



PROPERTY VALUATION
SERVICES

Regional Medical Center Saved \$75M in Tax Assessment

Executive Summary

A tax assessor in southeast Missouri issued a \$75M market value on a business personal property tax parcel for an acute care hospital building still under very final stages of construction as of December 31st of the preceding year.

Challenges

The assessor placed the building on the tangible account by classifying it as "Construction in Progress", despite the building being more than 95% complete with partial occupancy prior to the end of the year. In doing so, the assessor hoped to generate \$1.1M dollars in property tax revenue on the personal property account; the real improvements were exempt from city and county taxes under a negotiated 10-year PILOT agreement with an equity firm.

"PVS appealed and represented the taxpayer, resulting in removal of the \$75M building assessment"

How PVS Helped

PVS appealed and represented the taxpayer at hearing, arguing that the hospital building was "substantially complete" as of January 1, and was therefore classified as real property.

Results

The board ruled in favor of the taxpayer and removed the \$75M building assessment from the personal property tax parcel, assigning it instead to the real estate parcel.