

PROTESTING PROPERTY TAXES

So you got your county tax assessment in the mail, and...wow! Aside from dropping a few choice words, what can you do about it? You can protest it! But act quickly – this year's deadline is May 16th. Protesting your property's tax value every year is actually a great idea as there is really no downside. Worst case, nothing happens; best case, you pay less in taxes. Protesting yearly also keeps the county honest and can decrease your yearly tax burden. Sounds like a pain? It's really not! Does it even do any good? Absolutely! Here are the how's and why's of protesting your property taxes.



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Property Taxes 101

First off, know the difference between “market value / net appraised value / assessed value” and “taxable value.” Market value is just that - your county’s best guess at the price of your home if you were to put it on the market as of January 1st. But what you really want to look at is the taxable value. This is usually significantly lower than the market value because it takes into consideration any exemptions and tax caps (i.e. homestead exemption, 10% max tax increase, etc.), and THIS is the value you will actually be taxed on.

What, Exactly, Am I Protesting?

The Bexar appraisal district has to appraise nearly a million homes each year; they cannot possibly perform a unique appraisal for each home. Therefore, they use a mass-appraisal approach that takes little into account other than your home’s generalizations such as location, size, age, etc. They don’t know if your home has any repairs or upgrades that need to be done; they can’t see your shag carpet, your 1970s avocado green kitchen, your rotting siding or your leaky skylight. This is where you actually want to bring out the worst in your home. Simply show any imperfections in your home, and see if you can get your appraised value reduced. It’s that simple.

Protesting Is Pretty Easy (And Very Worth It)

Do not be intimidated by the thought of filing a protest. There’s not nearly as much hassle and red tape as you might think. You can do pretty much everything online in just a few minutes. Informal protests are usually dealt with over the phone, so you won’t even have to appear at a hearing. Only if you’re not satisfied with the review board’s revised appraisal would you need to appear at a formal hearing. Protesting every single year is a great idea as it can help reduce your overall tax liability and can keep your home’s valuation in check.

Always Check Your Exemptions

Make sure any exemptions you are qualified for are filed and are up to date. The big one here is typically the homestead exemption. This exemption comes with not only significant tax breaks but also with important stipulations on the county: they cannot assess a taxable value with a greater than 10% increase over the previous year. In other words, if your market value jumps even as much as 40-50% – as most home values in Texas are doing this year – your taxable value cannot increase more than 10% over the previous year's value no matter what. (Side note: you are now able to file your homestead exemption when you purchase your home.)

Since we do not have a state income tax, Texas is forced to compensate by imposing some of the highest property taxes in the country as its main revenue source. That, combined with the housing boom, is definitely causing some serious sticker shock to homeowners this year. But be sure you're doing everything you can to lower your home's appraised value and file that protest today! Again, that deadline is May 16th, so you've still got time.



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