

GENERAL INFORMATION: 2022

Ad valorem tax, more commonly known as property tax, is a large source of revenue for local governments in Georgia. The basis for ad valorem taxation is either the current use value or in most cases the fair market value, which is established as of January 1 of each year. The tax is levied on the assessed value of the property which, by law, is established at 40% of value. The amount of tax is determined by the tax rate (mill rate) levied by various entities (one mill is equal to \$1.00 for each \$1,000 of assessed value, or .001).

Entities involved in ad valorem taxation:

The **County Tax Commissioner**, an office established by the Constitution and elected in all counties except one, is the official responsible for receiving tax returns filed by taxpayers or designating the Board of Tax Assessors to receive them; receiving and processing applications for homestead exemption; serving as agent of the State Revenue Commissioner for the registration of motor vehicles; and performing all functions relating to billing, collecting, disbursing and accounting for ad valorem taxes collected on behalf of the county, county school and State of Georgia.

The **County Board of Tax Assessors**, appointed by the county governing authority in all counties except one, is responsible for determining what property is taxable and seeing that properties are appraised and assessed fairly and equally so that each taxpayer pays as nearly as possible only such taxpayer's proportionate share of tax. The board notifies taxpayers of their real property assessments annually and when changes are made to the value of personal property; they approve all exemption applications; and they receive, review, and process appeals filed by taxpayers.

The **County Board of Equalization**, appointed by the Grand Jury, is the body charged by law with hearing and adjudicating administrative appeals to property assessments made by the Board of Tax Assessors. The appeal process available to taxpayers also includes **Hearing Officers** and **Arbitration** in lieu of an appeal to the Board of Equalization .

The **Board of County Commissioners or County Governing Authority** (or the sole Commissioner in some counties), an elected body, who establish the budget for county government operations each year, and then adopt the mill rate necessary to fund the portion of the budget to be paid for by ad valorem tax.

The **County Board of Education** establishes the annual budget for school purposes and they then recommend their mill rate, which, with very few exceptions, must be levied for the school board by the county governing authority.

The **State Revenue Commissioner** exercises general oversight of the entire ad valorem tax process which includes annual audits of Tax Assessors and Tax Commissioners and the approval of county tax digests.

TAX RETURNS

Taxpayers are required to file at least an initial tax return for taxable property (both real and personal property) owned on January 1 of the tax year. In all counties, the time for filing returns is January 1 through April 1st. Returns are filed with either the Tax Commissioner or the Tax Assessor. The tax return is a descriptive listing of the property owned by the taxpayer which includes the taxpayer's declaration of the value of the property.

Once the initial tax return is filed, the law provides for an automatic renewal of that return each succeeding year at the value finally determined for the preceding year and the taxpayer is required to file a new return only as additional property is acquired, improvements are made to existing property, or other changes occur. A new return, filed during the return period, may also be made by the taxpayer to declare a different value from the existing value where the taxpayer is dissatisfied with the current value placed on the property by the Board of Tax Assessors.

HOMESTEAD EXEMPTIONS

Various homestead exemptions have been enacted to reduce the burden of ad valorem taxation for Georgia homeowners. The exemptions apply to property owned by the taxpayer and claimed as his or her legal residence.

Applications for Homestead Exemption: An applicant seeking a homestead exemption shall file a written application with the Lee County Board of Tax Assessors at any time during the calendar year subsequent to the property becoming the primary residence of the applicant up to and including April 1, for which the exemption is sought. Homestead applications received after that date may be applied to the *next* year's tax bill. Once granted, the homestead exemption is automatically renewed each year and the taxpayer does not have to apply again unless there is a change of ownership or the taxpayer seeks to qualify for a different exemption.

Local Homestead Exemptions: Under authority of the State Constitution several different types of homestead exemptions are provided. In addition, local governments are authorized to provide for increased exemption amounts and several have done so. The Tax Commissioner in your county can answer questions regarding the standard state exemptions as well as any local exemptions that are in place.

Surviving Spouse Homestead Provision: An un-remarried surviving spouse may continue to receive the homestead exemption at the base value established for the deceased spouse, upon application and qualification. *This exemption only applies to those counties that passed a local base year floating exemption.*

The **Standard Homestead Exemption** is available to all homeowners who otherwise qualify by ownership and residency requirements and it is an amount equal to \$2,000 which is deducted from the 40% assessed value of the homestead property. The exemption applies to the maintenance and operation portion of the mill rate levy of the county and the county school system and the State mill rate levy. It does not apply to the portion of the mill rate levied to retire bonded indebtedness.

