

# They Can Dish It Out, But You Don't Have to Take It

## *Appeal a property tax assessment*

The property tax assessor may have the right to tell you what your property is worth, but you have the right to argue that he or she is wrong. Win that argument and you'll pay less in property taxes. And even if you lose, in many jurisdictions you won't be asked to pay more tax than you already owe.

To successfully argue that your property is over assessed, you need hard evidence of its value. Without this data to back up your claim, you're virtually guaranteed to lose the battle.

The first step in any assessment appeal is to know the rules, including deadlines for filing your appeal. Your assessor's office can provide these deadlines, and also what proof you'll need, based on the type of property you own.

If the purchase price of your property was lower than the assessed value, use your closing statement, purchase contract and deed to prove it's over assessed. For a property you purchased more than a year ago, ask a realtor to pull recent comparable sales data in your immediate area that supports your position.

Another way to argue a property is worth less than its appraised value is to show that,

based on income and expenses, it doesn't generate much cash flow. To win with this argument, show income and expense statements going back several years and provide data on vacancies.

The cost approach to valuing a property offers a third argument against over assessment. Here you must prove that the cost to replace your property is lower than the value assigned to it by the assessor's office. Your insurance agent may be able to give you a replacement cost estimate, as can an appraiser using replacement-cost-estimation technology.

Is your property unusual? If so, chances are yours is the only one of its type the assessor valued this year. Therefore, it probably makes sense to hire an appraiser with specialized knowledge of your property type to provide a second opinion.

Challenging an assessed value is always a gamble, but you'll improve your chances by working with a qualified appraiser. And no matter how frustrating it gets, try to keep your cool. Even if you end up losing your appeal, there's still a silver lining — the comfort of knowing you have more equity than you thought.