

CLIENT ADVISORY

Volume XXV, Number 12

December 31, 2008

**REAL ESTATE TAXES AND COMPLAINTS
AGAINST VALUATION TO POTENTIALLY
LOWER REAL ESTATE TAXES**

Real property taxes are determined by multiplying the taxable value (35% of what the Auditor shows as the true value/market value) by the applicable total millage rate. All real property in a county must be reappraised every six (6) years. In the third year after the six year appraisal, market values are adjusted by the county auditor based on sales for that type of property in the property's vicinity ("sales ratio"). The 2008 tax bills in Delaware County and Franklin County are based upon a 2008 adjustment based on "sales ratio." Both County Auditors announced that, as to residential properties, they would not be making any adjustments. Over the past decade, not making an adjustment would have been beneficial to homeowners, but in current circumstances, it may well not be the case if there has been a decline in market value.

Every property owner should review their tax bill and determine if the market value shown on the tax bill exceeds the property's actual current (2008) market value. If there is evidence from arm's length sales of comparable properties that the property is overvalued by the County Auditor, the filing of a complaint against valuation may be in order. Complaints against valuation must be filed on or before March 31. An individual can prepare the complaint and represent himself or herself before the Board of Revision as to property titled in his or her name (individually or as trustee), but not if the property is titled to a corporation, limited liability company or a partnership, as the Ohio Supreme Court has ruled

that the preparation of complaints against valuation and representation before county boards of revision is the practice of law.

Although generally beneficial, the testimony of an appraiser is not required, as an owner of property can testify as to the value of the owner's property and can submit properly authenticated evidence of the sales price of comparable properties, etc.

**LAW FIRM DECIDES NOT TO INCREASE
HOURLY RATES FOR 2009**

Although the firm's costs of operation have increased during the past year, we have decided, for the benefit of our clients in recognition of the economic situation in Ohio, the United States, and globally, that we will not increase our hourly rates for 2009.

IRS CUTS MILEAGE RATES

The IRS is lowering, for 2009, the rates used to calculate the deductible costs of auto operation for business use and medical and moving purposes from the rates in effect for the second half of 2008. (In an unusual move, due to the \$4+ per gallon price of gasoline, the IRS did a mid-year adjustment of the mileage rate.) The rate for charitable mileage is unchanged. The second half 2008 rates vs. the 2009 rates are:

<u>Use/Purpose</u>	<u>7/1/08-12/31/08</u>	<u>2009</u>
Business	58.5¢/mile	55¢/mile
Medical	27¢/mile	24¢/mile
Moving	27¢/mile	24¢/mile
Charitable	14¢/mile	14¢/mile