



## Loudoun County, Virginia

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Board of Equalization

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[www.loudoun.gov/boe](http://www.loudoun.gov/boe)

### **PROCEDURES FOR APPEALING YOUR COMMERCIAL REAL ESTATE TAX ASSESSMENT**

<b>PLEASE READ THIS ENTIRE DOCUMENT BEFORE FILING YOUR APPEAL</b>
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#### **1. INTRODUCTION**

The real property taxes you pay are based on your property's annual assessed value as of January 1, as determined by the Office of the Commissioner of the Revenue multiplied by the tax rate set annually by the Loudoun County Board of Supervisors. If you disagree with the Office of the Commissioner of the Revenue's valuation of your property, Virginia law provides that you may appeal that value to the Loudoun County Board of Equalization.

The BOE can:

- Affirm, lower, or raise a property's assessed value.

The BOE cannot:

- Reduce your property's assessed value simply because you are paying more taxes than your neighbor.
- Remove penalties and interest for late payment of property taxes.
- Reduce your taxes due to your inability to pay.
- Fix the tax rate, levy taxes, or change tax rates.
- Grant or deny exemptions.
- Extend filing periods.
- Rehear a tax appeal already ruled upon in the current calendar year.

#### **2. PREPARING YOUR APPEAL FOR THE BOARD OF EQUALIZATION**

All commercial income producing appellants **MUST** complete the Income/Expense Summary Worksheet as part of the online application. ***Failure to do so will not allow the appeal to be accepted and scheduled.*** No exceptions will be allowed. In addition, a letter certifying the completeness and accuracy of the income and expense information

must be submitted and signed by an officer of the organization. Figures supplied must match previously supplied information to the Office of the Commissioner of the Revenue.

#### Who Can Appeal?

The owner of the property or his/her authorized representative. There is an online form for authorizing a representative to act in your stead, obtainable at our website, [www.loudoun.gov/boe](http://www.loudoun.gov/boe). NOTE: A person taking ownership of the property after the June 1 filing deadline does not have standing to process a pending appeal. Also, if a transfer of ownership takes place after the June 1 filing deadline, the prior owner loses his/her right to process the appeal.

#### When Can I File My Appeal?

Any time between March 15 and June 1 in 2021. **NOTE: If the statutory filing deadline (June 1) falls on a Saturday, Sunday or County holiday, the deadline is the following business day.**

#### What Form Do I Use to File My Appeal?

Those appealing assessments on commercial property must use the BOE's online system at <https://interwapp14.loudoun.gov/boea/appealform.aspx>. This system self populates several fields once you insert the PIN for your property and the comparable properties you provide. Each assessment appealed requires a separate appeal form to assist BOE recordkeeping; however, if your multiple parcels share similar facts and reasons for appeal, you may present the details for one property and indicate that these details also apply to your other properties.

### **3. AFTER FILING AND BEFORE YOUR HEARING**

- You will be notified of your hearing date (by email) well in advance of that date. Once a hearing is scheduled it will not be changed, therefore please identify your "bad" dates when you file and the BOE will try to accommodate you.
- The BOE will provide you with a response to your appeal from the Office of the Commissioner of the Revenue for your evaluation prior to your hearing date by email.
- If, after you file an appeal, you do reach a settlement with the Office of the Commissioner of the Revenue, you must notify the BOE office in writing at least three (3) business days prior to your hearing date. Otherwise, your case will be heard as scheduled.
- If neither you nor an authorized representative (see above) will attend the hearing, your appeal form must be notarized for it to be given weight at the hearing.

- You may withdraw your appeal at any time prior to five (5) business days before the hearing date. Withdrawal must be in writing. If these procedures are not followed, the BOE will proceed to hear the case as scheduled.

#### 4. AT THE HEARING

##### **Burden of Proof**

The property tax assessment you received from the Office of the Commissioner of the Revenue is presumed to be correct, according to Virginia law. Section §58.1-3379B, Code of Virginia, 1950, as amended states that *“In all cases brought before the board, there shall be a presumption that the valuation determined by the assessor is correct. The burden of proof on appeal to the board shall be on the taxpayer to rebut the presumption and show by a preponderance of the evidence that the property in question is valued at more than its fair market value or that the assessment is not uniform in its application and that it was not arrived at in accordance with generally accepted appraisal practices, procedures, rules, and standards as prescribed by nationally recognized professional appraisal organizations such as the International Association of Assessing Officers (IAAO) and applicable Virginia law relating to valuation of property. Mistakes of fact, including computation, that affect the assessment shall be deemed not to be in accordance with generally accepted appraisal practice.”*

##### **Form and Timing of Admissible Evidence**

Written and graphic (pictures, maps, plats, etc.) evidence submitted with your appeal application will be considered by the BOE provided that it is received by the BOE by June 1 or fifteen (15) business days prior to your scheduled hearing, whichever comes first. The Board will not consider any written information submitted after the June 1 or the fifteen (15) day deadline or any written documents brought to the hearing.

