Property Tax Compliance

Closing the confidence gap and capturing ROI



Carl Hoemke
General Manager, Property Tax, Avalara

Derek Brink
VP and Research Fellow, Aberdeen

© Avalara. Confidential and proprietary.

Meet our speakers



Carl Hoemke

General Manager,
Property Tax, Avalara

Carl is a finance and tax industry entrepreneur with more than 30 years of experience developing tools to support fair tax assessments and ease the burden of property tax compliance. His mission is to positively impact organizational efficiencies and help elevate the role of property tax teams with high-quality products and services.



Derek Brink

VP and Research Fellow,
Aberdeen

Derek E. Brink, CISSP is a vice president and research fellow at Aberdeen, focused primarily on topics in Information Security and IT GRC. He earned an MBA with honors from the Harvard Business School and a BS in Applied Mathematics with highest honors from the Rochester Institute of Technology. Derek is also adjunct faculty at Harvard University and Brandeis University, where he teaches graduate-level courses in cyber security.

Methodology and respondent base

307 enterprise property tax decision-makers across three industries, surveyed July 2026.

Industry	Respondents	Share of sample	100-1,000 employees	1,001-2,500	More than 2,500
Retail	101	33%	46%	26%	29%
Manufacturing	102	33%	29%	57%	14%
Healthcare	104	34%	28%	30%	42%

> Every respondent is a taxpayer — a corporate enterprise filing for real property, business personal property, or both. No consultancies or taxing authorities are in the sample.

Healthcare skews largest by headcount (42% above 2,500 employees) and Manufacturing clusters in the 1,001–2,500 band (57%). Where an industry difference below tracks organization size rather than asset class, it is called out on the slide.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q1, Q2, Q3.

@2026 Spiceworks Ziff Davis

Agenda

1. Compliance is not the same as optimization.
2. "Business as usual" is a financial liability.
3. Stop treating property tax as a fixed cost.
4. From passive ledger to active savings engine.

Compliance is not the same as optimization.

Why simply "paying the bill on time" means you are leaving money on the table.

The four-stage property tax cycle

Where the hidden complexity, cost and risk of enterprise compliance actually sits.

Asset class	Stage 1 · Calendar Q1–Q2 Return filing Taxpayer's opinion of value	Stage 2 · Calendar Q2–Q3 Assessment notice Jurisdiction's opinion of value	Stage 3 · Calendar Q3–Q4 Appeals window Value negotiation*	Stage 4 · Calendar Q4 Tax payment Final value × tax rate
Real Property (real estate)	Typically not applicable. Local assessors independently review real estate records and determine value; no proactive return is required.	Receipt of valuation. The jurisdiction issues an official assessment notice setting out its calculated value of land and buildings.	Narrow window for review and appeal. A strict, legally mandated timeframe — frequently just 30 days — to appeal an overvaluation.	Verification and payment. The team must verify the bill matches the agreed value, route it for approval, and pay before penalties apply.
Business Personal Property (tangible assets)	Proactive asset reporting. The enterprise maintains granular fixed-asset ledgers, applies state depreciation schedules, and files annual returns.	Review and receipt of valuation. The jurisdiction reviews the filed returns and issues an assessment notice defining the value of tangible assets.	Narrow window for review and appeal. The same 30-day clock — identify overvaluations and negotiate before the higher liability is locked in.	Verification and payment. The team ingests the physical bill, verifies the liability against local rates, and pays to avoid statutory fines.

