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Dedicated to helping you better understand your government

## This week's topic: **"How can you say assessments result in the fair sharing of taxes"?**

Perhaps the best way to answer this question is with a history lesson. It all began with the notion that those who can afford more should pay more. So owners of bigger and better properties would pay a larger portion of the taxes. A couple of hundred years ago, that seemed like the fairest thing to do. Owning property really was a direct correlation between what you owned and what you could afford. Today, the size and type of property you own is not a true indicator of your ability to pay taxes, but taxes based on the property value is the process still in place in New York State. Therefore, in order to assure that the taxes are being divided in the fairest possible way, it is important to have an accurate assessment of your property. People often question why assessments are not frozen at the time of sale. Freezing assessments ignores all of the trends & factors that influence your property's value, and would eventually result in shocking changes in property values and hence taxes – not what anyone wants! Once again, an example may help to explain why that is not a smart ( or fair ) way to address taxes.

If we froze assessments, a 1,200 sq.ft. house that was purchased in 1985 for $40,000 would still be assessed at $40,000 today. If in 2008, someone down the street purchased a similar sized home for $120,000, then the owner of the 2008 house would be paying **3X** the taxes as the same house whose assessment remained at $40,000. Where would you want to live? Think that's not fair? It would get worse!! As the cost of doing business rises along with the cost of milk & bread, the money needed to run the government increases as well, so the tax rate would have to increase to cover the additional money needed. And as the tax rate goes up, both houses would end up paying more taxes anyway, with the higher assessed house paying 3X more increase than the lower one. This illustrates the need for regular revaluations. Assessments must be current with property values. Ideally, it's best to adjust values every year, but when there aren't enough sales to work from, or the housing market is unchanged, performing a revaluation every year is difficult. So, every three years is a more appropriate option.