

# ANNUAL REAL PROPERTY TAX EXEMPTION VERIFICATION INSTRUCTIONS

## WHAT MUST BE DONE?

By September 1 of each year, and *before* any exemption application or renewal is due, the following items must be cared for by the secretary of the congregation holding title to your Kingdom Hall property or any other real property:

- Verify that the congregation's property is still exempt from real property tax or that any lawfully owed taxes or special assessments are paid.
- Submit any required exemption or renewal forms to the tax office.
- Update the tax office with the congregation's *current* mailing address and any other needed information.

**Note: Property tax exemptions have been lost because time-sensitive notices were sent to old mailing addresses.**

## REAL PROPERTY TAX EXEMPTION VERIFICATION PROCESS

- (1) Check the exemption status of each congregation-owned property using one of the methods below.
- (2) Document the status of each property using an *Annual Real Property Tax Exemption Verification Record*.
- (3) Take any needed corrective action.
- (4) Immediately provide the coordinator of the body of elders and maintenance coordinator or operating committee chairman with copies of the completed *Annual Real Property Tax Exemption Verification Record*.

**Note: If the congregation owns properties in multiple counties or cities, please check with each tax office.**

### WEBSITE VERIFICATION

1. Search each property on the tax office's website using the property address, parcel number, or the titleholder's name.
2. The property page should clearly identify the property by parcel number or address and indicate whether the property is exempt from property tax. If the property is exempt, then print a copy of the webpage for your property file.
3. If you are unable to confirm the exemption status online, then confirm the exemption by phone call or in person.
4. If the property is not exempt, follow the instructions on the next page.

### TELEPHONE VERIFICATION

1. Call the tax office by telephone and tell the clerk you want to confirm that the congregation's property is still exempt from property tax and that there are no payments due.
2. Provide the clerk with each property's parcel number. The tax office uses parcel numbers to identify properties. If you cannot locate the parcel number(s), provide the clerk with each property address.
3. If the property is still exempt and no payments are due, make a record of the telephone call, including the date and the clerk's name. The titleholding congregation should keep a copy of the record in its property file.
4. If the property is not exempt, follow the instructions on the next page.

### IN-PERSON VERIFICATION

1. Visit the tax office and tell the clerk you want to confirm that the congregation's property is still exempt from property tax and that there are no payments due.
2. Provide the clerk with each property's parcel number. The tax office uses parcel numbers to identify properties. If you cannot locate the parcel number(s), provide the clerk with each property address.
3. If the property is still exempt and no payments are due, ask for proof of this—for example, a printout of your property record or a tax bill with a zero balance. If the clerk is unable to provide documented proof, make a record of the visit, including the date and the clerk's name. The titleholding congregation should keep a copy of the record in its property file.
4. If the property is not exempt, follow the instructions on the next page.

## CARING FOR UNPAID REAL PROPERTY TAX

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### **SCENARIO 1: When tax is due on property presently used for congregation meetings.**

Find out from the local tax office whether the amount due is: (1) a special assessment; or (2) real property tax.

(1) If the amount due is for a special assessment, verify that all property owners in the vicinity, including churches, are required to pay the assessment. Ask also about its purpose, for how long it will be assessed, to whom it applies, and the annual cost. Contact the U.S. Legal Department if necessary.

(2) If the amount due is for unpaid property tax, find out why the congregation property is not exempt.

- (a) Ask for an exemption application.
- (b) Ask for a printed bill or account summary. It is important to find out the total tax amount and for what years taxes are due.
- (c) Ask how the exemption can be restored for the years with unpaid taxes.
- (d) Find out when tax sale proceedings will begin, if applicable.
- (e) If the tax office says that the unpaid tax cannot be canceled, find out the reason, including any applicable statutory references. Call the U.S. Legal Department with the information outlined above.
- (f) Complete the exemption application without delay and submit any requested documentation to the tax office.

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### **SCENARIO 2: When tax is due on vacant property or on Kingdom Hall property no longer used for congregation meetings.**

Any special assessment or real property tax that is lawfully owed by the congregation should be paid right away. Contact the U.S. Legal Department if you need assistance determining the validity of a tax assessment.

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### **DEFINITIONS**

**Special assessment.** A charge levied on landowners to cover the cost of public projects, such as for sewer and water system improvements, roads and streets, public utility upgrades, and fire districts. Such improvements are generally paid by those who benefit from the improvements. Charges for special assessment charges are often included on real property tax bills. Congregations are rarely exempt from paying special assessments.

**Real property tax.** A tax levied on landowners based on the value of the land and any improvements. Congregations generally qualify for exemption from real property tax only on property that is *actively used* for religious worship. In some states, vacant land that is intended to be used for a religious purpose may qualify for exemption. However, vacant land held without definite and verifiable plans for future development and properties no longer used by the titleholder for meetings do not generally qualify for exemption.

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## ANNUAL REAL PROPERTY TAX EXEMPTION VERIFICATION RECORD

Congregation name: \_\_\_\_\_ Date: \_\_\_\_\_

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This is an annual review to be completed by September 1 by the secretary of the congregation holding title to your Kingdom Hall property or any other real property.\* Its purpose is to prevent **substantial tax liability and forced sale of congregation-owned property**. A copy of the completed record is to be kept on file by the titleholding congregation. Copies should be promptly provided to the (1) titleholding congregation's coordinator of the body of elders and (2) maintenance coordinator or operating committee chairman.

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### REQUIRED INFORMATION

Does the tax office require an annual real property exemption application or renewal form? \_\_\_\_\_

What is the date when any annual application or renewal form is due? \_\_\_\_\_

**Note: A telephone call to the local tax office (which may have a different name depending on the jurisdiction) will likely be needed to obtain this information.**

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**Parcel 1.** Complete one entry for each separately-taxed property owned by the congregation.

**Address and/or property parcel number.**

\_\_\_\_\_

Property is:  Exempt.  Not exempt.  Mailing address on file is correct. Verification date: \_\_\_\_\_

Verification method:  Website. Attach copy of web page.

Telephone. Name of tax office clerk: \_\_\_\_\_

In person. Name of tax office clerk: \_\_\_\_\_

Notes (include any pertinent details, including any corrective action being taken):

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\_\_\_\_\_

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**Parcel 2** (if applicable). Attach additional pages, if necessary.

**Address and/or property parcel number.**

\_\_\_\_\_

Property is:  Exempt.  Not exempt.  Mailing address on file is correct. Verification date: \_\_\_\_\_

Verification method:  Website. Attach copy of web page.

Telephone. Name of tax office clerk: \_\_\_\_\_

In person. Name of tax office clerk: \_\_\_\_\_

Notes (include any pertinent details, including any corrective action being taken):

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\* Upon request of the titleholding congregation, any qualified elder or ministerial servant attending meetings in the same Kingdom Hall may be assigned to assist the secretary to complete this task. However, the secretary is responsible for ensuring that this completed form is provided to the coordinator of the body of elders and maintenance coordinator or operating committee chairman.