



Roadmap to GEORGIA PROPERTY TAXES

Value Notices

As required by state law, all properties, real and personal, must be appraised at 100% of fair market value. The effective date of value is January 1 of each tax year. Individual property values may or may not be adjusted in a given year. Georgia's statutory assessment ratio is 40%, with a few exceptions.

Annual value notices are issued between April 1 and July 1 with an appeal deadline of 45 days from the mailing date of the notice.

Real Property Returns

Deadlines for filing real property returns are April 1. Real estate returns are required 1) when substantial physical changes have occurred to land or buildings, 2) to declare changes to the name in which title to the property is held, and 3) to allow taxpayers to render an opinion of value that is less than the current value.

Under scenarios 1 and 2, a 10% penalty may be assessed if a return is not filed, but few counties assess the penalty.

Personal Property Returns

The deadline for filing personal property returns is the same as real estate, April 1, with the same 10% penalty for failure to file. However, unlike real estate returns, the penalty is almost always assessed for late personal property filings.

Most taxing jurisdictions require cost and year of acquisition then apply their own depreciation schedule holding at residuals of 15 to 30%. Other counties may accept the taxpayer's net book values again, holding at a 15 to 30% residual. Assets are

grouped into different categories, which allows some assets to be depreciated at a faster rate (i.e., computers) while others are depreciated on an average or longer life.

All counties in Georgia tax inventories. Many of these counties allow a Freeport Exemption that exempts a portion of qualifying inventories from taxation.

Real Estate Tax Appeals

Appeals are filed to the Board of Tax Assessors. The taxpayer may request 1) a hearing by the Board of Equalization (BOE), 2) a hearing by a hearing officer for nonhomestead properties with values more than \$750,000, or 3) binding arbitration.

Appeals are first reviewed informally by the Board of Tax Assessors (BTA). The BTA may:

1. Negotiate informally and offer a value reduction in return for a signed agreement.
2. Refuse to revise the value, in which case the appeal is automatically forwarded to the BOE to be heard by the Board or a hearing officer.
3. Issue a new notice with a reduced value. If the taxpayer agrees to the revised value, no further action is necessary. If the taxpayer doesn't agree, an additional protest must be submitted within 30 days, and the appeal is forwarded to the BOE.

Appeals of decisions by the county BOE or the hearing officer must be filed to Superior Court. After an appeal is filed to Superior Court, negotiations between the county and taxpayer may continue through a jury or bench trial.

Tax Digest

The tax digest, containing all real and personal property values for each county, must be submitted to the Georgia State Department of Revenue for approval.

If the state concludes that the values are less than 100% overall or that equity does not exist between classes of property, the Revenue Commissioner will disapprove the county's digest; however, they will be permitted to collect taxes based on those values for the current year.

If corrections have not been made to equalize property values the following year, the Revenue Commissioner will direct that various state grants (funds) be withheld until inequities in the digest are corrected. As a result, many Georgia jurisdictions have implemented three-year revaluation programs as well as interim year reviews.

Tax Bills

After the tax digest is approved, mill rates are set and tax bills are issued, typically between April and December.

House Bill 197

Georgia House Bill 197 allows taxpayers with properties under appeal the option of paying 1) 100% of the proposed tax or 2) the lesser of 85% of the proposed tax or taxes based on the prior year value. After all appeals have been finalized, if the final tax amount is less than the original taxes paid, the taxpayer is entitled to interest of 1% per month up to \$5,000 per taxing jurisdiction on the overpayment.

House Bill 202

Georgia House Bill 202 prevents the BTA from increasing the value of appealed properties for the next two successive years. There are some exceptions to the rule. It does not apply if:

- ▶ Taxpayers fail to provide written evidence supporting their opinion of value
- ▶ A return with a different valuation is filed during the two-year time period
- ▶ Substantial property improvements are made
- ▶ There are errors in the property description
- ▶ There are other material factors that currently affect the fair market value of the property

Other changes from HB 202 involve appealed property refunds and payments.

- ▶ Refunds must be paid by the tax commissioner within 60 days from the date of the final determination of value. The refund accrues interest (not to exceed \$5,000 for nonhomestead property) from the due date or the date paid, whichever is later.
- ▶ If the final property value results in additional taxes due, the additional amount is paid to the tax commissioner the same as any other tax due—property owners have 60 days from the date of the notice postmark to make full payment. After that, interest will begin to accrue. If the payment becomes past due, other fees and penalties will apply.