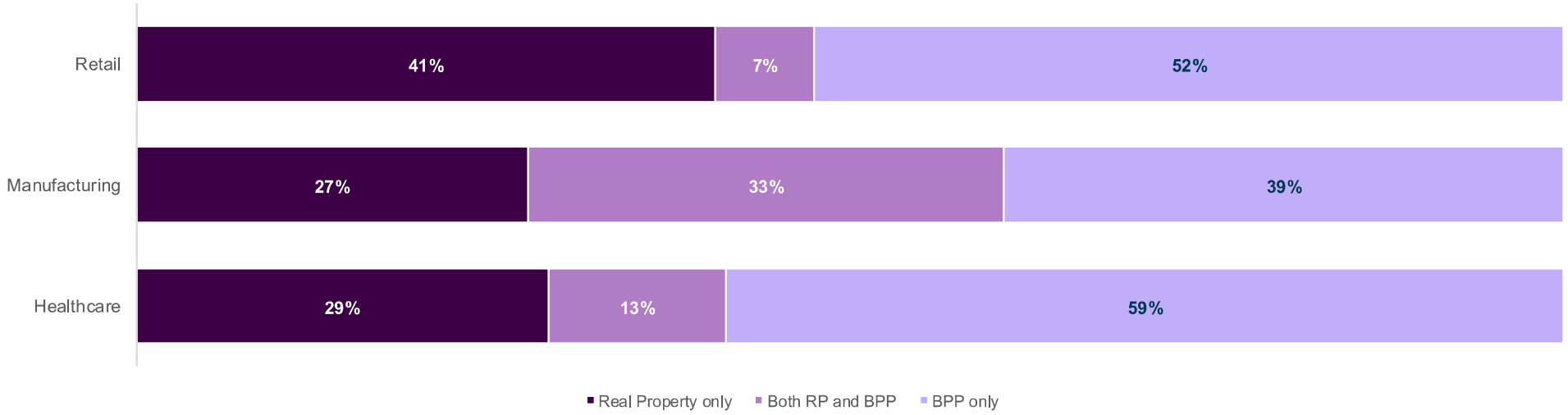
Stage 1 is the structural difference: real property is valued for you, but business personal property must be reported by you — which is why BPP dominates the workload in every industry that follows.

*Source: Aberdeen, June 2026. * The macro appeals season spans calendar Q3–Q4, but the US has over 10,000 fragmented local jurisdictions, each on its own timeline. For any single property or asset the enterprise faces a 30-day micro-window from the notice date — hundreds or thousands of rolling, overlapping deadlines across the season.*

@2026 Spiceworks Ziff Davis

Which asset classes the tax team owns

Manufacturing is far more likely to carry both asset classes at once.



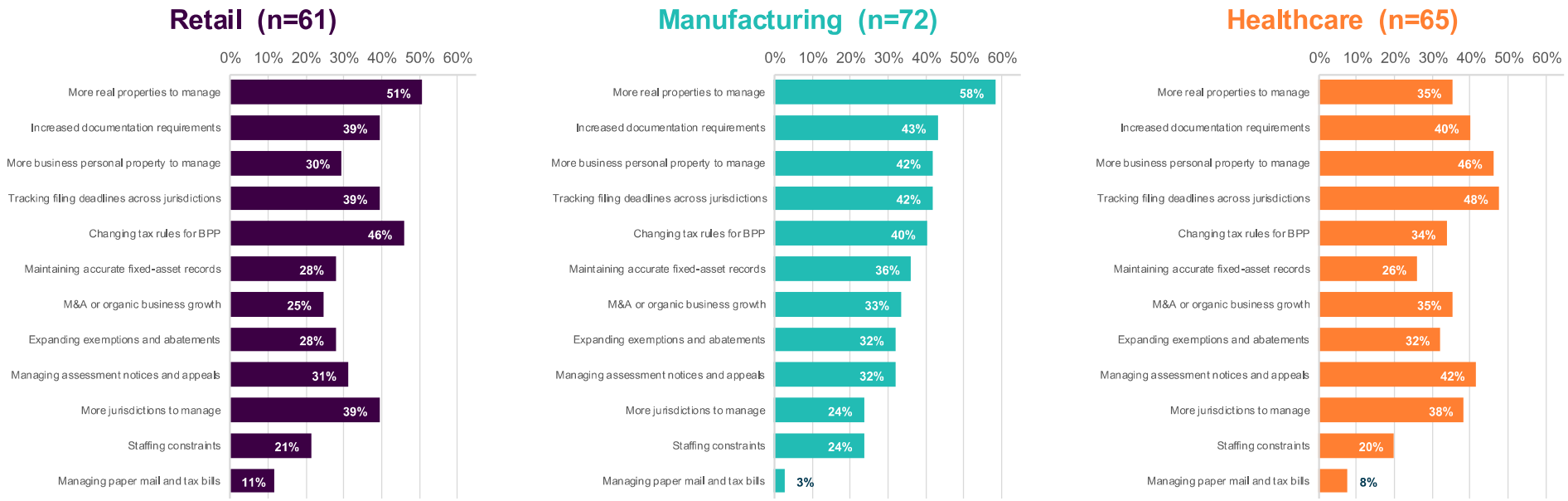
One in three manufacturers manages real property and BPP together — nearly five times the Retail rate (7%). Retail and Healthcare tax teams are BPP-first organisations: 53% and 59% handle tangible assets only.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q3. Recomputed from respondent-level data as mutually exclusive segments; the published crosstab reports overlapping multi-select rows summing to 107–133%.

