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# **Assessing Your Home's Value With Tax Reduction Services**



**By Rachel Bosworth**

Though April may be the first full month of spring, it's also tax season. There all kinds of taxes to pay each year, and if you're a homeowner, property taxes is one of them. Without an understanding of how it works, these taxes can be some of the most confusing. According to New York State law, property taxes are supposed to be based on market value, which should be determined by assessors each year. But values change every year, and with affluent areas like those on the East End, it can be difficult to know if you're paying too much.

Paul Henry founded Tax Reduction Services, Inc. (TRS), after looking at his own property tax bill, and realizing something wasn't right. He learned about the property tax system and what he could do about unfair assessments, ultimately succeeding in reducing his own taxes. After word spread, he established TRS in 1990.

"My history is that I was a victim and through desperation came into this whole world of property taxes. They are very unique and different from other kinds of taxes because they're tied to the value of one's property," Mr. Henry explains. "There's billions of dollars raised from property taxes; they fund schools, police stations, municipalities, government, etc. Income taxes go to state and federal, but real estate taxes are local and take care of a lot of local costs."



Paul Henry of Tax Reduction Services, Inc. Jim Lennon photo

Because this process has its difficulties, TRS only focuses on property tax reduction. Mr. Henry says that by design, the system is hard to understand, complicated, and not as transparent as it should be. Due to inflation, these taxes escalate every year, playing a larger role in people's lives than they used to previously. "Some people pay as much in property taxes as they do in mortgages," Mr. Henry says.

Commercial properties also are impacted by property tax increases. The Shoreham Nuclear Power Plant, for example, provided a windfall of cash to the local school before its closure, although its existence did not increase the number of children in school. In the town of Southampton, there are many second homeowners that are also paying taxes for school districts they don't send children to. "Approximately two thirds of the property tax bill goes to schools," Mr. Henry says. "School budgets are the only taxable funding people get to vote on."

By law, assessments are required to be proportional to value, and properties should be assessed at the same rate. New York State doesn't have a targeted level of assessment, and assessors can use any percentage they choose. Mr. Henry says some may assess at 2% whereas others may assess at 16%. The reason for these fluctuations is that every year properties appreciate or depreciate.

"Tax rolls are established once a year, and in Suffolk County the tentative tax roll closes May 1," Mr. Henry says. "Grievances are based on value, and derived from assessment and state issues. Every property has a value its being assessed at. Though not easy to determine, it is what should be the basis for filing a grievance."

A common issue on the East End is the number of waterfront and high end properties, which are often under assessed because they appreciate much faster. "The real interesting part about all of this is that the problem is that neighborhoods don't appreciate or depreciate proportionately," says Mr. Henry. "In order to maintain a fair tax role, you have to make an assumption. That assumption is all property values change at the same rate."

Mr. Henry feels that towns do not maintain tax roles as they should, and assessors should make adjustments every year depending on how the real estate market changes. He also says New York State needs to mandate full value.

My Tax Snapshot™ is an online tool by TRS that allows people to view their property tax history and see how much TRS has saved others in their neighborhood. This service can show how values and taxes have escalated over the years, and Mr. Henry says many of his clients are shocked when they see the increase. "A lot of people don't even see their tax bills or don't pay attention. One of our premises has always been that the best-informed consumer is the best customer," Mr. Henry says. "We want people to understand all of the different aspects of property taxes."

*TRS has an office in Greenport, but serves all of Long Island year-round. Grievances can be filed once a year, and you cannot grieve taxes that have already been paid. The grievance period to file in Suffolk County runs from May 1 to Grievance Day, which is always the third Tuesday in May – with both East Hampton and Southampton towns hosting their own Grievance Day for residents. For more information on TRS, visit [taxreductionservices.com](http://taxreductionservices.com).*