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A GENERATIONAL CHANGE IN 2023: ALLEGHENY COUNTY'S NEW CLR & TAX IMPACTS ON PROPERTY OWNERS

A generational change awaits many property owners in Allegheny County, with the county's common level ratio (CLR) dropping from 81.1% to 63.6% as of Jan. 1, 2023. The CLR is the figure used to turn market value into assessed value. As a result, property owners may be able to reap significant tax savings by filing a 2023 property tax assessment appeal. The deadline for filing appeals is March 31, 2023, so we suggest you review your options early so you do not miss it.

Meyer, Unkovic & Scott's Real Estate Group has the necessary experience and resources to aid clients in evaluating if an appeal may result in lowering their property's assessed value in 2023 and beyond.

The tax savings potential

The CLR is dropping so steeply — the largest single year decrease in decades — because the county is making a fundamental change to the property sales data used in setting assessed values. Therefore, many properties may be eligible for a significant drop in assessed value if appealed. For example, a property worth \$10,000,000 would have previously assessed for \$8,110,000 in 2022. However, in 2023, a successful tax assessment appeal could reduce that same property's assessed value to \$6,360,000, resulting in much lower property taxes.



The risks of staying idle

Property owners will *not* receive an adjustment automatically. Property owners must file a 2023 tax assessment appeal to take advantage of the adjusted CLR. It is anticipated that a flood of 2023 tax assessment appeals may leave taxing authorities with budget shortfalls. This may cause them to increase millage rates (the amount each assessed dollar is taxed) in response. Remaining idle in 2023 could, essentially, result in a double tax increase — being assessed too high, plus a tax hike on that assessed value.



The decision that's best for you

Whether or not you should file a tax assessment appeal depends on several factors, such as your property's use, current market value, current assessed value and the strategies available for your property. Weighing these factors can be a difficult and confusing process, but Meyer, Unkovic & Scott's Real Estate team will assist you in optimizing your tax savings, if possible, in Allegheny County, across all property types, whether they be commercial, industrial and/or residential.

WANT TO LEARN MORE?



If you feel your property may be suited for a tax assessment appeal or you have questions about real estate tax assessments and appeals, please contact Meyer, Unkovic & Scott partner Jason Yarbrough (412-456-2592; jmy@muslaw.com) or any other Meyer Unkovic & Scott attorney with whom you have worked.