However, at the sole discretion of the BOE, other written materials, maps, photographs, and other documentary evidence may be admitted into evidence at any time, either from the appellant, or the Commissioner of the Revenue. If additional documentary evidence is admitted, the BOE has the discretion to decide a continuance.

##### **Substance of Submitted Evidence**

The substance of evidence you can submit **must** include, but is not limited to:

- An analysis addressing the following three recognized methods for appealing commercial property:
  1. A comparable analysis (market or equity) of the subject property with at least three market and/or equity comparables. (The online system will automatically provide the Board with a map display showing your property

and your (3) comparables.) If you are unable to supply (3) comparables, a statement of rationale must be included on your application.

2. A 2021 Income and Expense analysis and a fully completed Commercial Income/Expense Worksheet for the subject property. If your property had no income for the year or you believe an income analysis and worksheet is not appropriate for the property, you must clearly state the reasons why. The form can be obtained at [www.loudoun.gov/boe](http://www.loudoun.gov/boe). Please note, the worksheet requires information from the last three (3) operating years. For 2021, this means you must supply information for 2018, 2019 and 2020 with a projected data for 2021. **A notarized letter from an officer of the company certifying the income and expense information supplied must accompany this worksheet. The template letter can be obtained at [www.loudoun.gov/boe](http://www.loudoun.gov/boe).**
3. A cost approach analysis for the subject property. If your property has no improvements, so state. If your property is improved, but you believe a cost approach is not appropriate for your property, clearly state the reasons why.

→ **PLEASE NOTE** ←  
**THAT FAILURE TO ADDRESS EACH OF THE THREE METHODS WILL RESULT  
IN THE APPLICATION NOT BEING TRANSMITTED TO THE BOE AND  
CONSEQUENTLY NOT HEARD.**

- Where available, an appraisal of your property by a licensed Real Estate Appraiser. **Please note appraisals must be “AS OF” a date prior to January 1, 2021 to be of material evidentiary value, since the assessment is as of January 1, 2021. Because appraisals for purposes of financing tend to be lower than fair market value, the BOE generally gives them minimal weight as evidence.**
- Labeling your attachments so that the content is clear would be appreciated. For example, Pictures – pic1.xxx, pic2.xxx; income/expense statements – incexp.xxx; appraisals – apr.xxx; comparables – compl.xxx; analysis – anl.xxx.

### **Common Pitfalls**

- Comparable sales are not true, arms length transactions.
- Comparable sales occurred after January 1, 2021.
- Condition of subject property and comparables, damage, floodplain, steep slopes, access, etc., is not backed by sufficient evidence.

## **Reaching a Decision**

The Board of Equalization will base its decision on the evidence presented by you and the Office of the Commissioner of the Revenue prior to and at the hearing.

## **Notice of Decision**

Once the BOE has reached a decision, the property owner, any authorized agent, and the Office of the Commissioner of the Revenue will receive written notification (VA Form 907) of the decision within ten (10) business days. All changes in the assessment value will be effective retroactively to January 1.

## **5. PAYING TAXES**

You are required to pay your property taxes timely, despite any appeal you have pending. Failure to do so will cause you to incur financial penalties and interest charges regardless of the final outcome of your appeal. If you are granted a reduction, an exoneration will be provided.

## **6. FURTHER APPEAL RIGHTS**

A decision made by the Board of Equalization is final – that is, the BOE, under their adopted Administrative Procedures, will not rehear or reconsider any appeal application once ruled upon in the current calendar year. The Board's adopted Administrative Procedures for 2021 may be found at [www.loudoun.gov/boe](http://www.loudoun.gov/boe).

If you are not satisfied with the Board's decision, you may appeal your Real Estate Assessment to the Loudoun County Circuit Court. Generally, this process requires the advice and guidance of an attorney.

## **7. ADDITIONAL QUESTIONS**

A list of *Frequently Asked Questions* can be found at [www.loudoun.gov/boe](http://www.loudoun.gov/boe). If you have any additional questions, please call the BOE at the number shown at the top of page one.