



APPEALING REAL PROPERTY TAX ASSESSMENTS IN THE DISTRICT OF COLUMBIA

Many commercial property owners in the District of Columbia were stunned to learn that in 2014, their real property tax assessments increased 25 percent or more. However, the real impact will not be felt until 2015 when the actual bills for these assessments come due. That is why it is important to understand the timeline so the assessment can be appealed if necessary.

There are three levels of the appeals process. The first level is initiated when the owner or owner's agent appeals the initial real property tax assessment to the Office of Tax and Revenue (OTR). If adequate relief is not achieved at the first level then an appeal may be filed at the second level, formally known as the Real Property Tax Appeals Commission (RPTAC). In the unfortunate event that the matter cannot be resolved at the first two levels of appeal, a third level of appeal may be pursued at the Superior Court of the District of Columbia.

"You want to avoid litigation as much as possible because of the backlog of cases," said Jeremy Chitlik, a Senior Manager with SC&H Group's State & Local Tax practice. Jeremy spent six years working for OTR, and served as the Supervisor of Major Commercial Properties from 2008 to 2011. "There were about 1,800 cases in the court cycle earlier this year. So far there have been about three property tax trials since 2007, so you can see the system is jammed."

Chitlik explains that even if the petitioner is successful in resolving the appeal at mediation, during the court process- and many people are - it can take several years to obtain a refund of overpaid property taxes given the lengthy and burdensome bureaucratic process. Furthermore during that interval of time, it is possible to receive an assessment notice on the property for a new, subsequent year, which is higher than the revised assessment that was reduced with District tax authorities.

"In this case it may require a subsequent appeal just to get it back to where you've already fought and won," said Chitlik. "For this reason, along with refund issues, it is imperative to get things settled prior to having to pay your taxes."

Additionally, navigating the tax calendar can also be confusing. For Tax Year 2015, the assessment valuation date is January 1, 2014, and assessment notices should be received by owners and posted online March 1, 2014. Owners have until April 1, or 30 days from the receipt of the assessment notice, to appeal the assessment at the first level with the DC Office of Tax and Revenue (OTR). Fifteen days after the first level deadline, by April 15, income and expense information from the previous year must be submitted (this may change to March 15 in 2015) per a formal and mandated OTR request made for the purposes of reassessing the property the following year. First level hearings are typically scheduled May through July and decision notices should be mailed out by August 1, 2014. Unsatisfactory first level decisions can then be filed at the second level to the Real Property Tax Appeals Commission (RPTAC), which will hear cases from October 2014 to the end of January 2015. Decisions

should be received by February 2015. Once RPTAC decisions are received, taxes must be paid prior to filing to the Superior Court of the District of Columbia.

Below is a calendar that captures the three levels of the appeals process starting in January 2014, when the property is assessed for Tax Year 2015.

- **January 1, 2014:** Assessment is established for Tax Year 2015 based off of calendar year 2012 income & January 1, 2014 market rates.
- **March 1, 2014:** Assessment mailed and posted online.
- **April 1, 2014:** Deadline to appeal value to the first level. This appeal is required to go to the second level of appeal.
- **April 15, 2014:** 2013 income and expense information due to the jurisdiction (this may change to March 15th for next year).
- **May - July 2014:** First level hearings take place.
- **August 1, 2014:** Historically, notices of first level decision mailed.
- **September 30, 2014:** Deadline to file to the board (or 45 days from the first level decision notice).
- **October 2014 - January 2015:** Real Property Tax Appeals Commission (RPTAC) second appeal hearings take place.
- **February 2015:** All RPTAC decisions are mailed.
- **March 2015:** First half TY15 taxes due.
- **September 2015:** Second half TY15 taxes due.
- **September 30, 2015:** Deadline to file to court if unsatisfied with the RPTAC decision.

To learn more about SC&H's Real Property Tax Services, [click here](#).

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