



Roadmap to **ALABAMA PROPERTY TAXES**

General Assessment Overview

All Alabama counties revalue properties annually with a lien date of October 1 of the prior year through September 30 of the current year. By state law, all properties are appraised at 100% of market value, then an assessment ratio is applied. Commercial property is assessed at 20%, while single-family residential and agricultural properties are assessed at 10%.

The role of the Property Tax Division of the Alabama Department of Revenue is to oversee the reappraisal of all property; to set schedules, standards, and procedures for equalization of all properties in the counties; and to ensure all property is taxed uniformly throughout the state. The assessing of property and collecting of taxes are conducted by the county. Most commercial properties are assessed with a modified mass appraisal cost approach to value. However, many larger counties will accept the income and market approaches as a basis of appeal.

Alabama is a disclosure state, meaning that most all sale prices are recorded at fair market value (within a respective jurisdiction) at the time of sale.

Valuation Notices

Typically, annual valuation notices are sent only when properties experience an increase in value or boundary changes. These notices are usually mailed in late April. Many of the jurisdictions will publish all values online.

Property Tax Appeals

All appeals, except public utilities, should be directed to the county in which the property resides. A protest can be filed to

the county Board of Equalization (BOE) within 30 days from the date of the assessment change notice. The written appeal will open the floor for an informal discussion with the appraiser. If, after this informal review, a property owner is still unsatisfied with their valuation, a formal hearing with the BOE will be set. The three-person board has the ability to decrease, increase, or make no change to the value.

A county BOE decision can be appealed to the Court Circuit of the county where the property is located. The deadline for this appeal is 30 days from the final BOE decision. Taxes must be paid by December 31 or the appeal will be dismissed.

Personal Property

Personal property in Alabama is assessed at 20% of fair market value. **Returns for taxable personal property must be filed to the county by December 31 of each year.** If a return is not timely filed, penalties and interest will be added to the tax bill. In most jurisdictions, taxpayers have the option of online filing. Asset listings must be submitted with the rendition. Type of business, type of equipment, acquisition year, and acquisition date are all used to figure personal property values.

Supplies are taxable; however, inventory and leasehold interest are exempt and should not be on the asset listing. Having a thorough understanding of the real estate appraisal system is helpful to determine which items are considered real estate.

Counties regularly conduct audits to ensure they are following the state's Department of Revenue guidelines.

Tax Bills

Tax bills are issued by respective counties or cities. Some counties also employ “non ad valorem” taxes such as library or storm water fees as another way to generate revenue. Real estate and personal property tax bills are calculated by multiplying the assessed value (which is the market value multiplied by the assessment ratio) by the county millage rate.

$$[\text{Value} \times \text{Ratio} \times \text{Mill Levy} = \text{Taxes}]$$

Taxes are due on October 1 but do not become delinquent until after December 31.

Alabama Tax Calendar

Real Estate

Tax Year	Oct 1 - Sept 30
Assessment Date	Oct 1
Value Notices Issued	March - July
Appeal Deadline	Jan - Dec (30 days after notice)
Tax Bills Due	Dec 31

Personal Property

Tax Year	Oct 1 - Sept 30
Assessment Date	Oct 1
Tax Returns Due	Dec 31
Value Notices Issue	Jan - Sept (30 days after notice)
Tax Bills Due	Dec 31

