

Beware of New Property Tax Legislation

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No one wants to be blindsided with additional tax liability. This is why many businesses belong to industry groups that closely monitor liability for income taxes. Unfortunately, these same companies rarely stay on top of legislation that may have a significant impact on their property tax liability. Tax legislation being passed and considered across the nation due to the COVID-19 pandemic does not appear to address the significant tax liability associated with property taxes for business.

Property owners may take for granted that key precepts that assessors use in determining taxable value are so widely held and accepted as to be immutable. Almost every state's tax law holds that a property owner pays property taxes on the asset's "real market value." Real market value is defined as the price that a willing buyer and a willing seller would agree upon in an open-market transaction

Unfortunately, even with the COVID-19 pandemic, there will likely be little property tax relief this year for property owners unless special legislation is passed for this purpose. This is due to the fact that the majority of states set the assessment date to January 1 of each tax year.

The COVID-19 outbreak was declared a Public Health Emergency of International Concern by the World Health Organization (WHO) on January 30, 2020. However, it was not until March 11, 2020 that the WHO declared the novel coronavirus (COVID-19) outbreak a global pandemic and its impact began to reverberate across the United States.

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Contact

Cynthia M. Fraser

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