

# BUSINESS

## MONEY MANAGEMENT

# WHAT YOU SHOULD KNOW ABOUT YOUR PROPERTY TAXES

Are you paying more than your fair share of property taxes? The Nevada Society of CPAs recommends that you take time to periodically review your property taxes and, if necessary, appeal assessments that you think are out of line. The end result could be tax savings for years to come.

### How properties are Assessed

Your property tax represents the assessed value of your home multiplied by the local tax rate. The tax rate is set by law and can't be changed on the basis of an individual complaint. However, you may be able to lower your property tax by questioning the amount of your property assessment.

The assessed value of your home is equal to its fair value - what the property would sell for - as determined by a municipal assessor, multiplied by its assessment ratio - the percentage of fair market value subject to tax. In most places, assessors consider sale prices of recent properties in determining the market value of your home.

Localities also use different assessment ratios in computing property tax rates, so you need to find out how the assessments are made in your community. Some localities use 100 percent of the fair market value of your home in calculating your property tax, while others may use a fraction of the market value in doing the calculation.

Don't forget that your property taxes cover local services,

such as the costs for operating schools and libraries. In some instances, increased property taxes may not result from an increase in the market value of your home, but rather from increased costs of operating local services.

### Potential For Errors

The sheer amount of information needed to compute your property tax creates the potential for errors. There may be a simple mathematical error, property values may have declined in your area, or the assessor may have based his computa-

tion on incorrect information about your home.

How do you know if the assessor has accurate information about your home? Go to your local assessors office and obtain your property report card. If you discover an error on your property report card, you may have a case for appealing your property tax.

Also, be aware that you may be entitled to special exemptions, which should be reflected in your property tax calculations. For example, in some communities, veterans, elderly or blind

people, and people with low incomes may be entitled to a tax break.

### Making An Appeal

In making an appeal, it's up to you to prove your home's assessment is incorrect. If you can show that there is a mathematical error in your property tax calculation or a factual error on your property, such as listing your one-story home as a two-story residence, you may be able to have your assessment lowered in an informal talk with the assessor.

(See Money Mgt., Page 7)

## ECONOMIST REPORTS ON GROWING SUCCESS OF BLACK ENTREPRENEURS

WASHINGTON-As details emerge from the White House on how its proposed "economic empowerment" policies will address urban unemployment and decay, a new book by economist Timothy Bates — widely recognized for this expertise on minority business development — adds a hopeful element to the debate.

In "Banking on Black Enterprise: The Potential of Emerging Firms for Revitalizing Urban Economies," published by the Joint Center for Political and Economic Studies, Bates reports on the growing success of an emerging population of black entrepreneurs who have been succeeding and expanding their businesses at healthy rates. Intensifying business assistance to these and other well-posi-

tioned minority firms, Bates says, holds promise for bringing a significant number of jobs to inner-city residents and for helping to stop urban decline.

Bates, an economist at the New School for Social Research in New York, also states that the trickle-down approach to enterprise zones promoted by the Reagan and Bush administrations should be discarded in favor of a community-oriented approach that places less emphasis on business owners' tax benefits and more emphasis on local residents' proposal mirrors several of Bates' enterprise recommendations — including government incentives for hiring local residents.

In his research, Bates found that inner-city minority workers are most consistently hired by other minorities, and that this hold true no matter where the businesses are located. Bates' research also documents how both neighborhood redlining and race discrimination against busi-

ness borrowers continues today; he says federal and state authorities must get tougher in regulating against such illegal banking industry practices. Specifically, in the 28 metropolitan areas he reviewed, Bates found that:

— 93.5 percent of the black-owned firms — but only 23.2 percent of white-owned firms — have a work force that is more than 50 percent minority.

— While a white-owned firm, on average, receives \$1.79 in business loans for every dollar put up in equity, an equally qualified black-owned firm receives only 89 cents.

Bates also reports that a whole new class of black-owned businesses has emerged over the decade. Like the traditional mom-and-pop businesses that still characterize the core inner city, these emerging firms hire minority workers. But unlike these small businesses, emerging firms reach beyond the mi-

(See Economist, Page 7)

## Real Estate Perspective

By Loretta A. Hall



## SURVEY INDICATES AMERICANS FEEL NOW IS AN EXCELLENT TIME TO BUY

The Federal National Mortgage Association (Fannie Mae) said this week that half of the Americans surveyed last month said that they believed now is an excellent time to buy a home due to low mortgage interest rates.

That's an increase from 30 percent in a similar poll taken by Fannie Mae last year. (Fannie Mae is a congressionally chartered, shareholder-owned company and the nation's largest investor in home mortgages.)

On the down side, the percentage who said discrimination poses a problem in their efforts to buy a house also rose sharply. The survey included 2,198 respondents.

Fannie Mae's 1993 National Housing survey shows that American attitudes about housing and homeownership have substantially improved since last year.

Americans are more confident that this is a good time to buy a home and that they have the ability and the resources to do so.

The lower interest rates of last year had a profoundly positive impact.

Sixty percent of those who believe now is a good time to buy stated that the reason they would consider purchasing a home is mainly because interest rates are very affordable today.

The survey summary cited that the importance of lower interest rates was revealed even more clearly by the response of

those in the market for a home who feel this is a good time to buy. Seventy-two percent of this group surveyed pointed to low interest rates as their reason for a favorable assessment.

The survey showed that 74 percent believed that homeownership is within reach for most people between the ages of 30 and 35, compared to only 47 percent a year ago.

The biggest obstacle the survey found was the lack of money for a down payment and closing costs.

Forty-five percent cited insufficient money in the current poll, down from 51 percent in 1992.

Among problems short of an obstacle, discrimination was mentioned by 52 percent as "a serious problem," up from just 42 percent a year.

One notable point revealed by the survey was housing discrimination is still a serious matter.

Large percentage of Americans who believe housing discrimination is still a serious issue shows how much work all of us have to do to improve in the area of housing discrimination and the entire mortgage lending industry at large.

As always, please contact a professional for all your REAL ESTATE NEEDS or write to me c/o REAL ESTATE PERSPECTIVE, Las Vegas Sentinel Voice Newspaper, 1201 South Eastern Avenue, Las Vegas, Nevada 89104.

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