With Falling Home Prices It May Be Time To Appeal Your Property Tax Assessment

December 18, 2022 - It is no secret that home prices are falling nationwide. But with every cloud there really is a silver lining. In this case, it could be that you are being over-taxed on your property value. Depending upon where you live, an adjustment to the bill may be made automatically. But in many areas of the country, that isn't the case. If you live in one of these areas, you may be able to get your property taxes reduce by appealing your assessment.

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In areas where an appeal is required, nobody from your state or county is going to contact you to tell you that you can reduce your tax burden. After all, governments would prefer that you continue to be overtaxed. It is up to you to contact your county assessor's office (or whatever agency is responsible for assessments in your area) to get the ball rolling.

In all likelihood, filing the appeal will be a fairly simple process. You'll need to know the value that the government has assigned to your home, and you'll need to know the current market value. If you just suspect that your home has decreased in value but don't have proof, you may be able to get a local Realtor to provide you with documentation. This should include recent comparable sales data for your neighborhood.

Once you have filed for an appeal, a hearing will be set. This process will differ from state to state. For instance, in California that hearing is with your county's Assessment Appeals Board. In Nevada, it is with the Board of Equalization. Regardless of what the process is, you'll need to present evidence that a reduction in value has occurred and you need to be prepared to answer questions put to you by board members.

If you win your appeal, you could save a substantial amount of money on your property taxes.

This process is especially important to recent home buyers. Anyone who mad a purchase after January, 2021 and March 2022 was purchasing at the height of the housing market. Since then, interest rates began to rise and housing prices began falling. There is an excellent chance that if you purchased during this time frame that you are being over-taxed.

It is also important to know that this may not be a one-time process. Housing prices are continuing to fall, and could go down substantially more than they already have. Just because you are appealing your property value now doesn't mean that you shouldn't launch another appeal at a later date if your home value declines even further.

by Jim Malmberg
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