

Real Estate Journal

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L.I. commercial property taxes: Status & valuation

Many real estate owners do not realize that property tax assessments are based on the valuation and status of a property as of fixed dates in time in the past.

Each Suffolk property is assessed by its town assessor's office. In Nassau, the assessing is done by the county assessor. Suffolk properties are to be based on their physical status as of the March 1st before the tax year, and valued as of the second preceding July 1st. Nassau properties are based on a status and valuation both as of the second preceding January 2nd. The rationale behind having these dates so far in advance is that the assessor needs time to collect data and examine valuation trends.

This process can lead to loopholes and anomalies. Consider the case of a property which is destroyed by fire after the taxable status date, but before the tax bills are sent. Should not the property owner be given some immediate tax relief? The courts have ruled that such misfortune has no relevance to the current tax year. Fortunately, Nassau County has a "safety valve law" which requires the assessor to update the tax assessment.

For any commercial property owner, it is critical to be aware of your tax assessment because it is prone to error and miscalculations. To correct these errors, you must file challenges before specific deadlines. For Nassau properties, the initial filing deadline is March 1st. For Suffolk, the deadline is the 3rd Tuesday in May. Consult your attorney for more information.

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