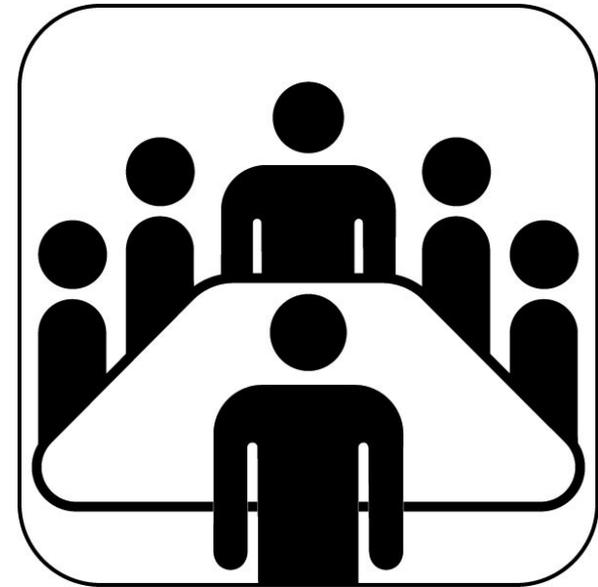


# Board of Equalization

# BOE



| Second, Third and Fourth Class Counties |                                |
|---|--------------------------------|
| 2nd Monday in July                      | Appeals Due                    |
| July 1                                  | May begin meeting in odd years |
| 3rd Monday in July                      | Meet                           |
| July 31                                 | Meetings end                   |

| First Class Counties |                                |
|----------------------|--------------------------------|
| 3rd Mon in June      | Appeals due unless extended    |
| July 1               | May begin meeting in odd years |
| 1st Monday in July   | Meet                           |
| July 31              | Meetings end                   |

| Charter           |                                |
|-------------------|--------------------------------|
| 3rd Mon in June   | Appeals due unless extended    |
| July 1            | May begin meeting in odd years |
| 1st Mon in July   | Meet                           |
| 4th Sat in August | Meetings end                   |

| City of St. Louis  |              |
|--------------------|--------------|
| July 1             | May meet     |
| 1st Monday in July | Meet         |
| 2nd Mon in July    | Appeals due  |
| 4th Sat in August  | Meetings end |
|                    |              |

*Workshop presented by :*



MISSOURI STATE TAX COMMISSION  
 301 West High Street, Room 840  
 Post Office Box 146  
 Jefferson City, Missouri 65102-0146  
 573/751-2414

## General Timeline

| Date            | Event   | Cite  |
|-----------------|---|---|
| 3/1*            | Preliminary Book  | 137.243                                     |
| 3/15*           | Clerk provides values to political subdivisions   | 137.243                                     |
| 4/8*            | Political subdivisions provides rates to clerk who provides them to the collector                 | 137.243                                     |
| 4/30*           | Collector provides projected tax liability to assessor  | 137.243                                     |
| 6/15            | Last day to mail impact statements. In odd years, * counties must include projected tax liability | 137.180, 137.355, 137.490                   |
| 3rd Mon in June | First Class BOE appeals due unless extended by Board  | 137.385                                     |
| 7/1             | Assessment Books to Clerk   | 137.245, 137.335, 137.375, 137.490, 137.510 |
| 7/1             | All BOEs may been in reassessment years   | 138.010, 138.090, 138.170                   |
| 1st Mon in July | First Class BOEs meet   | 138.090 138.170                             |
| 2nd Mon in July | Appeals to BOE in remaining jurisdictions and City of St. Louis                                   | 137.275, 138.180                            |
| 3rd Mon in July | 2nd, 3rd, 4th class BOE meet  | 138.010 138.050                             |
| 7/20            | Clerks provide aggregate values to STC  | 137.245, 137.375, 137.515                   |
| 7/31            | BOEs conclude (except charter)  | 138.050, 138.100                            |
| 4th Sat in Aug  | BOE in charter end  | 138.050, 138.100, 138.170                   |
| 9/1             | Levies set  | 67.110                                      |
| 9/20            | Counties other than charters set levies   | 137.055 137.390                             |
| 9/30            | Appeals due to STC or 30days after decision   | 12 CSR 30-3.010                             |
| 10/1            | Levis—partially within charter or City of St Louis  | 67.110                                      |
| 10/1            | Levies—Charter and City of St L   | 137.055, 137.390                            |

