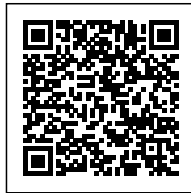


WORRIED THAT YOUR PROPERTY TAXES ARE ABOUT TO GO UP?

Posted on May 9, 2023 by Francis X. Miller



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Many Missouri property owners have discovered that their property values have increased – at least according to their county assessors.

If you believe the assessor may have overvalued your property, the law gives you the right to appeal that valuation. Understanding the process and some of the terminology involved can increase your chances of creating a successful appeal.

First, the basics: Non-exempt real and personal property in Missouri is subject to *ad valorem* taxation, a taxation system that differs from sales tax and income tax in that it includes two components: the tax *rate* and the *value* of the taxable property.

The property tax rate applicable to a given parcel consists of the sum of levies approved by the voters in the various tax districts in which the parcel lies. For example, if you live in an area that is part of a fire protection district, a public library district, or a municipality, voters in your area may

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have authorized each of these districts to impose a tax levy on all property within the district. In addition, the State of Missouri imposes a relatively small property tax levy, and counties and public school districts typically impose tax levies of their own. The sum of all these individual tax levies collectively comprises the property tax rate, by which the value of the property is multiplied, to determine the property tax bill for a given parcel.

Let's move on to the second component of ad valorem taxation: *property value*. There are two important terms here: the appraised valuation and the assessed value. The appraised value of a property is what the assessor believes your property is worth, while the assessed value is what is multiplied by the applicable property tax rate.

The county assessor determines the *appraised* value for each parcel. The *assessed* value of a parcel is a specified fraction of the parcel's appraised value. For example, the Missouri Legislature has determined that residential property is to be assessed at the rate of 19% of its appraised value. Commercial property is assessed at 32% and agricultural property is assessed at 12%. Certain other types of personal property such as cars and boats are assessed at 33 1/3%. Additional classifications of personal property (such as manufacturing) are assessed at specific rates for that type of property.

Although property taxation in Missouri involves some terminology that may be new to some taxpayers, understanding the process can help you better determine whether you should consider filing an appeal. The Board of Equalization is now accepting appeal forms – and appeals must be filed by July 10, 2023, or they will be time-barred, pursuant to Missouri law. There are various companies that will assist taxpayers with the appeal process, sometimes on a “contingent fee” basis. Additionally, the seasoned real estate attorneys at Capes Sokol have represented many taxpayers through the appeal process, resulting in significant tax savings for Firm clients.

For more information, visit our [Real Estate](#) practice group page.

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