

TAXES TAXES TAXES

Dedicated to helping you better understand your government

Part 2 of “What does level of assessment mean and how is it calculated”?

...to continue with the previous explanation of the level of assessment, the next step is to understand how the level of assessment is determined. Assessing at 100% is easiest to understand and keeps assessments fair & accurate. This is why revaluations are done. During the *off* years, every sale is looked at and considered an indicator of “market value”. By comparing market values to current assessments, we come up with a ratio that is called the “Level of Assessment”.

At the same time, every time a property is sold, a copy of the sale is reported to the Office of Real Property Tax Services in Albany. Their job is to perform checks on towns to make sure everything is on the up and up. Using this information, the state determines their own level of assessment for every town in New York State. This is known as the “**Equalization Rate**”. The Assessor is then notified of what the equalization rate will be (by comparing sale prices to current assessments). Luckily, the state recognizes that sometimes there are special circumstances that affect sale prices or assessments, so they allow the assessor to discuss any discrepancies in numbers.

The importance of an equalization rate can be seen in the following example:

The Starpoint School District is attended by students in several different towns. What would happen is that any home with a market value of \$100,000 home in Wheatfield would only be assessed at \$51,000 because their level of assessment is 51%. So if no adjustment (or equalization) were made, and both homes paid taxes at the same tax rate, this homeowner would pay much less in taxes than a homeowner in a different town who had an equalization rate of 100%. This is why assessments have to be **EQUALIZED**.