



The Difference Between Supplemental and Escape Assessments December 2012 (Revised April 2013)

Both supplemental and escape assessments are "catch up assessments." However, there is a difference.

A *supplemental* assessment is always:

- 1) A partial-year assessment;
- 2) For the fiscal year during which the event (change in ownership or new construction) happened, unless the event occurs in the first six months of a calendar year, in which case two supplemental assessments will be issued. See example below.

An *escape* assessment is always:

- 1) For a full fiscal year, (see exception above) and
- 2) For years that are prior to or during the current fiscal year (see exception above).

For example:

A property sold on March 1, 2010 for \$1MM. The prior assessment was \$300,000. The assessor eventually worked the sale in August 2012 and accepted the sale price. In this example, the event occurred in the fiscal year 2009/10 and the assessor issued the catch-up assessment in 2012/13. The following table illustrates the difference.

Fiscal Year	Prior Assessment	New Assessment	Prior Assessment	Difference	Type	Proration	Net Assessment
09/10	300,000	1,000,000	300,000	700,000	Supplemental	33%	231,000
10/11	299,292	997,640	299,292	698,348	Supplemental	100%	698,348
11/12	301,546	1,005,152	301,546	703,607	Escape	100%	703,607
12/13	307,577	1,025,255	307,577	717,679	Escape	100%	717,679

If a supplemental assessment is for a partial year, it must be prorated. In this case, the proration period is between March and June, or one third (33.33%).

A taxpayer can elect to pay taxes on escape assessments *other than the current year* in installment plans. Such plans call for a down payment of 20% and the balance can be paid over the subsequent four years, interest free. In the instance above, escape taxes for fiscal years 2011/2012 can be paid in installments but escape taxes for 2012/13 are not eligible because the taxes are for the current fiscal year. Taxes on supplemental assessments *are not* eligible to be paid in installment plans.

There is one more important distinction between supplemental and escape assessments. Typically the burden of proof is with the taxpayer in commercial property appeals. However, if it is an escape assessment, the burden of proof is with the assessor.