

How Dividing Property Affects Your Tax Bill

There is often confusion at tax time when someone has sold land during the year and their tax bill in December still includes land they no longer own. Or perhaps a person didn't receive a tax bill for land they have purchased in the last year. The reason for this is often because what was sold or purchased is a portion of a larger piece of land. **The tax assessment year runs from January 1st – December 31st of each year.** All parcels of land in the county are assessed as they stand on January 1st. If you sell or purchase land from someone and their existing parcel is not conveyed in its entirety (meaning the seller kept some of the land), it is considered a *split parcel*.

When a parcel is split, new parcel records are then created by the Real Property Lister. These new parcels will be assessed as separate entities by the Assessor on January 1st of the following year. At that time, the Assessor looks at each individual parcel, rather than the whole, and puts new assessment values on each piece. Often a piece of land is purchased, such as a small acreage tract for a building site, that was taken out of a larger agricultural parcel. Even if you purchased this piece on January 2nd and put up a building right away, the parcel will be assessed for the year as vacant agricultural land. The new parcel and structure won't be looked at until the following year. The assessed values will often change at that time to reflect a more comprehensive assessment of the divided parcels.

So how do you get the tax bills divided up so both buyer and seller receive a bill at the end of the year of purchase? Either the buyer or seller can request the parcels be divided up for that year. In Jackson County, the Real Property Lister tries to catch all of the splits and sends a form to the purchaser. On this form they can indicate whether or not the individuals want to receive a tax bill at the end of the year for the portion they purchased or if the seller is responsible for the taxes. These forms are sent out for all conveyances that occur before October 1st. **If the seller or purchaser wishes to have their own bills, they must sign this form and return in no later than October 15th.** This will give the Assessor time to divide up the values before tax time.

When the Assessor does a division of values for a split for the year of purchase, the total values must equal the original parcel value as it stood on January 1st of that year. If you don't request the parcel values to be divided, the **original owner** will receive a bill for the whole parcel as it stood on January 1st. In addition, no pro-ration is done by the county. So if a split bill is requested, it will reflect the value of the split portion of land for the full year. Depending on when you purchased during the year, a credit is often given by the buyer or seller during the real estate transaction to make up the difference.

Please contact the Jackson County Real Property Lister if you require more information.