The **Standard Elderly School Tax Homestead Exemption** is an increased homestead exemption for homeowners 62 and older where the net income of the applicant and spouse does not exceed \$10,000 for the preceding year. A portion of Social Security income and certain retirement income are excluded from the calculation of the income threshold. This exemption applies to school tax including taxes levied to retire bonded indebtedness. The amount of the exemption is up to \$10,000 deducted from the 40% assessed value of the homestead property.

The **Standard Elderly General Homestead Exemption** is available to homeowners who otherwise qualify and who are 65 and older where the net income of the applicant and spouse does not exceed \$10,000 for the preceding year. A portion of Social Security income and certain retirement income are excluded from the calculation of the income threshold. This exemption, which is in an amount up to \$4,000 deducted from the 40% assessed value of the homestead property applies to county, school and state tax and it does apply to taxes levied to retire bonded indebtedness.

Homestead Exemption for Senior Citizens is in an amount equal to the actual levy for state ad valorem tax purposes on the residence and no more than 10 contiguous acres of land for qualified applicants age 65 and older.

The **Disabled Veterans Homestead Exemption** is available to certain disabled veterans or un-remarried surviving spouses or minor children in an amount equal to \$101,754 in 2022 but adjusted annually by a certain index by the Department of Veterans Affairs. Such exemption amount is deducted from the 40% assessed value of the homestead property and applies to all ad valorem tax levies. However, it is restricted to certain types of very serious disabilities and specific proof of disability, either from the Veterans Administration or from a private physician, is required.

The **Surviving Spouse of Member of Armed Forces killed in Action Exemption** is available to the un-remarried surviving spouse of a member of the armed forces of the United States who was killed in or who died as a result of any war or armed conflict engaged in by the United States. The surviving spouse must furnish appropriate documentation from the Department of Defense that spousal benefits are received as a result of the death of the armed forces member.

Peace Officer or Firefighter Homestead Exemption is available for the surviving spouse of a peace officer or firefighter who was killed in the line of duty. The surviving spouse is exempt from the full value of the homestead with respect to all ad valorem.

The **Floating or Varying Homestead Exemption** is an exemption which is available to homeowners 62 or older with gross household incomes of \$30,000 or less. The exemption applies to state and county ad valorem taxes but it does not apply to school tax. The exemption is called a floating exemption because the amount of the exemption increases as the value of the homestead property is increased.

Property Tax Deferral Program provides for a method for qualified property owners 62 and older with gross household income of \$15,000 or less to defer but not exempt the payment of ad valorem taxes on a part or all of the homestead property. Generally, the tax would be deferred until the property ownership changes or until such time that the deferred taxes plus interest reach a level equal to 85% of the property's fair market value.

Approval or Denial of Homestead: With respect to all of the homestead exemptions, the Board of Tax Assessors makes the determination as to eligibility; however, if the application is denied the taxpayer must be notified and an appeal procedure then is available for the taxpayer.

PREFERENTIAL and SPECIALIZED ASSESSMENT PROGRAMS

The Agricultural Preferential Assessment program is available for certain property owners of agricultural property. The property is assessed at 30% of fair market value rather than 40% of fair market. The property owner must enter a 10-year covenant with the Board of Tax Assessors and penalties may apply if the covenant is breached.

The Conservation Use Assessment program provides for an assessment based on a statutory use-value as opposed to an assessment based on "fair market value." Qualified properties include certain agricultural land, timber land, environmentally sensitive property, or residential transitional property. The property owner must enter a 10-year covenant with the Board of Tax Assessors and penalties may apply if the covenant is breached.

Forest Land Conservation Use Assessment provides for an ad valorem tax exemption for property primarily used for the production of trees, timber, or wood fiber products. The property may have secondary uses such as the promotion, preservation, or management of wildlife habitat; carbon sequestration; mitigation and conservation banking; or the production and maintenance of ecosystem products. This 10 year covenant between the taxpayer and local Board of Tax Assessors is limited to forest land of at least 200 acres in aggregate which lies within one or more counties, provided that such forest land is in parcels of at least 100 acres within any given county. Penalties may apply if the covenant is breached.

Rehabilitated and Landmark Historic Assessment includes property that qualify for listing on the Georgia or National Register of Historic Places. This preferential assessment extends to the building and no more than two acres. Property under this special program must be certified by the Department of Natural Resources as rehabilitated historic property or landmark historic property. The exemption equals the difference between current fair market value and the higher of the acquisition cost or assessment of fair market value at the time the original 10-year covenant was entered.

