



Last Chance Appeals

for Business Property Tax Owners

The tax code is a mystery to many business owners, which is why many lose out on an important opportunity to dispute their valuation after the initial protest period has expired.

Under section 25.25 of the Texas Property Tax Code, even if business property owners miss the initial protest deadline, which will be May 15 starting in 2018, they have another opportunity to file a protest. For many, this process allows them to significantly reduce their tax liability in the current tax year and in some cases receive refunds on tax payments they've already made.

Under section 25.25 property owners can submit a protest on their valuation under the following scenarios. The first and most common example is if the owner can provide evidence that the district's value is at least one third greater than the property's market value.

For example, if the property owner recently purchased the property for a value of \$500,000 but the district valued the property at \$900,000, the market value is more than one third less the appraised value. Known as the "one-third test," this is especially helpful to owners who purchased their property after the initial protest deadline or if their property is significantly overvalued in relation to comparable properties.

The second most common scenario under which property owners can file a 25.25 protest is if there were significant clerical errors affecting the properties valuation. Examples include properties with multiple appraisals, an incorrect owner name, or other notable mistake.

In both cases, the property owner must meet certain criteria. First, they must file the protest by Jan. 31, and second, they cannot be delinquent in their tax payments. If their valuation is lowered, the property owner will receive a refund.

It is important to note that the property in question cannot have been previously protested in the same tax year, even if protested by a previous owner. If the



property was purchased after the initial May deadline, the new property owner is still bound by any written agreement reached by the previous owner/agent and the district. The new owner will have to wait for the next tax year to protest if there was a written agreement or hearing.

If the late protest results in a lowered settlement, the owner is still liable for a 10 percent penalty on the amount of taxes calculated on the basis of the corrected appraised value. However, the 10 percent penalty is minor compared to the overall savings a property owner can realize as a result of a lowered valuation.

“Business property owners can see significant refunds and reductions as a result of the 25.25 rule,” says Stephen Pierce, COO of Assessment Technologies, a business property tax advisor firm based in San Antonio. “Unfortunately, many don’t realize its available to them or they’re too busy to do the footwork to get the reduction and refunds. That’s where we come in.”



A trusted property tax advisor who has experience with this type of protest can tell whether your property qualifies for the 25.25 correction and

help you with all of the paperwork and gathering of evidence to support your case. Ask if they have experience with property and businesses similar to yours, the process they use, and how much involvement they need from you and your staff.

Want to receive more information like this as well as updates and reminders on important tax laws and deadlines? [Sign up for Assessment Technologies newsletter.](#)

Assessment Technologies is a property tax consultant firm that assists property owners and investors by minimizing their property taxes. Assessment Technologies works to recover overpayment refunds, reduce assessed value and provide savings on property taxes. This San Antonio Texas-based company provides property tax services in all jurisdictions throughout the United States.