\*applies to limited # of counties until a computer program is developed to produce impact notices with projected tax liability

## Odds and ends

Parties may appeal to the BOE each year. If a party appeals to the BOE in the odd year and then appeals to the STC, the STC will notify the county that they will determine the valuation of the property for both the odd and even year. The taxpayer will not have to appear before the board in the even year.

If the party does not proceed to the STC in the odd year, the party may appear before the BOE again in the even year.

3rd Monday in June - 1st Class County BOE deadline  
Deadline Language “before” language for 1st Class BOE

Must be before the 3rd Monday would req the clerk to be open on Sat or Sun —OR last day to file is Friday before.

BOE is not authorized to hire appraisers (Att Gen Op 3/24/1955)

BOE may issue subpoena Section 138.040

Quorum is the majority of members (voting and non-voting) Section 138.040

Review of locally assessed RR and Utility property is the first order of business. Section 151.1000

## Tax Situs

| TYPE OF OWNER  | LOCATION               | WHERE THE PROPERTY IS TAXED                               | LEGAL AUTHORITY                |
|--|------------------------|---|--------------------------------|
| Natural Person Who Is Missouri Resident                            | In Missouri            | County of Residence Except Items Specified in 137.090     | 137.075, RSMo<br>137.090, RSMo |
| Natural Person Who Is Missouri Resident                            | Outside Missouri       | Not Taxable in Missouri                                   | Case Law                       |
| Natural Person Who Is <u>NOT</u> Missouri Resident                 | In Missouri            | County Where Property Is Located                          | Case Law                       |
| Corporation  | In Missouri            | County Where Property Is Located                          | 137.095, RSMo                  |
| Military Person and/or Spouse Who Is <u>NOT</u> Missouri Resident* | In Missouri            | Nontaxable in Missouri--Except Business Personal Property | Federal Law<br>50 USC<br>571   |
| Military Person and/or Spouse Who Is Missouri Resident*            | In or Outside Missouri | In Missouri County Where They Entered The Service         | Federal Law<br>50 USC<br>571   |

## Assessment Terminology

**Appraised Value**—Estimate of a property's fair market value. The price of property would bring when offered for sale by one willing or desirous to sell and purchased by one willing or desirous to purchase but neither are compelled to do so. *Appraised, fair market, and true value* are synonymous for assessment purposes except with agricultural land. Agricultural land is assigned a productivity value.

**Assessed Value**—The portion of the true value in money on which taxes are based in Missouri. In general, the % are:

Residential .....19%  
 Agricultural .....12%  
 Commercial .....32%  
 Personal Property ..33 1/3%

**Real Property**—Includes land, buildings, structures, improvements, and fixtures. Included are the rights and privileges belonging to or related to the land

### Tax Formula

Appraised or True Value x Assessment level = Assessed value  
 Assessed value x tax rate as a % = taxes due

**Tax Day**—January 1 of each year. Taxes are assessed on property owned on January 1 and its condition on that date. Real property is assessed on the odd years. (See Occupancy) Personal property is assessed every year.

**Two year cycle** - Real property is assessed in the odd number years. Personal property is assessed each year.

## BOE MEMBERSHIP

### Second, Third and Fourth Class §138.010

- County Commissioners
- Assessor - non voting member
- Surveyor
- 2 Citizens—appointed by County Commission
- County Clerk—non voting
- Second class also has the County auditor §55.161 (4)

### First Class Counties §138.011, 138.085

3 Citizens—Appointed by County Commission  
May not be an official of a political subdivision

### City of St Louis §138.140

- Assessor—President of the Board
- 4 Citizens:
  - A. Property Owning;
  - B. Residents of the city for the past 5 years; and
  - C. Appointed by the Mayor.

