

## YOUR REAL PROPERTY TAXES ARE GOING UP. WHAT NOW?

AUGUST 2018

As a property owner in Cuyahoga County, you may have recently received the county's "Proposed Value Notice" informing you that your real property taxes are going up. You're not alone. Residential real estate, in particular, saw a marked increase, with [the county increasing property values by an average of 10.8%](#). [Taxes on commercial and industrial parcels increased by an average of 8.7%](#). After the initial sticker shock, many of us are left wondering, "Why?"

Under Ohio law the County Fiscal Officer is responsible for the valuation (and revaluation) of all real estate in the county and completes this task in two cycles. One is the sexennial reappraisal (occurring every six years), which is what we are experiencing now, and the other is a triennial update (occurring every third year between reappraisals), which will happen in 2021. Both cycles rely on analysis of recent comparable sales, meaning that your tax increase is essentially a byproduct of a healthy commercial/industrial and residential real estate market.

Unfortunately, in addition to an increased property tax bill, many of us are going to feel the effects of this increase on our federal tax bill as well. Under the new Tax Cuts and Jobs Act the deduction for all state and local taxes (including state and local income, sales, real estate, and property taxes) combined cannot exceed \$10,000. Therefore, real estate taxes that were formerly deductible could be limited by this cap.

Owners wishing to *informally* challenge their proposed property value can do so [online](#) or by attending one of the listed [Property Owner Conference sites](#). You may also return the response form included with your Proposed Value Notice via regular mail. The deadline for informal challenges is **August 31, 2018**.

*Formal* challenges (which can be pursued regardless of the result of your informal challenge) must be filed with the Cuyahoga County Board of Revision using a "Complaint Against Valuation." Those complaints can be filed between January 1 and March 31, 2019 either online or by mail.

Aside from comparable sales prices, common reasons for challenging property values include some form of damage or destruction (e.g., fire, flood, ground movement, mold, wind, etc.). You will also have a strong basis for appeal if you've recently purchased your property in an arm's length transaction for less than the proposed value. With respect to both commercial and residential income-producing properties, considerations include declining rents coupled with increased expenses and vacancies, and functional or economic obsolescence.

If you feel that you couldn't sell your property for as much as the Fiscal Officer's reappraisal value, consider calling an attorney to get help filing a complaint.

### ADDITIONAL INFORMATION

For additional information, please contact:

- [JUSTIN EDDY](#) | 216.696.5676 | [justin.eddy@tuckerellis.com](mailto:justin.eddy@tuckerellis.com)

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