The basics of real property tax assessment appeals in Connecticut

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At one point or another we have all looked at a bill and uttered some iteration of the following phrase "wow my taxes are too high." Without writing to our local politician, or risking a visit from our friends at the IRS, there is generally little we can do about it. In Connecticut, this is not the case when it comes to your local municipal property tax. You have the right to appeal the determination of the value of your property, which if successful, will lower your tax bill. To that end, this article is meant to provide the basics of an assessment appeal both as a refresher for old pros and as a guide for those appealing their valuation for the first time.

Every five years, each municipality is required to conduct a "revaluation" of all of the property located within its bounds. Not every municipality is on the same schedule, however, so you will have to check with your municipality to determine when your last revaluation occurred. In order to maximize your possible tax savings, you should appeal the valuation after a city or town wide revaluation so the tax savings will continue until the next revaluation. If your revelation occurred a few years ago, do not fear, you are still entitled to appeal but you just will not realize the savings retroactively for the prior years.

In general, the present true and actual value of all property established by the assessor of a municipality is the fair market value of the property and not its value at a forced or auction sale. Once the fair market value of the property is determined, each municipality is required to assess the property at a uniform rate of 70% of that fair market value. So look at the fair market value of your property set by the assessor and if you determine that the fair market value set by the assessor and if is too high you can then appeal to the municipality's board of assessment appeals (BAA).

How do you determine if the fair market value set by the assessor is too high? Generally, the market sales comparison approach, the cost approach and the income capitalization approach to value are the three accepted valuation methods. The two methods most often utilized by taxpayers on appeal are the sales comparison and the income capitalization approach. While the sales comparison approach (looking at what similar properties have sold for) is used for both owner-occupied and rental property alike, the income approach is used exclusively for rental property. Noting this, if you own a rental property, you should contact the assessor's office to determine whether the municipality requires an annual Income and Expense Report. Typically, municipalities require these reports to be filed no later than June 1. Failure to file these reports results in a 10% penalty for that year.

Once the assessor has set the grand list, which can be no later than January 31, you then have until February 20 to submit a tax appeal to the BAA for your municipality. You will have to submit your appeal on your municipality's form, making sure you included your reason for the appeal and your estimate of value. Once the appeal is submitted you will be given notice of a hearing date for you to present your case at which time you or your representative must appear. After the hearing you will receive notice from the BAA of their decision. If after you receive the decision of the BAA, you still believe the fair market value set by the municipality is too high you can then appeal your taxes to the State Superior Court. Any appeal from the decision of the BAA must be appealed to the court within two months from the date of the mailing of a notice of decision by the BAA and is governed by both the Connecticut General Statutes and Rules of Practice.

While this process can often seem daunting, in Connecticut, it is your one opportunity to contest your tax burden, and in these uncertain times, it is an opportunity every property owner should consider.

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