Assessor or staff is to be present at all Board hearings and has the right to present evidence §138.010



## ROLE of the BOE

- *Equalize Assessments*—Raise or lower valuations believed to be set below or above true value. §138.050, 138.100, 138.150
- *Hear Appeals*—Hear from the parties and adjust or correct if appropriate. §138.060
- *Determine Appeals and Keep Record*—Determine all appeals summarily and the Clerk is to keep a record of the proceedings. §138.060
- *Add Omitted Property*—Shall add and assess any property omitted from the tax rolls. §138.070, 138.150
- *Provide Notice*—Notice to the taxpayer on omitted property, increase in value of property. § 138.050, 138.070, 138.100

## THE OCCUPANCY LAW Section 137.082, RSMo Cum. Supp. 2011

### Local Option—Assessor can confirm if an occupancy provision has been adopted

- **Newly constructed residential property** which has never been occupied or is just being occupied for the first time, and
- **Residential property improvements destroyed by natural disaster.**

### Effect

If enacted, this statute impacts assessment in three major ways:

- 1. Newly Constructed and Occupied**--Newly constructed and occupied residential property must be assessed in a pro rata fashion beginning the first day of the month following occupancy.
- 2. Newly Constructed and NOT Occupied**--Newly constructed residential property which has never been occupied must not be assessed until such occupancy or until the first day of January of the fourth year following the year the improvements were constructed. In other words, if a home is built in June, 2014, but not occupied as of January 1, 2015, the parcel, if it remains unoccupied through 2018, is assessed as unimproved for 2015, 2016, 2017 and as improved for 2018 .

- 3. Destroyed by Natural Disaster**--The assessor or, after June first, the board of equalization, shall, upon application from the property owner, remove from the tax book on a pro rata basis for the current year, any residential property improvement destroyed by a natural disaster which results in the improvement being unoccupied and uninhabitable. A natural disaster is defined as any disaster due to natural causes such as tornado, fire, flood, or earthquake.

A political subdivision may recover the loss of revenue due to the pro rata reduction of value for a natural disaster by adjusting the rate of taxation for the year immediately following the disaster. The levy cannot exceed the amount previously authorized by the voters and the revenue recouped cannot exceed the amount lost.

NOTE: if the property is subsequently repaired and then occupied within the year, the assessor may put the improvements back on the books on a pro rata basis.

## HEARINGS

### Erroneous, Double Assessments, etc.

#### BOE Duties after Adjournment

Platte and non-charter first class counties, the BOE meets monthly to correct erroneous assessments, double assessments, and clerical errors. 138.100

#### County Commissions:

Section 137.270. The county commission of each county may hear and determine allegations of erroneous assessment, or mistakes or defects in descriptions of lands, at any term of the commission before the taxes are paid, on application of any person who, by affidavit, shows good cause for not having attended the county board of equalization for the purpose of correcting the errors or defects or mistakes. If any lot of land or any portion thereof has been erroneously assessed twice for the same year, the county commission shall release the owner or claimant thereof upon the payment of the proper taxes. Valuations placed on property by the assessor or the board of equalization shall not be deemed to be erroneous assessments under this section.

There are few circumstances that equate to an erroneous assessment. Primarily they are ministerial clerical errors such as assessing in the wrong school district

#### Preparation

- Publicize—Times, dates and location must be posted in accordance with the Sunshine law.
- Coordinate hearings—work with assessors staff, etc who may need to attend
- Subpoena—the board may subpoena witnesses and order the production of books and papers, and any member may administer oaths in relation to any matter within its jurisdiction. §138.040, 138.170

#### Please Consider or Remember

- First Class Counties—Forms for the appeals are to be provided by the clerk.
- Deadline: It is recommended that BOEs of 1st class counties extend the filing date to the 2nd Monday in July. §137.275
- A person, or by attorney or agent, may appeal in writing
- Parties do not have to appear before the BOE.
- All who have appealed MUST receive a WRITTEN BOE Decision
- The BOE may increase or decrease the value.
- An appeal to the BOE is required to lodge an appeal with STC except:
  - Parties seeking exempt statutes may go to the Circuit Court
  - If there was an increase in the value and the taxpayer did not receive notice, they may appeal directly to the STC within 30 days of notice or 12/31