@2026 Spiceworks Ziff Davis

Property tax complexity is rising – here's what is driving it

Among the two-thirds of organizations reporting more complex property tax compliance than three years ago.

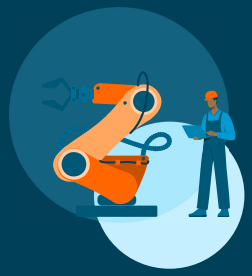


Retail and Manufacturing point at the real property portfolio growing (51% and 58%). Healthcare points at the calendar instead — tracking filing deadlines across jurisdictions is its top driver at 48%.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q7a. Base is only those reporting increased complexity (Retail 61, Manufacturing 72, Healthcare 65) — small bases, read directionally. Multi-select; columns sum to more than 100%.

@2026 Spiceworks Ziff Davis

Property tax has industry-specific traps most companies miss



Manufacturing

Ghost assets

You could be paying property tax on equipment scrapped years ago. "Ghost assets" – retired machinery still on your fixed asset roll – are taxable in most states, and no one audits your rendition.



Retail

Dark store theory

Big-box retailers have argued their open stores should be assessed like vacant buildings – and won, cutting property tax bills by 50%+ in multiple states.



Healthcare

Double assessment

The same medical equipment is often taxed twice – once on the landlord's real property record and again on the tenant's BPP rendition. One imaging center found $24,000+ in annual savings just from auditing for duplicates.

© Avalara. Confidential and proprietary.

Don’t leave money on the table

Common exemptions that can make a difference

Manufacturing

- Pollution control equipment
- Machinery and equipment
- Freeport inventory

Retail

- Inventory
- Functional obsolescence on aging store fixtures

Healthcare

- Non-profit status
- Accelerated depreciation on medical devices

Overlooking these unique exemptions leads to substantial overpayment.



Shifting legislation: More tax relief, more rules

Why static ERP ledgers fail to capture dynamic tax savings.

- **New opportunities, new complexities**: States are continually introducing new property tax relief and exemptions, but the rules to qualify are highly complex and vary wildly by jurisdiction.
- **The ERP limitation**: Passive accounting ledgers and manual spreadsheets don't track legislative changes, changing filing thresholds, or updated assessment ratios.
- **The cost of manual tracking**: If your system isn't dynamically updating to reflect these legislative shifts, you are likely leaving new, eligible tax relief on the table.
- **The modern approach**: Transition from a static ledger to an active compliance engine that monitors changes across thousands of jurisdictions for you.

Static ledgers won't catch changing legislative rules



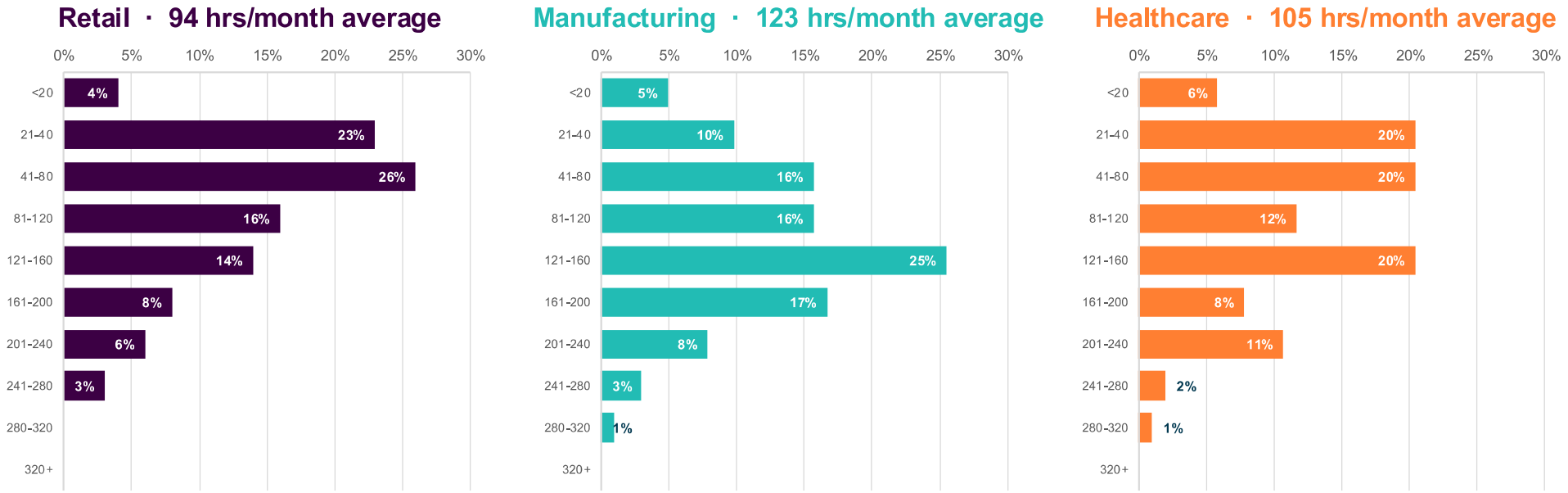
© Avalara. Confidential and proprietary.

