Appealing a real estate property tax assessment is usually a three-step process.

**The first step** (which may or may not be available in Clinton) is often a non-binding, informal meeting with the appraisal company that performed the appraisal work leading up to the new assessment. Because the revaluation process does not involve a detailed analysis of specific properties, it is not uncommon for the process to yield unusual and incorrect results. The Town encourages taxpayers to take advantage of this low-cost, first step to try to identify obvious errors in the process without the need to resort to the more formal and more costly steps that follow. It is entirely optional and you are not precluded from availing yourself of higher levels of appeal if you do not choose to participate in this step. Frankly, unless your appeal is based on an obvious error, I see this step as providing the Town with more value than it will provide the taxpayer.

**The second stage** of the appeal, which is often the first one taken, is an appeal to the Board of Tax Review (“BTR”). Unlike the informal review in step one, this step is indispensable to any further appeals to the Superior Court. Appeals to the BTR must be filed before February 20 of the year after the date of the grand list. Failure to file before the deadline will defeat any appeal to this Board.

This is the time to present your “hard evidence” of a mistaken assessment. Formal, written appraisals are an absolute must. In addition, evidence that your property has been treated inequitably vis-à-vis other similarly situated properties is usually good evidence to help your case. Appeals to the BTR can be brought either by the taxpayer or through an attorney.

**The third level** of appeal is a court action brought to the Superior Court in Middletown. It is virtually always handled by an attorney. Because courts rarely permit a plaintiff to bring a lawsuit before he/she has exhausted all administrative remedies available to him/her, failure to file an appeal with the BTR, as described above, will prove fatal to any attempted court appeal. Just as in an appeal to the BTR, formal written appraisals are required. So is the in-court testimony of the appraiser. Obviously there are significant costs involved and court cases should only be brought when there is the potential for tax savings in excess of the costs of the appeal.
TAX BITE WORKSHOP

January 26, 2012

HOW YOUR TAXES ARE CALCULATED:

Your actual tax liability is not based solely on your assessed value.

It is a function of assessed value and the “mill rate” which is set annually by the Town, usually between April and June.

Your annual tax bill is determined by multiplying your assessed value by the mill rate.

The Table below shows the tax calculation for three hypothetical properties using the current Mill rate in Clinton:

<table>
<thead>
<tr>
<th></th>
<th>Property #1</th>
<th>Property #2</th>
<th>Property #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Market Value</td>
<td>$300,000.00</td>
<td>$500,000.00</td>
<td>$700,000.00</td>
</tr>
<tr>
<td>Assessed Value (70%)</td>
<td>$210,000.00</td>
<td>$350,000.00</td>
<td>$490,000.00</td>
</tr>
<tr>
<td>Mill Rate</td>
<td>0.02492</td>
<td>0.02492</td>
<td>0.02492</td>
</tr>
<tr>
<td>Annual RE Tax</td>
<td>$5,233.20</td>
<td>$8,722.00</td>
<td>$12,210.80</td>
</tr>
</tbody>
</table>

The key question for any taxpayer contemplating an appeal is whether the potential tax savings at stake justify the expenditure of the certain costs involved.

The formula below will allow you to calculate the possible tax savings from a successful appeal:

Do I think the Town set a fair market value on my property that is too high? If “Yes”, what is the difference in dollars between the Town’s estimate of fair market value and mine?

Multiply the number you come up with on Line 2 by 70% (0.70). This gives you “assessed value” of your property.

Multiply the number you come up with on Line 3 by 0.02492 (Mill Rate). This will give you the annual savings in taxes you expect to get from a successful appeal.
Multiply the number you come up with on Line 4 by 4 (the number of years left before the Town can again revalue your property). This number is the total savings benefit you can expect from a successful appeal. Your net savings will be this number minus the costs you incur to bring the appeal.