

Real Estate & Construction Law Monitor

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The Annual Real Property Tax Appeal Countdown Has Begun

The 2010 Property Tax Environment is Ripe for Appeals and Represents a Real Opportunity for Significant Tax:

With measurable declines in the real estate market, evidenced, by rising vacancy and falling rental rates, the pursuit of a real property tax appeal has never been more compelling. In fact, municipalities are already bracing themselves for what is expected to be a tsunami of tax appeal filings. Last year, unprecedented levels of appeals were filed and towns have been left scrambling since. Adjustments to assessment levels were largely in order for 2009 and will continue to be justified in the present tax year. Towns are aware that their property assessments are not in line with the current economic climate and declining property values. It is therefore expected that significant adjustments are either going to occur voluntarily, through compromise, or involuntarily, by virtue of the mandates of Tax Court judgments. Consequently, for those who take action, it is likely that a reduction in assessment and a resulting reduction in taxes will be achieved.

The only way to take advantage of the opportunity to realize significant tax savings and improve one's bottom line is to pursue a timely filed tax appeal. The 2010 tax appeal **filing deadline is April 1, 2010** so there is little time to waste.

The first step is for a property owner or a tenant, responsible for a majority of the property tax obligation, to review the Property Tax Assessment Notice (post card), which will be mailed to taxpayers by the towns in the next few weeks. This post card identifies the property tax assessment imposed upon the property for 2010.

This assessment number is, however, deceptive, as it does not, without proper adjustment, tell the owner the true value at which the town has assessed the property. Many taxpayers are falsely lulled into believing that their property assessment equals true value and is therefore correct. This error could be an expensive mistake.

Towns employ what is called an average or "equalization" ratio in order to convert the property tax assessment to the value (the so-called "equalization value"). Only by comparing this adjusted assessment number ("equalization value") to the actual value of the property, may a proper analysis be undertaken to determine whether an appeal has merit. Taxpayers who take no action are thus often stuck with paying an ever-increasing tax bill.

Once the Property Tax Assessment card is reviewed, a property owner should therefore quickly move to schedule an appointment with an attorney experienced in this area in order to determine the merits of a possible appeal. By taking this simple, but important step, a property owner can ensure that it is paying only its fair share of the municipal real property tax burden. This is where the involvement of an experienced attorney can be of tremendous help. With our experience and relationships with professional appraisers, we are able to perform, at no cost to you, a preliminary analysis to determine if an appeal is warranted. If so, the preparation and filing of a tax appeal complaint will be recommended and pursued at your election.

If you believe you are being overassessed and paying too much real property taxes you should contact Carl A. Rizzo, Esq. at (201) 525-6350 or crizzo@coleschotz.com or Wendy M. Berger, Esq. at (201) 525-6203 or wberger@coleschotz.com to schedule a no-cost consultation.

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