
Fire or Act of God

—Tax proration



Oregon's tax year runs from July 1 through June 30 of the subsequent calendar year. Taxes on property that has experienced a casualty loss due to either an act of God or a fire during the tax year may be eligible for reduction. The reduction is referred to as a "proration of tax."

What qualifies?

If any real or personal property is damaged or destroyed by an act of God or by fire, the property is eligible for a proration of the taxes. An act of God is generally considered an act of nature without human interference. For example, damage from a tornado or a lightning strike is an act of God. Damage isn't an act of God if it is caused by the property owner. Property that is damaged or destroyed by a fire qualifies for proration as long as the applicant hasn't been convicted of arson for the property for which relief is sought. You would be eligible for relief if, for example, your house burns down as the result of an accident or if you ask the fire department to burn it down for practice.

Who may apply?

For real property, the owner or purchaser under a recorded instrument of sale may apply. For personal property, the person assessed, person in possession, or owner of the property may apply. All applications are made to the tax collector.

What is the deadline for submitting an application?

The application is submitted to the county tax collector no later than the end of the tax year in which the damage or destruction occurs, or 60 days after the date the property was damaged or destroyed, whichever is later. The end of the tax year is June 30. For example, if your property is destroyed by strong winds on November 1, you must file an application by the following June 30. If that same property is destroyed on June 20, the application deadline is 60 days later, August 19.

Where do I get an application and with whom do I file it?

Applications are available at www.oregon.gov/dor or at each county tax collector's office. In some counties, applications may also be available in the assessor's office. File your application with the county tax collector. The tax collector consults with the assessment staff to determine whether or not the property has been damaged or destroyed and how much value was lost.

How much loss in value is necessary to prorate taxes?

There must be a loss in assessed value. If the damage or destruction causes the real market value of the property to dip below the taxable assessed value, then a proration of tax is calculated. For example, assume a home is totally destroyed by fire. It had a real market value of \$120,000 and an assessed value of \$100,000. The property was taxed based on \$100,000 assessed value and the account would receive a proration of tax on the \$100,000 loss in assessed value. The account wouldn't receive a proration of tax on the \$20,000 for which no taxes were computed in the first place.

A refund isn't required if proration results in a tax reduction of \$10.00 or less, and the tax has been paid.

How is the refund calculated?

The tax collector uses the value determination of the assessment staff as a basis for recalculating your tax.

- **Damaged property:** For damaged property, the percentage of assessed value lost is multiplied by the total tax on the account for the month the property was damaged and for each month the property remained damaged during the tax year. If you repair the property before the end of the tax year, no credit is allowed for months after the repair. The tax collector refunds taxes overpaid or credits taxes owing for that year.

- **Destroyed property:** For destroyed property, the percentage of value lost is multiplied by the total tax on the account for each month *following* the month of destruction through the end of the tax year whether or not the property is repaired. The tax collector refunds taxes overpaid or credits taxes owing for that year.

Is the value on the account reduced in the current tax year?

No, the value on the account for the tax year in which the damage or destruction occurred isn't reduced. The account value is always the value of the account as of the assessment date for the tax year in which the taxes are being prorated.

Is the impact of the damage or destruction ever reflected in the property's value?

Any loss in value will be considered in the account value for the assessment date following the occurrence. Normally, your property tax is based on the value of the property as of January 1 for the tax year beginning July 1 of that calendar year. If your property is damaged or destroyed between January 1 and July 1, you may apply to the county assessor to have the real market and assessed value of the property determined as of July 1, rather than January 1. This application is due by August 1, or the 60th day following the date of damage/destruction, whichever

is later, or may be filed by December 31 along with a payment of a filing fee. Contact your county assessor or visit www.oregon.gov/dor for the July 1 reassessment application form and filing information.

If I disagree can I appeal the decision?

A decision of the tax or assessment office is appealable to the Magistrate's Division of the Oregon Tax Court. Appeals must be filed within 90 days after the act or omission becomes actually known to the person, but in no event later than one year after the act or omission occurred.

Have questions? Need help?

General tax information www.oregon.gov/dor
 Salem.....(503) 378-4988
 Toll-free from an Oregon prefix1 (800) 356-4222

Asistencia en español:
 Salem.....(503) 378-4988
 Gratis de prefijo de Oregon1 (800) 356-4222

TTY (hearing or speech impaired; machine only):
 Salem.....(503) 945-8617
 Toll-free from an Oregon prefix1 (800) 886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.