

Reassessment – Yes or No?

Towns performing reassessments provide their taxpayers with better assessment and tax equity than ones that do not. Reassessments are needed to equitably distribute the tax burden based on market values. All properties do not appreciate or depreciate at the same rate. A reassessment recognizes this and corrects inequities based on market sales. Reassessments consisting of nothing more than applying a trend (% change) to all assessments does not treat everyone fairly. Reasons for this are (1) trending assumes all properties appreciate or depreciate at the same rate, and (2) trending assumes all prior assessments were fair and equitable. Equalization rates are determined by the New York State Office of Real Property, for each municipality, to equalize assessments for school and county taxing purposes. This prevents a town from keeping assessments artificially low to save taxes. **Below is an EXAMPLE ONLY using School Taxes:**

Chart #1

	A	B	C	D	E	F	G	H	I
	Property	Assessment			Equalization Rate	Tax rate	Equalized Tax Rate Col F / (Col E/100)	Tax Bill Col G x Col B	Tax Difference
Current	1	330,000			100%	.019470	.019470	6,425.10	-
	2	210,000			100%	.019470	.019470	4,088.70	-
	3	140,000			100%	.019470	.019470	2,725.80	-
	4	85,000			100%	.019470	.019470	1,654.95	-
	5	36,000			100%	.019470	.019470	700.92	-
			801,000					15,595.47	
		Total Taxable Assessment					Total Tax		

Chart #2

Market TREND up 12% (ASSUMES OTHER TOWNS IN SCHOOL DISTRICT DO NOT CHANGE)

	A	B	C	D	E	F	G	H	I
	Property	Assessment	Sale Price	Market Change**	Equalization Rate (100/1.12)	Tax rate*	Equalized Tax Rate Col F / (Col E/100)	Tax Bill Col G x Col B	Tax Difference
No Reassessment	1	330,000	360,000	+ 9%	89.28%	.019470	.0218078	7,196.57	+ 771.47
	2	210,000	250,000	+14%	89.28%	.019470	.0218078	4,579.64	+ 490.94
	3	140,000	160,000	+12%	89.28%	.019470	.0218078	3,053.09	+ 327.29
	4	85,000	90,000	+ 5%	89.28%	.019470	.0218078	1,853.66	+ 198.71
	5	36,000	40,000	+ 0%	89.28%	.019470	.0218078	785.08	+ 84.16
			801,000					17,468.04	+ 1,872.57
		Total Taxable Assessment					Total Tax		

Chart #3 Market TREND up 12% (ASSUMES OTHER TOWNS IN SCHOOL DISTRICT DO NOT CHANGE)

Reassessment	A	B	C	D	E	F	G	H	I	
	Property	Assessment	Sale Price	Market Change**	Equalization Rate	Tax rate*	Equalized Tax Rate Col F / (Col E/100)	Tax Bill Col G x Col B	Tax Difference	
	1	360,000	360,000	+ 9%	100%	.019470	.019470	6,257.88	167.22	
	2	250,000	250,000	+14%	100%	.019470	.019470	4,345.75	257.05	
	3	160,000	160,000	+12%	100%	.019470	.019470	2,781.28	55.48	
	4	90,000	90,000	+ 5%	100%	.019470	.019470	1,564.47	- 90.48	
	5	40,000	40,000	+ 0%	100%	.019470	.019470	695.32	- 5.60	
		900,000						15,644.70	+ 49.23	
		Total Taxable Assessment							Total Tax	

Chart #4 Market TREND up 12% (ASSUMES OTHER TOWNS IN SCHOOL DISTRICT DO NOT CHANGE)

CHANGE Estimate	Property	WITHOUT Reassessment	WITH Reassessment	School Tax Now	School Tax WITHOUT Reassessment	School Tax WITH Reassessment
		1	330,000	360,000	6,425.10	7,196.57 Up 771.47
	2	210,000	250,000	4,088.70	4,579.64 Up 490.94	4,345.75 Up 257.05
	3	140,000	160,000	2,725.80	3,053.09 Up 327.29	2,781.28 Up 55.48
	4	85,000	90,000	1,654.95	1,853.66 Up 198.71	1,564.47 Down 90.48
	5	36,000	40,000	700.92	785.08 Up 84.16	695.32 Down 5.60
		801,000	900,000	15,595.47	17,468.04 Up 1,872.57	15,644.70 Up 49.23

* Tax rate would drop slightly due to new construction, or if other towns increased assessments. Does not consider budget increases.

** Equalization Rate change affects entire town and does not consider market variations