Brownfield Property Assessment includes property which qualifies for participation in the State's Hazardous Site Reuse and Redevelopment Program and which has been designated as such by the Environmental Protection Division of the Department of Natural Resources. This program effectively freezes the taxable assessment for ten years as an incentive for developers to clean up contaminated property and return it to the tax rolls. It allows eligible owners to recoup the certain costs associated with the cleanup.

EXEMPT PROPERTY

Computer Software may be exempt when it is installed on computer hardware as an operating system.

Farm Products may be exempt when still in the hands of the producer and Farm Equipment used in the direct cultivation of the soil may exempt from ad valorem taxation when owned by certain persons. This includes farm equipment held under a lease purchase agreement. Household goods are exempt when not held for sale and when used within the home.

Level 1 Freeport Inventory includes certain raw materials, goods in process and finished goods held by the manufacturer or distributor. Each county or city governing authority may set, by resolution, the percentage of exemption after approval of the qualified categories of inventory by voters. Property owners seeking this exemption must apply annually.

Level 2 Freeport Inventory includes finished goods constituting the inventory of a business which would not otherwise qualify for a Level 1 Freeport. Each county or city governing authority may set, by resolution, the percentage of exemption after approval by voters. Property owners seeking this exemption must apply annually.

The following property types may be exempt from ad valorem taxation when specific qualifications are met:

- Public Property
- Places of Religious Worship
- Single Family Residences owned by Religious Groups
- Purely Public Charity
- Non-Profit Hospital
- Colleges, Academy, Seminary of Learning
- Personal Property held as Endowment for College
- Public Library
- Books, Paintings, Statuary Kept in a Public Hall
- Air and Water Pollution Control Equipment
- Non-Profit Home for the Aged
- Non-Profit Home for the Mentally Handicapped
- Headquarters or Post Home for Veteran Organization
- Certain Historical Fraternal Benefit Association

ASSESSMENT APPEALS

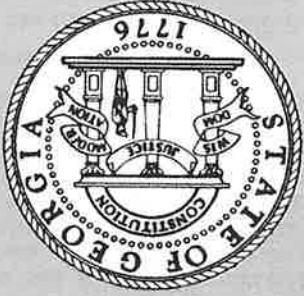
The Board of Tax Assessors is required to issue a notice of assessment for taxable tangible real and personal property. Upon receipt of this notice, the property owner desiring to appeal the assessment may do so within 45 days. The appeal may be based on taxability, value, uniformity, and/or the denial of an exemption. The written appeal is filed initially with the Board of Tax Assessors. The state of Georgia provides a uniform appeal form for use by property owners. In that initial written dispute, the property owner must declare their chosen method of appeal.

The three methods of appeal include:

Board of Equalization: The appeal is filed by the property owner and reviewed by the Board of Tax Assessors. The Board of Tax Assessors may change the assessment and send a new notice. The property owner may appeal the amended notice within 30 days. The appeal of the amended notice or any initial appeal which is not amended by the Board of Tax Assessors is automatically forwarded to the Board of Equalization. A hearing is scheduled and conducted and the Board of Equalization renders its decision. If the taxpayer is still dissatisfied, an appeal to Superior Court may be made.

Hearing Officer: The taxpayer may appeal to a Hearing Officer, who is a certified appraiser, when the issue of the appeal is the value or uniformity of assessment of non-homestead real property with a value greater than \$500,000, or certain wireless property with an aggregate value greater than \$500,000 as shown on the annual notice of current assessment. If the taxpayer is still dissatisfied, an appeal to Superior Court may be made.

Arbitration: An Arbitration appeal is filed with the Board of Tax Assessors. The taxpayer must submit a certified appraisal of the subject property which the Board of Tax Assessors may accept or reject. If the taxpayers appraisal is rejected the Board of Tax Assessors must certify the appeal to the County Clerk of Superior Court for arbitration. The Arbitrator will issue a decision at the conclusion of the hearing. If the taxpayer is still dissatisfied, an appeal to Superior Court may be made.



IMPORTANT TAX INFORMATION

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The duties and responsibilities of this office are many and varied, but our main function is to serve you, the citizens of our community. This brochure has been furnished to help answer some of your questions regarding county taxes. Please feel free to contact this office if you have any questions on the information addressed in this brochure, or any problems receiving efficient and personal service from our office.

Susan F. Smith
Tax Commissioner

LEE COUNTY