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Q: Forty years ago I paid \$700 for my home. I never upgraded the home and never made any changes to it. Today I pay more than \$10,000 in real estate taxes. I'm looking for tax forms I can use to protest my real estate taxes. Being on a fixed income (all I get is social security), I feel I am being punished by having to pay those high taxes. I want to die on this property, not sell it and move.

A: There's no doubt that there are inequities in the way we deal with all of our taxes. If you have a tax on consumer goods, you can generally say that the middle class or poor will pay a greater percent of their annual income toward sales taxes than the wealthy. If you have an income tax that has a higher percentage for higher incomes, you still get inequities in many situations.

Our federal and state governments need money to build and maintain roads and public infrastructure, to build and run public schools and universities, public safety and other governmental functions. In some locations, you have to pay federal income taxes, state income taxes, municipal income taxes, state sales taxes, real estate taxes and many other fees.

But your point is that your home has become unaffordable. No doubt that your real estate taxes are high, but we also don't know what your property is worth. We've known of people that purchased small seaside lots with small cottages in Florida on the Gulf for \$10,000 some 30 or so years ago and sold those same lots for more than \$1,000,000. If property taxes are based on property values, people like you feel the pain when property values increase.

Frequently, the largest amount of money paid on property taxes is for the local schools in a community. When there are great schools, property values go up and real estate taxes follow.

What you can do is make sure that your real estate tax bill is

accurate. It is not uncommon that the local taxing body may have the wrong information about your home. That inaccurate information can lead to your real estate taxes being much higher than need be. We'd suggest you call your local taxing office and

see if they will go over your tax bill with you. Some offices have times for homeowners to come in and talk to a person that can help them make sure their property tax bills are correct and that they are getting all the benefits afforded to them.

Some states and counties have provisions to help homeowners, senior citizens, low income homeowners, long-term residents, etc. In some cases, taken as a whole, these provisions can save a low income, senior citizen thousands of dollars off their

WHAT TO DO WHEN PROPERTY TAXES ARE **TOO HIGH?**



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property taxes. Sometimes, tax bills are frozen at the dollar amount charged when you turned a certain age, such as 62 or 65.

But if you don't apply for the real estate tax reductions, you don't get them. Whether your property and you are entitled to these reductions will depend on what is available in your state, county and local municipality. We'd encourage you to look on the internet and see what you find. Frequently a quick search for your city and property tax exemptions may lead to information that you can use.

Finally, there are real estate tax professionals that make their living contesting real estate tax valuations for homeowners. In some situations, they will contest taxes on the basis of the savings achieved for the homeowner. If they get you a \$1,000 tax reduction, they may get 30 to 50 percent of that amount for the first year.

You can check to make sure the information the taxing body has on your house is correct; you should make sure you are taking advantage of every benefit to reduce your real estate taxes that is available to you; and you can contest the real estate taxes.

Since you don't have a mortgage, you can also check to see if a reverse mortgage would be a good option for you. Reverse mortgages are available to homeowners age 62 or older, who either have little or no mortgage and substantial equity. You would get either a lump sum or could annuitize the loan amount into a monthly sum you receive for the rest of your life. When you die, the home would be sold to pay back the loan. You would not have to pay anything on the loan as long as you live in the house full-time, but would still have to pay your property taxes and insurance each year.

Finally, while it would be wonderful for you to be able to stay in your home for the rest of your life, that may not be how it works out. If you can't get your property taxes reduced, and don't wish to consider products like a reverse mortgage, then you should think carefully about whether you'd be better off selling and moving elsewhere.