

# "Understanding Property Tax"

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We have heard a lot about property taxes, but how much do we really know about it? Why is it important that we learn about them? It is essential that we learn about the different types of property taxes so that we know how to estimate the tax we need to pay. This will also give us some insight of what we can deduct and other incentives we can benefit from.

Property and its different types:

To understand the taxing of properties, it is essential that we understand the type of properties. Property has two major categories. These are the real and the personal properties. Real properties are immovable properties including the land and features installed on it. These improvements last long. Some of these are homes, restaurants and [apartments](#).

The personal properties are those that are mobile. Unlike the real property, they are not installed on the land. Examples of this type of properties are cars, computers and other movable equipment and devices. The personal property can be categorized in two categories. These are the tangible and the intangible. As the name suggests, the tangible properties are those physically there. Examples are the appliances, cars and the aforementioned examples. The intangible property on the other hand is those that are not visible. Examples of these are the patent and copyright.

Understanding the different types of properties is important because most of the rate vary. These properties are treated differently as well. There is tax on land, on improvements as well as on personal properties.

The property taxes:

You are probably more familiar on taxes charges on residential properties as this is charged against all homeowners. This is an annual tax. In order to know the property tax you will be paying, you need to properly identify the market value of your property. You should also learn about the [deductibles](#) that you could use in the computation as well as the tax rate. It is important that you contact your local tax officer regarding this because the tax rate and [deductible](#) items vary per state and city.

If you think that your property is not valued properly, you can file for an appeal. However, you can only do this during the reassessment period. Many homeowners are filing appeals today. This is due to the drop in market values of properties while the values of taxes charged against them remains the same. To learn more about the step you should take, consult a property [tax lawyer](#).

You should also be familiar of certain exemptions in computing property taxes as well as the

property tax in general. Senior citizens who are at least 65 years old and those who are disabled are exempted from the tax.

The tax on [investment properties](#) are computed differently. In addition to the market value of the property, the [income](#) from the investment property will be considered as well. Do not worry though as the expenses used in running your business are deductible.

There are also different tax incentives offered by the government. Check if you qualify for any of the incentives offered. There are those offered for first time homebuyers. There are also incentives for investment properties.

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