

Legal Alert: Time to Consider Appealing Your Real Property Tax Valuation

Kenneth P. Kreider, Thomas M. Tepe, Jr. and Joseph L. Trauth, Jr.

January 14, 2010

Many residential and commercial property owners have witnessed a significant decrease in property values over the last few years; the decrease is especially dramatic for those who purchased property when prices were high in 2004-2007. While that is not good news in general, it may present an opportunity to lower your property taxes.

Recent tax appeal successes: *

- Former Terrace Hotel on Sixth Street: Valuation reduced from \$32 million to \$9.7 million
- Fourth & Walnut Center: Valuation reduced from \$31 million to \$24 million
- Indian Hill Residence: Valuation reduced from \$3,038,000 to \$2,250,000

Each \$1,000,000 of fair market value reduction results in an annual tax savings of approximately \$22,000, depending on the overall tax rate in the jurisdiction.

Between now and March 31, residential and commercial property owners may file complaints with the county Board of Revision challenging the county auditor's valuation of their real property for tax purposes. Generally speaking, successful property valuation reductions and tax appeals should be completed by an experienced attorney and a licensed property appraiser familiar with the locale. Cases filed last year challenging valuations established for tax year 2008 in Hamilton, Butler, Montgomery, Franklin and Clermont counties are now finished at the Board level. However, even though we are in the second year of the three year triennial period for those counties, in many cases, clients did not file last year because the case was premature for reasons particular to the case. Those cases may be better positioned for a successful appeal if filed this year.

Also, 2009 is the first year of the triennial period in Warren and Brown counties. If you own property in one of these counties, you may want to discuss the benefits of a property valuation appeal.

In certain instances you may be able to pay a reduced amount of property taxes based on the filed complaint and defer the difference until the resolution of your case.

Individuals and businesses are looking to cut costs wherever possible in this difficult environment. Lenders with REO assets may benefit from a business strategy involving tax appeals. Our group, consisting of partners and associates with experience in sophisticated real estate matters, has worked with clients in the Tri-State area and nationally to successfully and significantly reduce their property tax valuation. If your property has been overvalued by the county auditor as compared to similar properties, you may have an opportunity to reduce your taxes; bear in mind that the deadline to file is March 31, 2010.

Feel free to contact any of us to discuss whether an appeal is warranted for your property. We are open to alternative fee arrangements in these cases, which, if mutually agreed upon for a particular case, will be incorporated into a written engagement letter.

Legal Alert: Time to Consider Appealing Your Real Property Tax Valuation (Continued)

Kenneth P. Kreider

513.579.6579

kpkreider@kmklaw.com

Thomas M. Tepe, Jr.

513.639.3947

ttepe@kmklaw.com

Joseph L. Trauth, Jr.

513.579.6514

jtrauth@kmklaw.com Nothing in this alert is intended to be legal advice. Please consult with counsel of your choice with regards to any specific questions you may have.

ADVERTISING MATERIAL.

©2010 Keating Muething & Klekamp PLL. All Rights Reserved.