

## GENERAL INFORMATION—2010

*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 the fair market value of the property, 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 fair market 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).

Several distinct entities are involved in the ad valorem tax process:

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 in the county.

The **County Board of Tax Assessors**, appointed for fixed terms by the county governing authority in all counties except one, is responsible for determining taxability; the appraisal, assessment, and the equalization of all assessments within the county. They notify taxpayers when changes are made to the value of the property; they receive and review all appeals filed; and they insure that the appeal process proceeds properly. In addition, they approve all exemptions claimed by the taxpayer.

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 (Note: An arbitration method of appeal is available to the taxpayer in lieu of an appeal to the board of equalization at the option of the taxpayer at the time the appeal is filed).

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

The **County Board of Education**, an elected body, 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 commissioner(s).

**Jackson County also has 10 Fire Districts** with each having a Board of Directors that recommends a mill rate to the Board of Commissioners. This board is elected by the people in their district.

The **State Revenue Commissioner** exercises general oversight of the entire ad valorem tax process. In addition, the State levies ad valorem tax each year in an amount which cannot exceed one-fourth of one mill (.00025).

### 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 Jackson County the time for filing returns is January 1 through April 1<sup>st</sup>. These returns are filed with the Tax Assessor and forms are available in that office. The tax return is a listing of the property owned by the taxpayer and 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. This serves the purpose of establishing the taxpayer's appeal rights if the declared value is changed again by the board of tax assessors.

### Homestead Exemptions

Several types of homestead exemptions have been enacted to reduce the burden of ad valorem taxation for Georgia homeowners. The exemptions apply to homestead property owned by the taxpayer and occupied as his or her legal residence (some exceptions to this rule apply and your tax commissioner can explain them to you).

#### Application for Homestead Exemption

An applicant seeking a homestead exemption shall file a written application with the Jackson 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 the date for the closing of the books, which is April 1 for Jackson County, for the return of taxes for the calendar year. Homestead applications received after that date will be applied to the *next* tax year.

Assessors. Georgia law allows for the year-round filing of homestead applications but the application must be received by March 1 of the year for which the exemption is first claimed by the taxpayer. Homestead applications received after that date will be applied to the *next* tax year.

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 kind of exemption.

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 exemptions as well as any local exemptions that are in place.

The Local County Exemptions supercede the state exemption amount when the local exemption is greater than the state exemption.

**Jackson County has such exemptions:**

**Jackson County School Exemption, for those 62 and over**, is \$10,000 off the 40% value *if their earned income does not exceed \$18,000.*

**Jackson County School Exemption, for those 65 and over**, is \$50,000 off the 40% value *if their earned income does not exceed \$18,000.*

Jackson County also allows a **Double Homestead Exemption**, which is \$10,000 off the 40% value, for those age 65 and over, *provided their earned income does not exceed \$18,000.* For the maximum \$10,000 exemption for school and/or county taxes (*Social Security or other forms of retirement are not included*).

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.

**Surviving Spouse Homestead Exemption** — An unmarried 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 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. This exemption is in addition to any other homestead to which the applicant qualifies.

**Peace Officer or Firefighter Homestead Exemption** is available for the surviving spouse, which provides an exemption for the full value of the homestead with respect to all ad valorem taxes for the unmarried surviving spouse of a peace officer or firefighter who was killed in the line of duty.

**Tax Exemption for Farm Equipment** is expanded to include tax exemption for agricultural products and equipment to include certain additional farm equipment held under a lease purchase agreement.

**The Disabled Veterans Homestead Exemption** is available to certain disabled veterans or to the un-remarried spouse or minor children in an amount up to \$50,000 deducted from the 40% assessed value of the homestead property. This exemption applies to all ad valorem tax levies; however, it is restricted to certain types of very serious disabilities and proof of disability, either from the Veterans Administration or from a private physician in certain circumstances.

*A similar exemption in the same amount is now available to the un-remarried surviving spouse of a member of the armed forces of the United States who was killed in any war or armed conflict engaged in by the United States. The surviving spouse must furnish appropriate documentation that spousal benefits are received as a result of the death of the armed forces member.*

**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. Since, however, the exemption replaces any other state and county exemption already in place for the property, taxpayers should be very careful in making application since in many instances the granting of this exemption may initially at least increase the amount of taxes levied on the property.

In addition to the various homestead exemptions that are authorized, the law also provides a **Property Tax Deferral Program** whereby qualified homestead property owners 62 and older with gross household income of \$15,000 or less may 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 fair market value of the property.

With respect to all of the homestead exemptions, the board of tax assessors makes the final 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.

#### **Specialized and Preferential Assessment Programs**

Two general types of specialized or preferential assessment programs are available for certain owners of

certain types of property. One of these programs authorizes assessment at 30% rather than 40% of fair market value for certain agricultural properties being used for bona fide agricultural purposes.

The second type of preferential programs is the **Conservation Use** program which provides that certain agricultural property, timber land property, environmentally sensitive property, or residential transitional property is to be valued and assessed for ad valorem tax purposes at its current use value rather than its fair market value.

Each of these specialized or preferential programs requires the property owner to covenant with the board of tax assessors to maintain the property in its qualified use for at least 10 years in order to qualify for the preference. The Board of Tax Assessors can explain the ownership and use restrictions regarding property qualifying for either of these programs.

**Rehabilitated and Landmark Historic Property**  
Historic property that qualifies for listing on the Georgia or National Register of Historic Places may qualify for preferential assessment. The preferential assessment shall extend to the building or structure, the real property on which the building or structure is located, and not more than two acres surrounding the building or structure. 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**  
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 may qualify for preferential assessment. This special program provides for the preferential assessment of environmental and contaminated property by effectively freezing the taxable assessment for ten years as an incentive for developers to clean up the property and return it to the tax rolls. It also allows an eligible owner to recoup the eligible costs associated with the cleanup of this type property against their tax liability.

#### **Forest Land Conservation Use Assessment**

Forest Land Conservation Use Assessment provides for an ad valorem tax exemption for property primarily used for the good faith subsistence or commercial production of trees, timber, or other wood and wood fiber products. The property may have secondary uses such as the promotion, preservation, or management of wildlife habitat; carbon sequestration in accordance with the Georgia Carbon Sequestration Registry; mitigation and conservation banking that results in restoration or conservation of wetlands and other natural resources; or the production and maintenance of ecosystem products and services such as, but not limited to, clean air and water. This 15-year covenant agreement between the taxpayer and local board of assessors is limited to forest land tracts consisting of more than 200 acres.

#### **Assessment Appeals**

When the Board of Tax Assessors changes the value of property from the value in place for the preceding year or from the value that was returned by the taxpayer for the current year, a notice of that change must be sent to the property owner. Upon receipt of this notice the property owner desiring to appeal the change in value must do so within 45 days. The appeal is filed with the Board of Tax Assessors who review again their valuation and the appeal filed and informs the taxpayer of its decision. If the taxpayer remains dissatisfied, the appeal is forwarded to the County Board of Equalization. A hearing is scheduled and conducted and the Board of Equalization renders its decision. If the taxpayer is still dissatisfied with the decision, an appeal to Superior Court may be made.

In lieu of an administrative appeal with the Board of Equalization, an arbitration method of appeal is also available to the taxpayer. The Board of Tax Assessors can provide details regarding this procedure.

The assessment appeal may be made on the basis of the taxability of the property, the value placed upon the property, or the uniformity of that value when compared to other similar properties in the county or the denial of an exemption. The appeal must be filed within the applicable time period.



## **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.

Donald T. Elrod  
Tax Commissioner

**JACKSON COUNTY**