

Doron F. Eghbali Residential Real Estate

Should You Appeal Your Home Low Tax Appraisal?

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Given the volatile and rather frightening state of housing market, many homeowners have been receiving notices from their county tax assessment boards appraising their homes lower than their current mortgages and thus lowering their home taxes. While many people would welcome a little more money into their pockets, some homeowners might be thinking this cannot be a good omen for them or the neighborhood. Hence, the question is whether homeowners should, in general, fight lower tax appraisals. The short answer is no.

REASONS FOR NOT APPEALING LOWER TAX APPRAISALS

1. A LOWER APPRAISAL DOES NOT NECESSARILY MEAN YOUR HOME IS WORTH LOWER

This is important to understand home appraisals are usually conducted en mass on a massive scale. Accordingly, the appraisals do not take into account other factors home purchasers carefully consider for a home purchase. This result leads to home prices appraised lower than what a willing, able and ready purchaser would pay. This means low appraisals would not usually lead to lower home values, generally.

2. A LOWER APPRAISAL LEADS YOUR COUNTY ASSESSOR TO RAISE RATES TO KEEP THEIR BUDGETS CONSISTENT

This is also important to note that not fighting your tax appraisals is not only because you receive lower tax bills, but also because raising your tax appraisals would subject you to pay more than usual in taxes. This paradox is the result of a so called "mileage rate" counties employ every year by which to multiply your assessed tax value. This mileage rate ensures, to a large extent, counties will receive relatively consistent tax dollars. Therefore, since counties lower their appraisals collectively, often for every body, and raise the mileage rate for everybody, then even if you are successful at raising your tax appraisal, you end up paying relatively more in taxes.

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