiced in Boards of Revision in all regions of Ohio and have litigated real estate tax valuation cases at the Ohio Board of Tax Appeals.

If you have questions about this Buzz 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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