

**Date:** [Insert Date]

**Property Address:** [Insert Property Address]

**Buyer(s):** [Insert Buyer Names]

**Seller:** [Insert Seller/Builder Name]

# New Construction Property Tax Proration Acknowledgment

To whom it may concern,

The undersigned Buyer(s) and Seller hereby acknowledge and agree to the following regarding the proration of real estate taxes for the property mentioned above:

- **Assessed Value:** Tax prorations at the time of closing are based on the most recent available tax bill or assessment. For new construction, this often reflects the value of the unimproved land only.
- **Future Assessments:** The Buyer(s) understand that the taxing authority will reassess the property to include the value of the completed structure (improvements). This reassessment will result in a significant increase in property taxes.
- **Finality of Proration:** Unless otherwise agreed in writing, the tax proration credited at closing is considered a final settlement between the Buyer(s) and Seller.
- **Buyer Responsibility:** The Buyer(s) accept sole responsibility for the payment of all future tax bills issued after the date of closing, regardless of any increase resulting from the completion of the home.

By signing below, all parties acknowledge that they have been advised of the potential for a "tax jump" and agree that the closing agent and/or title company shall not be held liable for any future tax adjustments or discrepancies.

**Buyer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Buyer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Seller Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_