

BOSMA GROUP

BUSINESS TAX ACCOUNTING

Real Property Tax Paradox

Action Item:

Appeals to the Washoe County Board of Equalization are due January 18, 2011.

Are you concerned that you are overpaying your property taxes? Read on to determine if you are and what to do about it; it can be as easy as 1- 2- 3.

Property Tax Terms

- **Taxable value** – Known as the cost approach. Determine what it would cost to purchase a vacant parcel and build a structure with similar utility as that of the subject property. The county is required to use this

method using a service called Marshall & Swift, which gives data on how much it would cost today to build a similar building. The building is then depreciated over 50 years.

- **Assessed value** = 35% of taxable value.
- **Property tax** = Assessed value times the tax rate.
- **Full cash value** – Otherwise known as fair market value. Determined by either the market or income approach.
- **Market approach** - look at similar properties which have sold, adjust for the differences, and estimate the price the subject property might sell for.
- **Income approach** - estimate the amount of money the subject property might rent for based on similar properties that are being rented (not used for personal residences).

Step One: Go to the Assessors website and look up your property taxable value. You can find using the parcel number, name or address. Make sure you take into account any amounts that have been abated.

Step two: Determine if what you could sell the property for (full cash value) is less than taxable value. This is using the market approach, discussed above. Comparable sales information can be found on the internet and the Assessor's website.

Step Three: If your property is worth less than the taxable value, file an appeal to the County Board of Equalization by January 18, 2011.



Washoe County Assessor: www.washoecounty.us/assessor
Carson City Assessor: www.carson-city.nv.us
Clark County: www.accessclarkcounty.com/assessor
Douglas County Assessor: www.assessor.co.douglas.nv.us

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