

What are the differences between tax appeals and tax abatement?

Tax appeals (or grievances) are challenges to the value of property which was set by the listers. When notices of property appraisal go out they include notice of the right and process by which the taxpayer may grieve or appeal the appraisal. A grievance goes first to the listers. Their decision may be appealed to the board of civil authority. The Board's decision may be appealed to the state appraisers or superior court. The criteria for valuation of property for tax appeal purposes are fair market value and a comparison to other, similar properties. The process for tax appeals is spelled out in 32 V.S.A. Chapter 131 and must be followed rigorously by the town and the taxpayer. Tax appeals provide a method for assuring that property valuation is fair and equitable.

In contrast, tax abatement is a process by which a taxpayer may ask to have his or her taxes lessened, moderated or diminished, without regard to the actual assessed value. A request for abatement goes to the board of abatement, which is made up of the board of civil authority plus the listers and town treasurer. The board may abate taxes, interest and fees only for one of the statutory reasons set out in 24 V.S.A. § 1535. Note that the reasons for abatement are generally unrelated to the assessed value of the property except, arguably, listers' error. Abatement is mainly provided for cases of hardship on the part of the taxpayer (insolvency, inability to pay) or change in status of the property (damaged or destroyed, or mobile homes which were forced to move because of a change in mobile home park ownership).

Another difference between appeal and abatement is that while taxpayers are automatically informed of the right to grieve their property valuation, they may not be aware of the right to ask for abatement of taxes. However, two lower court decisions have now said that, in the case of a proposed sale of property for delinquent taxes, the property owner must be informed of the right to apply for abatement and of the process to use in order to apply. A tax sale is a serious threat to a person's constitutional right to property. Therefore, the courts have opined that due process mandates the town to provide property owners with information which may help them to keep the property.

In summary, tax appeal and abatement are completely separate processes that are designed to deal with different problems relating to property taxes. There are no statutes or court decisions which mandate that taxpayers filing tax appeals must be informed of their right to request abatement.

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