



MULTISTATE TAX COMMISSION

*Working together since 1967 to preserve federalism and tax fairness*

## **Policy Statement 03-2011**

### **Policy Statement in Support of Maintaining the Integrity of Property Tax Appeals Systems**

Revenues raised from the property tax represent a significant source of funding for State and local government services. Comprising over 70% of local tax revenues, they serve as a primary means of financing public education, police and fire protection, infrastructure and other essential services. Disruptions in property tax collections can have a major impact on the ability of State and local governments' ability to provide vital services to their citizens.

Equitable principles mandate that similarly situated taxpayers should be treated as equally as is practicable. The Equal Protection and Due Process Clauses of the Constitution, as well as the State constitutions, provide a legal framework for State property tax systems to achieve equitable property taxation for all taxpayers.

Congressional intervention in State property tax systems intended to curb alleged discriminatory tax practices by States often creates its own discrimination in a State's property tax system, in particular those congressional actions that specify property valuation methods for certain types of property. This type of discrimination is unfair to property taxpayers with similar types of property. Moreover, allowing certain taxpayers to bypass the local and state property tax appeals systems without paying the disputed tax before initiating a property tax appeal deprives States and local governments much needed revenue, and another form of discrimination that harms State and local governments and citizens.

Congress should recognize that States responsibly administer their property taxation systems and properly apply constitutional mandates and procedures that enable States to achieve equitable and uniform tax results for all taxpayers. It should refrain from intervening in State property tax systems and should further refrain from enacting laws with respect to the valuation of property and creating federal court jurisdiction over valuation issues.

*This Policy Statement will expire at the Multistate Tax Commission Annual Meeting in 2016.*