

---

# NewsRelease

PENNSSTATE



Penn State Cooperative Extension  
Clinton County

Clinton County Resource and Education Center  
47 Cooperation Lane  
Mill Hall, PA 17751

E-mail: [clintonext@psu.edu](mailto:clintonext@psu.edu)  
Web: <http://clinton.extension.psu.edu>  
Phone: 570-726-0022  
Fax: 570-726-2237

## County Tax Reassessment (Part I) Understanding Reassessment — December 1, 2006

Mill Hall – What does Tax Reassessment mean? How does it work? Are my taxes going up? Will my taxes go down? All these questions demonstrate why property tax reassessment is one of the most misunderstood and controversial local issues in Pennsylvania. Despite the controversy, reassessment is an important function of county government. It updates the values used for calculating real property taxes (also known as real estate taxes). These taxes are the largest source of tax revenue for school districts, boroughs, and counties. Updating assessed values also is important because it helps keep real property taxes from becoming too unfair and allows local governments and school districts to keep their revenues in pace with changing service demands.

Because property assessment is a county function, it generally only occurs when county commissioners vote to do so. During reassessment, a county reevaluates the assessed value of all properties within its boundaries. The appraisal of property for tax purposes begins with an estimate of fair market value, or the price at which a property would sell in a competitive market when exchanged between a willing buyer and a willing seller. There are three standard approaches to appraising or valuing property: the comparative sales approach, the income approach, and the cost approach. In some cases, all three approaches are used.

Once the appraised, or market, value for each taxable parcel in the county has been determined, each property's assessed value can be calculated. The assessed value of a property is a set percentage of the market value. That percentage is known as the assessment ratio. Assessed value is calculated by multiplying the market or appraisal value by the assessment ratio. For a residential property appraised or valued at \$60,000 and located in a taxing jurisdiction with a 50 percent assessment ratio, for example, the assessed value for the property is \$30,000 ( $\$60,000 \times 50 \text{ percent} = \$30,000$ ).

Once a property has been assessed for taxation purposes, the Fourth to Eighth Class County Assessment Law (which applies to all counties with less than 225,000 people) provides for a limited time frame for property owners to appeal an assessment by notifying the Board of Assessment Appeals. It is important to

remember when appealing an assessment that the assessment is assumed to be correct, and the taxpayer assumes the burden of showing that the assessment is incorrect.

Reassessment is not a windfall for local governments and school districts. State law requires local governments and school districts to lower their tax rates in the same proportion as the tax base increases. For example, if the tax base doubles, they will be required to reduce their tax rates by half.

So far we have addressed how and why county tax reassessment occurs. In part II of this series on County Tax Reassessment we will turn our focus on the question “How will reassessment affect my taxes?”

This article is composed of excerpts from *Reassessment: What Property Owners Need to Know*, by Dr. Timothy W. Kelsey, Penn State Cooperative Extension State Program Leader for Economic and Community Development. For a free copy of the entire publication contact the Penn State Cooperative Extension Office in Clinton County at (570) 726-0022 or [ClintonExt@psu.edu](mailto:ClintonExt@psu.edu)