#### Who May Present Evidence or an Opinion of Value

- The taxpayer may appear and present an opinion of value.
- An attorney or agent may appear for the taxpayer.
- The agent may not present an opinion of value unless they are a licensed or certified as an appraiser
- An attorney may share with the BOE their client's opinion of value, but the attorney who is not a licensed appraiser, may not develop his own opinion of value.
- Exception to the appraiser license requirement:
  1. Owner of the property:
  2. Real Estate broker with a comparative market analysis or broker price opinion:
  3. Government employee as part of their work duties:
  4. Employee of a federal or state regulated lending agency: or
  5. An agent of an federal or state regulated lending agency.

## **Procedure of Hearings**

1. The Assessor and staff should be familiar with all properties and be able to provide information on the properties and defend the values.
2. Appeal forms, documentation by the assessor (prc) etc should be provided to each member
3. Ask the taxpayer if they have any documentation. Make sure that the BOE has a copy to maintain in their files and Assessor has a copy.
4. Hearing
  - Listen to what all have to provide on the property
  - Review all materials provided
  - Ask the assessor's staff if they need additional time to review
  - Emphasize to all that the determination is MARKET Value and NOT the amount of the change of value
  - Make a determination AFTER review of all documentation and analysis by the assessor
  - Mail BOE decisions at a later date.
5. If the taxpayer has made valid points
  - The assessor may want to review
  - Obtain all phone numbers and contact information
  - Verify that you may have access to the property if necessary
  - Instruct taxpayer as to the follow up by the County and time frame

## **Conduct to be Avoided During Hearings**

- Arguments — Answer inquires, avoid arguments
- Negotiated Settlement—BOE should arrive at a value based upon information presented.
- Adjustments based upon Hardships—Assessments are based upon market information, not individual owner's situations. There are programs available including Missouri Property Tax Credit Claim, Homestead Preservation Act, etc
- Granting Exemptions without full legal analysis—property is presumed taxable. Entities with other tax exemptions may not qualify for a property tax exemption.

## **After Hearings**

- Provide the assessor time to do field work
- Provide any changes to the assessor for updating records
- Keep taxpayer up to date on the progress of the appeal
- Provide decisions in writing to taxpayers and assessors
- EVEN "NO SHOWS" RECEIVE A BOE DECISION

## **Inventory—Leased Personal Property**

1. The owner posts conspicuous signs on the premises indicating that the property is for sale, and the purchase price of any particular piece of equipment is available.
2. A list of reasonable purchase prices (i.e. not above manufacturers' suggested retail) is available at all times.
3. Rental contracts and agreements contain language that the "rental property" may be purchased.

## Personal Property

### Business Personal Property

Section 137.122 RSMo establishes the mass appraisal system for the valuation of BPP. "Class life", the class life of property as set out in the federal Modified Accelerated Cost Recovery System life tables or their successors under the Internal Revenue Code as amended.

Section 137.122 provides a standardized schedule of depreciation.

