

Real Estate Advisory:

Allegheny County's 2026 Common Level Ratio Drops to 50.1%

Examples of How Commercial Property Owners Can Win With a 2026 Property Tax Assessment Appeal

Allegheny County's common level ratio ("CLR") will drop considerably to 50.1% for 2026. Allegheny County's CLR is the factor used to convert a property's market value into assessed value. Property taxes are based on assessed value. Over the last three years, the CLR has come down significantly from 86.2% in 2021.

However, assessed values will not automatically be adjusted by the new 50.1% CLR. Property owners must file a 2026 tax assessment appeal in order to get the benefit of the change in the ratio.

To illustrate, here are just two examples on how a property's assessed value can change from "fair" to "over-assessed" over time.



Example 1: Existing Commercial Property Owner - Why Your Tax Assessment May No Longer Be Fair

In 2020, ABC Company purchased a commercial property for \$2,000,000 (the "Property"). Based on that sale price, the county set the property's assessed value at \$1,724,000 based on the 2021 Common Level Ratio (CLR) at that time of 86.2%. That is the amount ABC Company will have to pay property taxes on.

However, for 2026, the Property will remain assessed at \$1,724,000, unless ABC files a tax assessment appeal. In 2025, that assessed value of \$1,724,000 would mean that the Property is being taxed as though it is currently worth \$3,441,100 (based on the 50.1% CLR). If the Property is valued at less today, ABC Company would likely be overpaying in 2026. In this case, ABC should file a tax assessment appeal to reduce its property taxes. Commercial properties are valued very differently from residential properties, particularly if they are income producing properties.

Example 2: New Purchaser Stuck with an Outdated Assessment

In 2023, XYZ Company purchased the Property for \$2,500,000 and that is still the fair market value for 2026.

However, even though the Property has gone up in value, its assessed value should drop from \$1,724,000 to \$1,252,500 based on the new 50.1% CLR. This means that XYZ Company may also be

able to argue for other market values based on various methods of valuation. However, the County will not automatically make this adjustment. Because lowering assessments reduces tax revenues, no taxing authority will initiate this change. The property owner may also be able to argue for other market values depending various methods of valuation. Unless XYZ Company files a 2026 tax assessment appeal, the Property's assessed value will remain at \$1,724,000, and XYZ Company will be overtaxed.

Making the Decision That's Best for You

Meyer, Unkovic & Scott LLP has substantial experience representing commercial, industrial, income producing, and residential property owners in handling tax assessment appeals of all property types. For more information about tax assessment appeals, please contact **Jason Yarbrough** at 412-456-2592 or jmy@muslaw.com. He can help you evaluate whether your property can benefit from a 2026 property tax assessment appeal.