"Business as usual" is a financial liability.

The manual processes and unexamined valuations silently draining your bottom line.

Hours per month spent on property tax

Distribution of total monthly effort, with the weighted average for each industry.



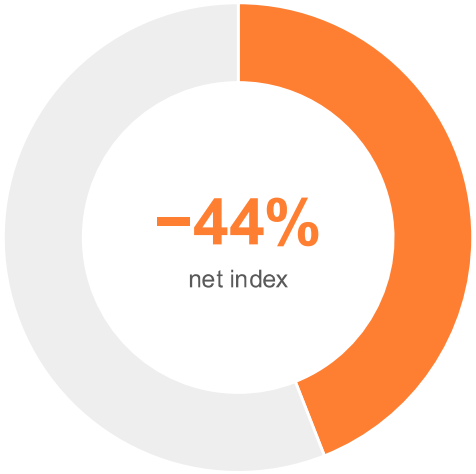
Manufacturing burns 123 hours a month — 31% more than Retail's 94 — and its distribution is visibly shifted right, with a quarter of manufacturers above 160 hours.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q9. Weighted average computed from bucket midpoints (<20 hrs = 10, 21–40 = 30.5, … 280–320 = 300); 'Don't know' excluded and the remainder renormalised.

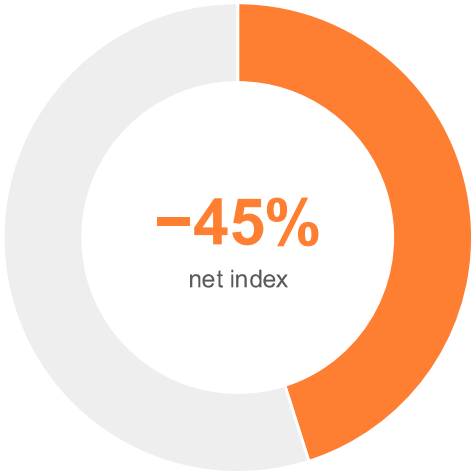
Paper mail is a bottleneck everywhere

Net index on the ingestion of physical assessment notices and tax bills.

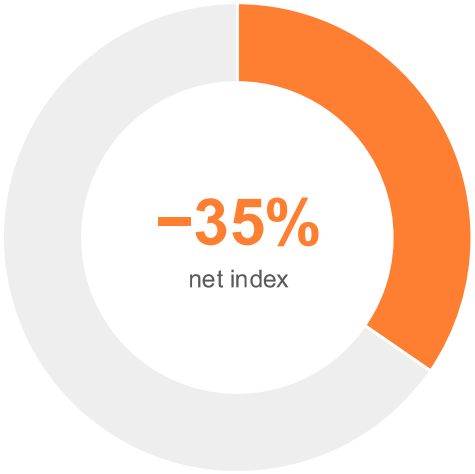
Retail (n=101)



Manufacturing (n=102)



Healthcare (n=104)



No industry is close to neutral. Retail and Manufacturing sit near −45%; Healthcare is least bad at −35%, and is also the industry most likely to have digitized intake.