| YEAR | 3 YR<br>% | 5 YR<br>% | 7 YR<br>% | 10 YR<br>% | 15 YR<br>% | 20 YR<br>% |
|------|-----------|-----------|-----------|------------|------------|------------|
| 1    | 75.00     | 85.00     | 89.29     | 92.50      | 95.00      | 96.25      |
| 2    | 37.50     | 59.50     | 70.16     | 78.62      | 85.50      | 89.03      |
| 3    | 12.50     | 41.65     | 55.13     | 66.83      | 76.95      | 82.35      |
| 4    | 5.00      | 24.99     | 42.88     | 56.81      | 69.25      | 76.18      |
| 5    | 5.00      | 10.00     | 30.63     | 48.07      | 62.32      | 70.46      |
| 6    | 5.00      | 10.00     | 18.38     | 39.33      | 56.09      | 65.18      |
| 7    | 5.00      | 10.00     | 10.00     | 30.59      | 50.19      | 60.29      |
| 8    | 5.00      | 10.00     | 10.00     | 21.85      | 44.29      | 55.77      |
| 9    | 5.00      | 10.00     | 10.00     | 15.00      | 38.38      | 51.31      |
| 10   | 5.00      | 10.00     | 10.00     | 15.00      | 32.48      | 46.85      |
| 11   | 5.00      | 10.00     | 10.00     | 15.00      | 26.57      | 42.38      |
| 12   | 5.00      | 10.00     | 10.00     | 15.00      | 20.67      | 37.92      |
| 13   | 5.00      | 10.00     | 10.00     | 15.00      | 15.00      | 33.46      |
| 14   | 5.00      | 10.00     | 10.00     | 15.00      | 15.00      | 29.00      |
| 15   | 5.00      | 10.00     | 10.00     | 15.00      | 15.00      | 24.54      |
| 16   | 5.00      | 10.00     | 10.00     | 15.00      | 15.00      | 20.08      |
| 17 + | 5.00      | 10.00     | 10.00     | 15.00      | 15.00      | 20.00      |

Review declaration filed with the Assessor.

## DECISIONS

**Decisions should be in writing and sent to the taxpayer/attorney or agent.**

### Contents

1. DATE OF THE DECISION—the date of the decision may play a role in whether an appeal is filed timely with the STC. If mailing is done on a different date, please note that on the decision in some way.
2. TAXPAYER'S NAME AS IT APPEARS ON THE ASSESSMENT ROLE This is especially important if the mailing address is to the attorney or agent.
3. Locator Number and Address—provide a decision for each locator/parcel number
4. Classification of property
5. Appraised or Assessed Value even if no change.  
Identify if it is appraised or assessed value  
Identify if it is a mixed use parcel

Mail decisions as soon as possible. The parties deserve to know the decision in a timely manner.

Maintain copies of all Decisions and dates mailed with the Board's records.



SAMPLE BOE DECISION LETTER

BOARD OF EQUALIZATION  
COUNTY OF XYZ

Date of Mailing

Agent  
123 Simple  
Assessment, Missouri

RE: Name: U R Taxpayer  
Parcel : 02-2.4-002-005.12  
Address: 456 Simple  
Classification: Residential  
Assessor's Appraised and Assessed: \$100,000/\$19,000  
BOE's Appraisers and Assessed: \$100,000/\$19,000

The Board of Equalization of XYZ County, after full consideration of the information presented at the hearing, voted to sustain the Assessor's value.

You have a right to file an appeal with the State Tax Commission. If you chose to appeal, you may download forms from their website at [www.stc.mo.gov](http://www.stc.mo.gov). You may contact the State Tax Commission at 573 751 2414

The appeal to the STC must be postmarked no later than September 30 of this year or 30 days after the above date, whichever is later.

Sincerely

County Clerk  
Secretary of the Board of Equalization

**PERSONAL PROPERTY—AUTOMOBILES**

Automobiles—

Assessor is required by statute to use the NADA values. The taxpayer may produce evidence to show excessive wear and tear, mileage, etc. and the market impact.

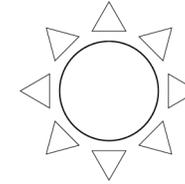
**REMEMBER JANUARY 1 IS THE  
VALUATION DATE**

137.115 (9). The assessor of each county and each city not within a county shall use the trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as the recommended guide of information for determining the true value of motor vehicles described in such publication. The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the true value in money of the motor vehicle.

