

Pennsylvania Real Property Tax Appeal Deadlines Approaching

As most prudent investors and property owners are aware, property taxes are one of the largest expense items on the balance sheet. With budgets being strained by rising costs, it may be beneficial to take a good look at your property's real estate tax burden to determine if it is in fact, fair and equitable as required by law.

Since the vast majority of Pennsylvania's 67 counties have not been reassessed in more than 15 years, most Pennsylvania real estate tax bills have shown no assessed value change since the county's last reassessment. However, what most tax payers are not aware of is that while the value reflected on their tax bills have not changed, the assessed *market* value actually has changed.

Pennsylvania uses a method know as equalization which, in simple terms, tracks value increases (or decreases) in the given county from year to year. This allows the State Tax Equalization Board to derive a factor (STEB ratio) to apply to each tax assessment. For tax year 2009, Montgomery County uses a STEB ratio of 50.8 to derive assessed *market* value for each property in the county. For example, a property in Montgomery County with an assessed value of \$1,000,000 has an assessed *market* value of \$1,968,503. If this value is not reflective of the capitalized cash flow of the property or not equal to comparable properties, a tax appeal is warranted.

Paradigm Tax Group's Philadelphia office is available to review tax assessment and other pertinent information to assist property owners in determining the fairness of their assessments. While deadlines for some Pennsylvania counties passed on August 1 the vast majority of appeal deadlines are September 1. Exceptions are October 6, 2008 for properties located in Philadelphia County and March 31, 2009 for properties located in Allegheny County. For more information please contact Jack Nash, Managing Consultant at (610) 409-9835 or email jnash@paradigmtax.com.