

# Real Estate Advisory:

## FAQs About the Significant Changes to 2025 Property Tax Assessments and Assessment Appeals in Allegheny County

Pennsylvania property owners may have a chance to significantly reduce their property's assessed value in 2025. This is due to changing market conditions and reductions to the common level ratio ("CLR"). Below are answers to some frequently asked questions about 2025 tax assessment appeals and reductions in assessed value.

### What is the CLR?

Every county has a "base year" for tax assessment purposes. Property assessments are supposed to reflect a base year valuation.

The CLR is a ratio which is intended to convert present day market values into base year assessed values. The CLR is adjusted annually based on sales data selected by each county.

### How Are CLRs changing in 2025?

The CLR is adjusted each year to take into account changes in property valuation. As an example, in 2025 Allegheny County's CLR will drop to 52.7%. With the new CLR, a property with a market value of \$1,000,000 should be assessed at \$527,000. In 2023, the same property would have been properly assessed at \$636,000.

### How does the CLR apply to new sales?

When it works to their benefit, taxing authorities will seek a change in assessed value when a property is sold or a material improvement is made. In the context of a sale, the taxing authorities are essentially asking for a new assessment "snapshot" to be taken by applying the CLR to the sales price.

### When can I file a 2025 tax appeal?

The deadline for each county will vary. The deadline to file a property tax appeal in most Pennsylvania counties ranges between August 1, 2024 and October 1, 2024.

### Will I receive the 2025 CLR adjustment without filing an appeal?

No, you must file a tax assessment appeal to reduce your assessed value. If you are over-assessed and overtaxed, no one else will file an appeal and ask that your assessed value be reduced. Taxing authorities only appeal property values when they believe they can obtain an increase in assessed value, resulting in higher property taxes.



### **How will the 2025 CLR impact my property taxes?**

Property taxes are based on assessed value. Assessed values are taxed at the millage rates set by your county, school district, and local municipality. Assuming no change in millage rates, a lower assessed value means lower property taxes.

Taxing authorities may increase their millage rates to avoid a large drop in tax revenue resulting from fewer assessed dollars. If millage rates increase, each assessed dollar will be taxed more. In a rising millage rate environment, property owners will see tax increases unless they can reduce their assessed value via a tax assessment appeal.

### **Should I file a 2025 tax assessment appeal?**

The answer to this question will vary based on each property's use, market value, current assessed value, and the strategies available to obtain a reduction for that property. The attorneys in Meyer, Unkovic & Scott's Real Estate Group have substantial experience representing property owners with property tax assessment appeals throughout Pennsylvania. Our broad range of experience includes representing clients in virtually every property type, including:

- Apartment complexes
- Banks
- Condominiums
- Convention centers
- Hotels
- Industrial plants
- Life science facilities
- Multifamily housing
- Office towers
- Restaurants
- Retail establishments
- Shopping centers, malls, and strip malls
- Single family residences
- Storage facilities
- Tax exemptions for charitable, educational, trade, and other uses
- Warehouses

If you feel your property may be impacted or you would like to discuss tax assessments and appeals, feel free to contact Jason Yarbrough on 412-456-2592 or at [jmy@muslaw.com](mailto:jmy@muslaw.com).