## RECORDS OF THE BOARD

All appeal related paperwork must be retained. See Chapter 109. Among the users of the records is the assessors staff as the records assist them in updates and with future reassessments.

| <b>EXEMPTIONS AND LEASED PROPERTY</b>   | <b>GOVERNMENT LESSOR</b>   | <b>PRIVATE FOR-PROFIT LESSOR</b>   | <b>PRIVATE NOT-FOR-PROFIT LESSOR--CHARGES GREATER THAN NOMINAL RENT</b> | <b>PRIVATE NOT-FOR-PROFIT LESSOR--CHARGES NOMINAL RENT</b>                  |
|---|----------------------------|--|---|---|
| <b>GOVERNMENT LESSEE</b>  | <b>EXEMPT</b>              | <b>TAXABLE</b><br>[Except-VEHICLES LEASED TO STATE OR POLITICAL SUBDIVISION for more than 1 year are EXEMPT] | <b>TAXABLE</b>  | <b>MOST LIKELY EXEMPT</b><br>[Because it lessens the burdens of government] |
| <b>NOT-FOR-PROFIT LESSEE</b> [uses the property for charitable, educational, or religious purposes] | <b>EXEMPT</b>              | <b>TAXABLE</b>   | <b>EXEMPT</b><br>[If lessor renting at cost or below]                   | <b>EXEMPT</b>   |
| <b>ALL OTHER LESSEES</b>  | <b>BONUS VALUE TAXABLE</b> | <b>TAXABLE</b>   | <b>TAXABLE</b>  | <b>TAXABLE</b>  |



### Sunshine Law

The Board must follow the provisions of Chapter 610.

Requirements include:

- Posting notice of time, date, location and tentative agenda of all meetings

- Close a meeting only as authorized under §610.021, post notice of the closed meeting pursuant to §610.022.2, or have a majority of the quorum vote to close §610.022.1. Case decisions indicate that the deliberations should be open as the decisions do not include findings of facts and conclusions of law

## Valuation

The taxpayer is asserting the property has been valued above its true value. Missouri recognizes three approaches to value: Cost, Sales Comparison and Income Approach.

### Cost Approach

The idea is that a buyer won't pay more than the cost of acquiring and building an equally suitable property. The cost approach begins by establishing the value of the land on which the building sits, using sales of similar land. To the land value is added the cost new of the buildings, less depreciation. This approach is well suited to value new construction or special purpose property.

### Sales Comparison

The approach utilizes property sales information to estimate the value of the subject property. The appraiser adjusts the comparable sales for location, time, condition, size and other factors to determine a value for the subject property.

### Income Approach

Some properties are purchased due to the income they can generate. The amount of income generated impacts the market value of the property. Examples include hotels, apartments, and commercial office buildings. Income and expense information is collected from the subject and compared to other properties in the market. The net income is divided by a capitalization rate for a resulting indication of value.

## Exemption continued

The requirements for charitable or religious include:

1. Property is owned and operated on a not-for profit basis.
2. Property must be actually and regularly used exclusively for a charitable or religious purpose.
3. Benefit an indefinite number of people

### Ownership

Is it owned directly by a corporation that is registered as a not-for-profit? You may require the owner to provide a copy of its Art. of Incorporation and constitution or bylaws. They must establish that there is no way for profit presently or prospectively.

### Use

- Brings hearts under the influence of education or religion;
- Relieves the body from disease, suffering or constraint;
- Assists people to establish themselves for life; or
- Erects or maintains public buildings or works or otherwise lessens the burdens of government.

### Access to the Services

Is the use of the property or services rendered at the property at cost or less? What is their rate setting? Can those who cannot pay access the services? IRS Form 990 provides information to the assessor. Salaries of employee is important and whether there is any profit sharing.

## Exemption

The taxpayer alleges that the property is not subject to taxation because it has been exempted by the Missouri constitution.

