

## HOW TO EFFECTIVELY APPEAL YOUR

# PROPERTY TAX ASSESSMENT



STATE SENATOR

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Dear Homeowner:

Is the government over-taxing your home? If so, you may appeal the assessment.

First, a few reminders may be helpful. The term “taxable value” (TV) was introduced in 1995. It is the value used to calculate your property taxes. Annual growth in taxable value is capped at the rate of inflation, or 5%, whichever is less, after the year immediately following the purchase.

The State Equalized Value (SEV) must still reflect 50% of the property’s true cash value and may increase (or decrease) by more than the rate of inflation or 5% in any tax year.

It is important to remember that your property taxes are no longer based on the SEV. Changes to your home’s assessed value will reduce your taxes only if it is an amount lower than the taxable value.

If you believe your assessment is in error, you may appeal to your local Board of Review and, if necessary, the Michigan Tax Tribunal. No attorney is necessary. This guide, along with your willingness to explore all the possibilities, may help you obtain a favorable adjustment.

Sincerely,

### TERMS TO KNOW:

**TRUE CASH VALUE (TCV)** The actual value of your home, as determined by the local assessor

**STATE EQUALIZED VALUE (SEV)** One-half of the true cash value of your home

**TAXABLE VALUE (TV)** The value used to calculate your property taxes

# HOW TO EFFECTIVELY APPEAL YOUR PROPERTY TAX ASSESSMENT

If you believe your assessment is in error, you may appeal to your local Board of Review and, if necessary, the Michigan Tax Tribunal.

## STEP 1

You may appeal your taxable value and SEV to the March Board of Review in 2021. Go to your local assessor's office and obtain a copy of your property record card. Ask the assessing department to explain the document.

In some cases the assessor may make adjustments up until the assessment role is certified. After that you may make your case with the Board of Review.

## STEP 2

When you receive your notice of assessment, review it carefully. Locate the taxable value and SEV on the notice. If the tentative taxable value increased by more than 1.4% above your 2020 taxable value, and you did not improve your home with additions, then your taxable value may exceed the assessment cap. Ask your assessor why the taxable value increased by more than the rate of inflation.

Remember, annual growth in taxable value is capped at the rate of inflation or 5%, whichever is less, until the property transfers. SEV is not capped but must reflect 50% of your property's true cash value.

## STEP 3

Locate the dates and times the March Board of Review is in session to hear appeals on the notice of assessment and whether you must make an appointment. If you believe your property is unfairly assessed relative to similar properties and plan to appeal, you will need to provide market evidence.

To appeal based on financial hardship, contact the assessor's office for an application. Applicants must meet requirements for both income and asset levels adopted by the local unit of government.

## STEP 4

Inspect your home for problems beyond normal aging and obtain written repair estimates. The prices for remediations, as well as the manner of remediation, can vary widely. Consider obtaining more than one estimate.

## STEP 5

Sales of comparable property are one of the most important tools for a property tax assessment appeal. If comparable properties are selling for less than double your SEV, you may argue that your property is over-assessed.

Make your comparable study by reviewing sales of local homes. A local real estate agent may be a good resource. To establish commonality, check and compare the square footage, age, and type of house. Be prepared to show any listing history that shows declining prices.

Alternately, you may wish to have your home professionally appraised. A professional appraisal may be good evidence against an improper assessment; however, the Board of Review is not required to accept the appraisal as proof of value.



## STEP 6

Ask your assessor for the form to petition to Board of Review, (Form L-4035) to request an appeal. Put all of your information into letter form (see example). If appealing by letter, be sure to sign and date and request a dated receipt for your proof of timely receipt.

## STEP 7

You or a representative must present to the Board of Review in person at one of the specified times, unless your community allows a letter appeal. Bring several copies of all documents. You may only have a few minutes for a presentation, so be concise, courteous and organized.

## STEP 8

If you are not satisfied with the decision of your local Board of Review, you may continue your appeal to the Michigan Tax Tribunal. You may also choose to appeal to the Michigan Tax Tribunal Small Claims Division, which is an informal hearing held locally, not in Lansing. Find detailed information, including petition forms and requirements, e-filing and frequently asked questions, at [www.michigan.gov/taxtribunal](http://www.michigan.gov/taxtribunal). Or contact the Tribunal at 517-335-9760.

# SAMPLE APPEAL LETTER

Date  
Name  
Address  
Telephone

To the Board of Review/Tax Tribunal:

I wish to appeal the assessed value of my property as I believe the assessed value of (insert address here) is in excess of 50% of its true cash value.

I wish to offer the following comparables:

*(List all comparable, recent sales and ask for an average reduction.*

*Note: Add all items you noted as discrepancies, comparable features, etc. Make sure you have documentation.)*

In addition:

1. According to my property record card, I have noted the following discrepancies:

I do not have a fireplace as indicated. Estimated value \$ \_\_\_\_\_  
Amount to be deducted from true cash value..... \$ \_\_\_\_\_

2. I have noted the following structural defects on my property.

They reduce the value of the property by the following amounts:

A. Cracked foundation ..... \$ \_\_\_\_\_

B. Cracked exterior wall..... \$ \_\_\_\_\_

This amount should be deducted from true cash value .... \$ \_\_\_\_\_

**True Cash Value**..... \$ \_\_\_\_\_

**Minus Discrepancy/Grand Total**..... \$ \_\_\_\_\_

**New True Cash Value** ..... \$ \_\_\_\_\_

**One Half = Assessed Value (SEV)**..... \$ \_\_\_\_\_

**NOTE:** *This sample letter indicates many of the grounds for a reduced assessment. All of these may not be relevant to you, so be sure to include appropriate reductions in your appeal. Every reduction is important.*

**YOU MUST APPEAL TO THE LOCAL BOARD OF REVIEW BEFORE YOU CAN APPEAL TO THE MICHIGAN TAX TRIBUNAL.**

**IF YOU HAVE A CONCERN THAT THERE IS A DISPARITY IN SQUARE FOOTAGE, YOU MAY ASK THE ASSESSOR TO VISIT THE HOME TO REMEASURE.**