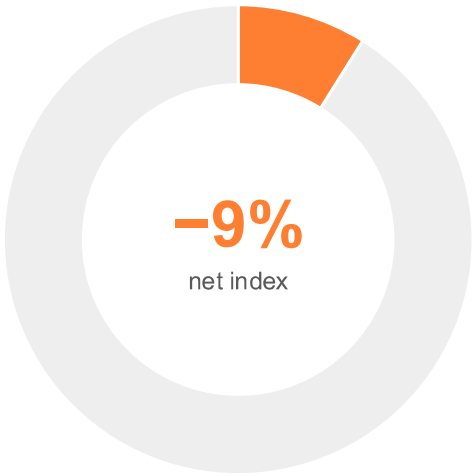
Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q13. Net index = (favourable − unfavourable) ÷ base excluding 'Don't know'; +100% = all favourable, −100% = all unfavourable.

@2026 Spiceworks Ziff Davis

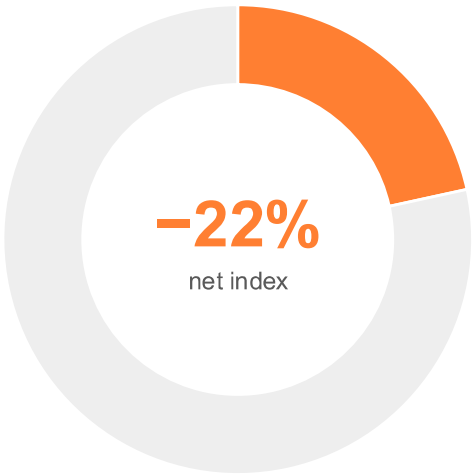
Missed appeal windows

Net index on how often the 30-day window to appeal an assessment is missed.

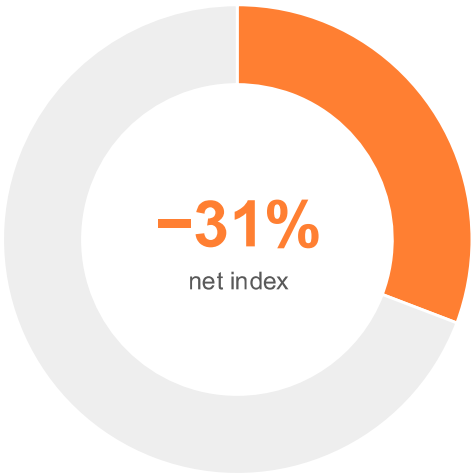
Retail (n=101)



Manufacturing (n=102)



Healthcare (n=104)



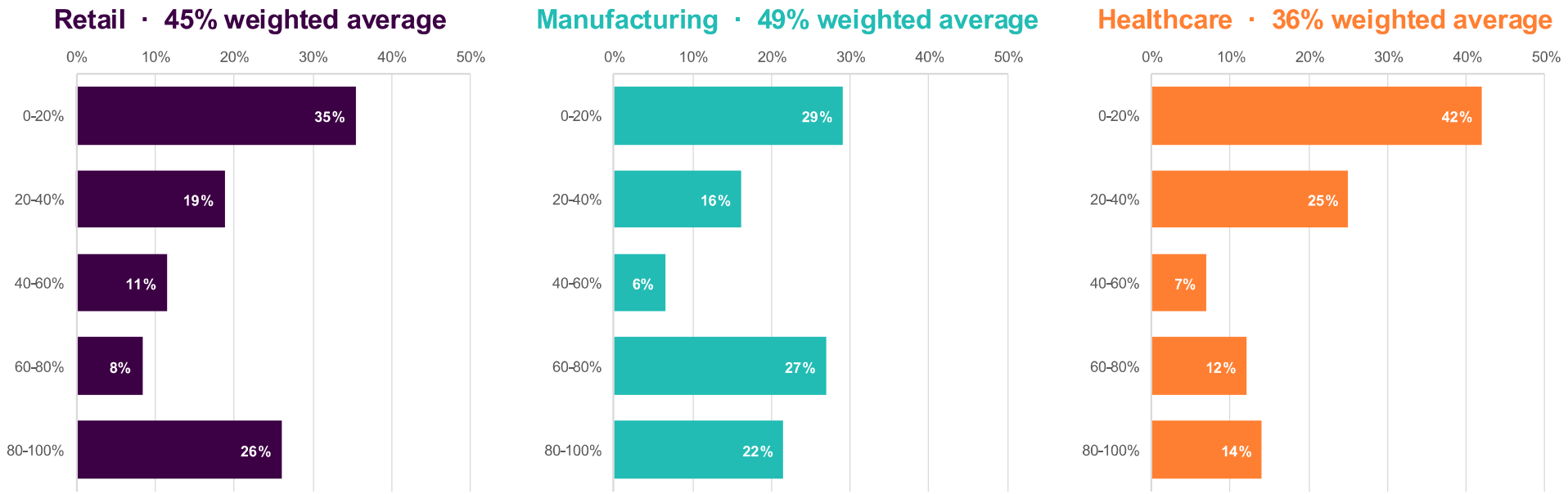
Healthcare misses appeal windows more than three times as often as Retail on a net basis (−31 vs −9) — consistent with it having the most asset-dense, deadline-heavy footprint.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q14. Net index = (favourable − unfavourable) ÷ base excluding 'Don't know'; +100% = all favourable, −100% = all unfavourable.