Article X Section 6. 1. All property, real and personal, of the state, counties and other political subdivisions, and nonprofit cemeteries, and all real property used as a homestead as defined by law of any citizen of this state who is a former prisoner of war, as defined by law, and who has a total service-connected disability, shall be exempt from taxation; all personal property held as industrial inventories, including raw materials, work in progress and finished work on hand, by manufacturers and refiners, and all personal property held as goods, wares, merchandise, stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or establishments shall be exempt from taxation; and all property, real and personal, not held for private or corporate profit and used exclusively for religious worship, for schools and colleges, for purposes purely charitable, for agricultural and horticultural societies, or for veterans' organizations may be exempted from taxation by general law. In addition to the above, household goods, furniture, wearing apparel and articles of personal use and adornment owned and used by a person in his home or dwelling place may be exempt from taxation by general law but any such law may provide for approximate restitution to the respective political subdivisions of revenues lost by reason of the exemption. All laws exempting from taxation property other than the property enumerated in this article, shall be void. The provisions of this section exempting certain personal property of manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments from taxation shall become effective, unless otherwise provided by law, in each county on January 1 of the year in which that county completes its first general reassessment as defined by law.

Exemptions include:

- Political subdivision
- POW + 100 % military related disabled + residence
- Charitable, school/college or religious

Exemptions are based upon ownership (ie city) or use (ie charitable)

The determination date is January 1 UNLESS it is a political subdivision. A political subdivision may close on the property on December 30 and the property would be exempt for the entire tax year.

## Common Evidence at Hearings

- Sale of Subject property—determine if it is a market sale. One sale does not necessarily reflect the market. Note the date of the sale.
- Comparable Properties—sales do not have to be identical properties but should be similar enough to provide sound comparison. Look at the ages, quality, condition. Lot size, building size, location etc. The information should be verified or be from a reliable source
- Newspaper and Internet articles—Such items provide information regarding the real estate market in general, but provide no information as to the market value of the subject property.
- Charts, Graphs on Tax or Valuation increases—do not provide relevant information on what the property would sell for on a given date.
- Assessments of neighbors—unless the party can establish the average assessment on the entire subclass, reviewing assessments on a handful of properties does not establish discrimination or valuation.
- Photographs— Although they might be worth a thousand words, they say nothing about the market value. They may trigger a field review, they may provide an understanding of the property.

## Misclassification /Ag

The taxpayer is claiming that the property is not classified correctly. Examples include personal property that should be classified as real; commercial property that should be classified as residential; residential that should be classified as agriculture, etc. It may also include the misgrading of ag properties—applying the wrong productivity grade to value the property.

Listed below are the new agricultural productivity values that go into effect in 2015. Also included are the past agricultural land productivity land values that have not changed since 1995.

| Grade | 2015    | Pre 2015 |
|-------|---------|----------|
| 1     | \$1,035 | \$985    |
| 2     | \$850   | \$810    |
| 3     | \$645   | \$615    |
| 4     | \$405   | \$385    |
| 5     | \$205   | \$195    |
| 6     | \$158   | \$150    |
| 7     | \$79    | \$75     |
| 8     | \$31    | \$30     |

### Example of the Impact of Classification Change

The property is ten acres. The property's market value is \$100,000.  
The tax rate is 8%.

Commercial       $\$100,000 \times .32 = 32,000 \times .08 = \$2,560$   
Residential       $\$100,000 \times .19 = 19,000 \times .08 = \$1,520$   
Ag - grade 2       $\$ 8,500 \times .12 = 1,020 \times .08 = \$ 81.60$

## DISCRIMINATION

This type of case is also called a uniformity or ratio case. It is based upon the requirement that taxes be uniform upon the same class or subclass of properties.

If like properties are undervalued by the assessor, the subject property (on the books at true value) is paying a higher rate of taxes. The taxpayer must present evidence as to the average level of assessment for the relevant subclassification of property in the taxing jurisdiction. Then show that the disparity between the subject's level of assessment and the average level of assessment is excessive. The relief awarded is that the taxpayer's property is assessed at true value x average level of assessment.

### Example:

Property A and all other residential property in the county have a market value of \$100,000. Property A is on the books at \$100,000; all other residential property is on the books at \$75,000.

Property A : assessed value  $\$100,000 \times .19 = \$19,000$

Taxes:  $\$19,000 \times .08 = \$1,520$

Other residences: assessed value  $\$ 75,000 \times .19 = \$14,250$

Taxes:  $\$14,250 \times .08 = \$1,140$

It is as if other residential property is assessed at 14.25%