

# Property Tax Appeal



[www.PropertyTaxAppealCopilot.com](http://www.PropertyTaxAppealCopilot.com)



## Proposition 8: Decline-in-Value

California constitutional amendment that allows a **temporary** reduction in assessed value when a property suffers a “decline-in-value.”

A decline-in-value occurs when the current market value of your property is less than the current assessed value as of January 1 of the year in question.



## Proposition 13: Caps Assessment Increase

- The annual real estate tax on a parcel of property is limited to 1% of its assessed value.
- This "assessed value," however, may only be increased by a maximum of 2% per year, until and unless the property undergoes a change in ownership.
- A change in ownership results in a reassessment to the market value (sales price), which will produce a new base year value for the property, but future assessments are restricted to the 2% annual maximum increase of the new base year value.



# Example of Reassessment

- Purchase price: \$500,000
- 30% decline in value since date of purchase
  - \$150,000 decrease in assessed value
- 1% tax on a \$150,000 tax savings = \$1,500
- Each year property owner may be required to file another appeal to keep the assessed value at market.