

Property Tax Reassessments Coming!

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The Pennsylvania counties of **Allegheny**, **Lehigh**, **Lebanon** and **Erie** will be conducting countywide reassessments in 2012. The reassessment notices from Allegheny County have already started to be sent to property owners, and issuance of those for Lehigh, Lebanon and Erie will begin at the end of February.

Property owners should review a notice of reassessment carefully. In addition to examining the reassessed value, scrutiny should be given to the property description, location, acreage, etc. on the notice. During a countywide reassessment, every property in a county is reassessed. Because of the sheer volume of the undertaking, mistakes will happen.

With respect to analyzing valuation, the “new” reassessed value should be compared with the imputed fair market value of the “old” assessment in order to determine if the new reassessed value is appropriate. In general, to determine the imputed fair market value of the “old” assessment, take the “old” assessment and divide it by the common level ratio for your county published at www.steb.state.pa.us. Broadly speaking, property values have not gone up over the last several years, especially for commercial and industrial properties. So, if the reassessed value indicates a rise in fair market value, an appeal may be in order.

There are some traps for the unwary in the reassessment process. First, the appeal process can often be confusing given that most counties will run both informal and formal appeals. Even if a taxpayer chooses to go to an informal hearing, it is crucial that a formal appeal be filed as well. Strictly speaking, the filing of an informal appeal does not negate the need to file a formal appeal.

Second, reassessment notices often include information about the tax load under the “old” assessment and the load under the “new” reassessed value. While the tax comparison can be helpful, it is not dispositive. For instance, an appeal may be warranted even though the taxes will stay the same or will go down if the property happened to be over assessed under the “old” assessment. Further, taxpayers should be aware that even though the amount by which a taxing jurisdiction can raise millage rates in the first year after reassessment is capped, there is nothing in the law limiting the amount of increase in a subsequent year.

Finally, taxpayers should analyze the reassessment quickly so that the appropriate professionals can be engaged. Appraisers, for example, are often in very high demand in areas undergoing a reassessment.

If you own or lease property in the counties undertaking countywide reassessments and have questions about the process, or if you would like assistance in analyzing your reassessment,

please feel free to contact any of the following members of the State and Local Tax group:
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