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ARE YOU PAYING TOO MUCH PROPERTY TAX AFTER PROPERTY DECLINES IN VALUE?

By Victor Sy, CPA

If you bought a property during the “bubble” and feel that the value of your property has declined but your property tax did not, Proposition 8 may be of interest to you.

Proposition 8 requires the Assessor to lower an assessed value if a property suffers a decline in value.

- The Assessor conducted a review of 1/1/08 values to identify reduction in values.
- 70,000 notices were sent to property owners last July 2008.
- 40,000 property owners were advised that their property values declined below the Prop 13 base. These properties are eligible for lower assessments and lower property taxes.
- 30,000 property owners were advised that their property values did not decline below the Prop 13 base. These properties did not suffer any decline in value and are not eligible for lower reassessment.

If you feel that your property should have been reassessed with a lower value and lower tax, you may request an individual review by completing a **“Decline in Value” form**.

- Submit two comparable sales between October 1, 2007 and March 31, 2008.
- Return it to the Assessor before 12/31/08.
- Los Angeles County uses Form RP-87 [feel free to call our office at (626) 744-0200 for blank form].
- Please contact assessors of other counties for similar tax relief forms.

Important Factors To Remember:

- Prop 8 benefits owners who purchased properties during the “bubble.”
- It applies if you bought high and values have plummeted.
- It applies to properties purchased through 12/31/07 for the 2008/09 tax year.
- It does not apply to properties acquired 1/1/08 or after.
- It does not apply if you bought low before the bubble.

Contact Data for Los Angeles County Assessor:

- Telephone: (213) 974-3211.
- Website: <http://assessor.lacounty.gov>.
- Address: 500 West Temple Street, Room 286, Los Angeles, CA 90012-2770.
- Please search contact data for Riverside, San Bernardino, Orange, Kern, and other counties.

Please note that our office does not process applications for property declines in value.

- Obtain comparables from your realtor or appraiser.
- You may also get comps from Zillow, MSN Home Values, and other web-based sources.