



Put a Cap On It! - Tax Cap / Abatement Information

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Have you checked to see what rate your property tax is being capped at this year? If not, you need to be aware that the tax cap status of your property may be set to the default, which is the higher abatement (“high cap”), and will remain at the higher general abatement level until a qualifying claim is filed.

Currently, properties qualifying as the owner's primary residence will receive a 3% tax cap, all other properties are subject to the “Other” tax cap, also known as the “commercial property tax rate”, which can be up to 8% but this year is set at 4.8%. Even so, property owners need to “claim their abatement” to ensure they are receiving the 3% tax rate on their primary residence. **Moreover, if a property owner was over charged, they have until June 30, 2020 to appeal.**

You may be asking, “how do I file my claim?” Good question. In May of each year, most local county assessor offices directly mail a card, form, or affidavit to the owners of residential properties. These notices must be returned by June of each year. The claim forms are also sent out when there is a change of ownership, construction has been completed, significant change in the owner’s name or mailing address. **IMPORTANT: If the form is not completed and returned, the “tax cap” status will remain at the higher general abatement until a qualifying “opting in” claim is filed.**

If the rental property is managed by a property management company, the management company *may* complete the form on the Owner/Landlord’s behalf **but** when submitting the form, it should be accompanied by a copy of the property management agreement or other documentation demonstrating authority to sign.

Once the assessor receives the form and updates their records, that information is typically forwarded to the Treasurer’s Office to make the tax adjustments. You can view your tax cap percentage by visiting the Treasurer’s website.

In the interest of our members, NVR is working to obtain the affidavits / forms from each county. During our efforts, we experienced lengthy wait times when reaching out to the Clark County Assessor, so you want to be prepared for that or try calling first thing in the morning. They will tell you whether your current rate is 3% or if you need to fill out a form, in which case they will mail you another one. Not every county is as forth coming with the forms, but we provide the following resources we were able to obtain at this time. Please be sure to check our eNews and website in the coming weeks and months as we update you with additional information as we get it.



Lastly, you should be aware that **properties other than primary residences may qualify for low cap abatement**. Check with your local county to see if there is a special provision that qualifies your property for low cap abatement.

Clark County Assessor's Office: 702-455-3882 or 702-455-4997

Clark County Treasurer: <http://www.clarkcountynv.gov/treasurer/pages/default.aspx> (have your parcel number handy)

Carson County Assessor: (775) 887-2130

Carson County Treasurer: <https://www.carson.org/government/departments-g-z/treasurer/property-taxes>

Elko County Assessor: (775) 887-2130

▶ Fill out the Owner-Occupancy Verification Card to get an affidavit directly mailed to you:
<https://www.elkocountynv.net/assessor1/forms.php>

Elko County Treasurer: (775) 738-5694

Douglas County Assessor: (775) 782-9830

Douglas County Treasurer: 775-782-9017 <https://cltr.douglasnv.us/treasurytaxes/>

Washoe County Assessor: (775) 328-2277

▶ Abatement Forms can be accessed here:
<https://www.washoecounty.us/assessor/forms/index.php>

Information about the tax cap percentage from Clark County Assessor (next page):



NRS 361.4723 provides an abatement of taxes on the tax bill of an owner's primary residence. A 3% cap on taxes paid the previous year may be applied to qualified taxpayers.

- Please read the information in this brochure.
- Complete the postcard as it pertains to the property listed on this brochure.
- Detach and mail the postcard back to the Assessor's Office.

Who is eligible for the 3% Cap?

All owner occupied single-family homes (including condos, townhouses and manufactured homes) that are used as primary residences. Only one property per legal owner may be selected in the State of Nevada.

What if my property is a rental? Can I still qualify for the 3% cap?

If this parcel is used only for residential purposes, and will be rented on July 1, 2019 for an amount at or below the market rents provided by HUD for Clark County, the property may qualify for the 3% cap. ALL UNITS on this parcel must be available for rent for an amount at or below the HUD amounts and at least one unit must be rented.

I am a manufactured home owner but I rent the space. Do I qualify?

Yes, your manufactured home would qualify for the tax cap as long as it is your primary residence. You would check the first box on the attached postcard. Your landlord will address the space rental portion of this property.

Can I apply or change my cap over the phone?

No, you must sign the attached postcard and return it to the Assessor's Office.

How does the cap work?

It will cap the increase of your tax bill with the appropriate cap over the previous year's tax bill. It does not cap the increase in assessed value. The cap will not be applied if your taxes as assessed are lower than the capped tax amount.

If I don't qualify for the 3% cap, how much of an increase will I have to pay?

A tax cap of no more than 8% will be applied to the tax bill of property that is not owner occupied. However, new property added this year (buildings, parcels, equipment) or any increase in assessed value due to a change of use (zoning change, manufactured home conversion, etc.) would not receive a cap until the next tax billing year (2020/2021).

What if I rent out a room in the house I live in? Or I rent out my guesthouse or casita?

In either case, as long as the property is your primary residence you would qualify for the cap.

I have a vacation home in Nevada, but I am the only one who lives in the house. Do I qualify?

Yes, you may qualify for the cap on one property in the State of Nevada. Check the first box on the attached postcard if this is your only home in Nevada and the property is not rented during the year. Please be aware that this may affect an exemption or abatement held in another state. You must contact that state to determine what effect this may have.

How do I apply for the cap if I believe I am renting my property below or near the HUD amounts?

Check the second box on the postcard, detach and mail it back to the Assessor's Office. The Office will send you a form to request the actual amount of rent charged per unit and the number of units you have on this property. HUD amounts for 2019/2020 will be listed on the form.

What if I run a business in my home? Do I still qualify for the 3% cap?

If your home's primary use is as a residence, you would be eligible for the 3% cap.

What if my home is on the same parcel as my business (commercial property)?

The residence on a mixed-use parcel consisting of a residence and a business, or other use, may be eligible for a cap. You would need to check the last box (Other) and note on the card that your residence is on the same parcel as your place of business.

I have multiple properties owned by a trust that different trustees live in; will the 3% cap apply?

Yes, any property in which a trustee of the trust occupies as their primary residence would qualify for the 3% cap. You would check the first box and the trustee who lives at this property would sign the card.

What if I am letting my parent/child live in one of my homes rent free or for just the mortgage payment?

Check the third box on the postcard, detach and mail it back to the Assessor's Office. The Office will send you a form to request the actual amount of rent charged and to whom you are renting (child, parent, etc.).

What are the penalties for filing false information on this card?

The penalties are three times the amount of the tax deficiency, in addition to the amount of the tax due and any other penalty provided by law.

Statements made by the Nevada REALTORS® Legal Information Line attorneys on the telephone, in e-mails, or in legal e-news articles are for informational purposes only. Nevada REALTORS® staff attorneys provide general legal information, not legal representation or advice regarding your real estate related questions. No attorney-client relationship is created by your use of the Legal Information Line. You should not act upon information you receive without seeking independent legal counsel. Information given over the Legal Information Line or in these articles is for your benefit only. Do not practice law or give legal advice to your clients! Inform your clients they must seek their own legal advice.