@2026 Spiceworks Ziff Davis

How often challenges and filings succeed

Distribution of the success rate on assessment challenges, exemption and abatement filings.



Healthcare wins just 36% of what it files, against 49% for Manufacturing — and 42% of healthcare filers land in the bottom band. The distribution is bimodal everywhere: organisations either win most of the time or almost never.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q19. Base excludes organisations that filed nothing in the period (Retail 5%, Manufacturing 9%, Healthcare 3%), leaving n=96/93/100. Weighted average from bucket midpoints; note the survey scale omits a 50–55% bucket.

@2026 Spiceworks Ziff Davis



The hidden costs of late property tax bills

Stop losing money to easily avoidable compliance errors

- **Severe late penalties:** Missed deadlines from manual tracking can trigger fees up to 10% of the total tax bill.
- **Lost early-payment discounts:** Delayed internal approvals and lost mail leave guaranteed savings on the table.
- **Hidden operational costs:** Chasing missing bills across hundreds of jurisdictions drains team resources.

Automated due-date workflows ensure critical payment windows are never missed.

© Avalara. Confidential and proprietary.

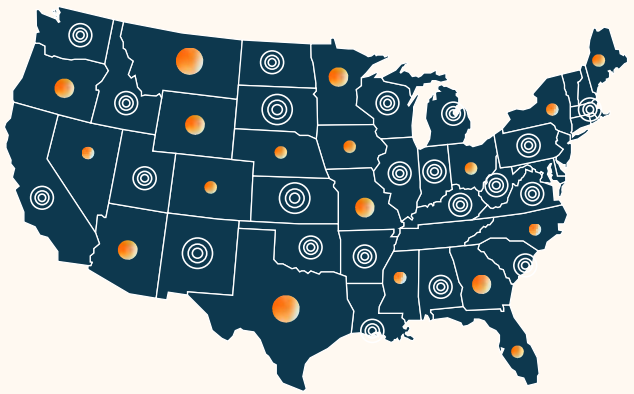
Why it's critical to review property tax assessments



Why missing appeal windows costs you

Without digital input or intervention, managing appeals can be challenging

- Appeal deadlines can be statutory or a specific number of days after a notice of assessment is sent.
- Some jurisdictions don't send assessment notices, so the taxpayer must find the assessed value of their property to determine if it is a fair value,
- Taxpayer must manually determine values for appeal (historical value trends, comparisons to prior years, values of comparable properties).
- Taxpayer must decide the values worthwhile to appeal by automatically calculating tax savings potential.
- Tracking all deadlines, extension dates and due dates is nearly impossible without extensive research.



© Avalara, Inc. 2026. Confidential and proprietary.

Knowing when and how to appeal

Maximize savings through timely, evidence-based challenges

ACT QUICKLY

You typically only have **30 to 45 days** from the assessment notice to file a formal appeal

LOOK FOR COMMON ERRORS

Double assessments, leased assets owned by others, or valuations out of line with similar properties

GATHER YOUR EVIDENCE

Obtain professional appraisals, document structural issues, and compare with similar property sales

AUTOMATE THE MATCH

Avalara automatically flags variances to help ensure you capture savings



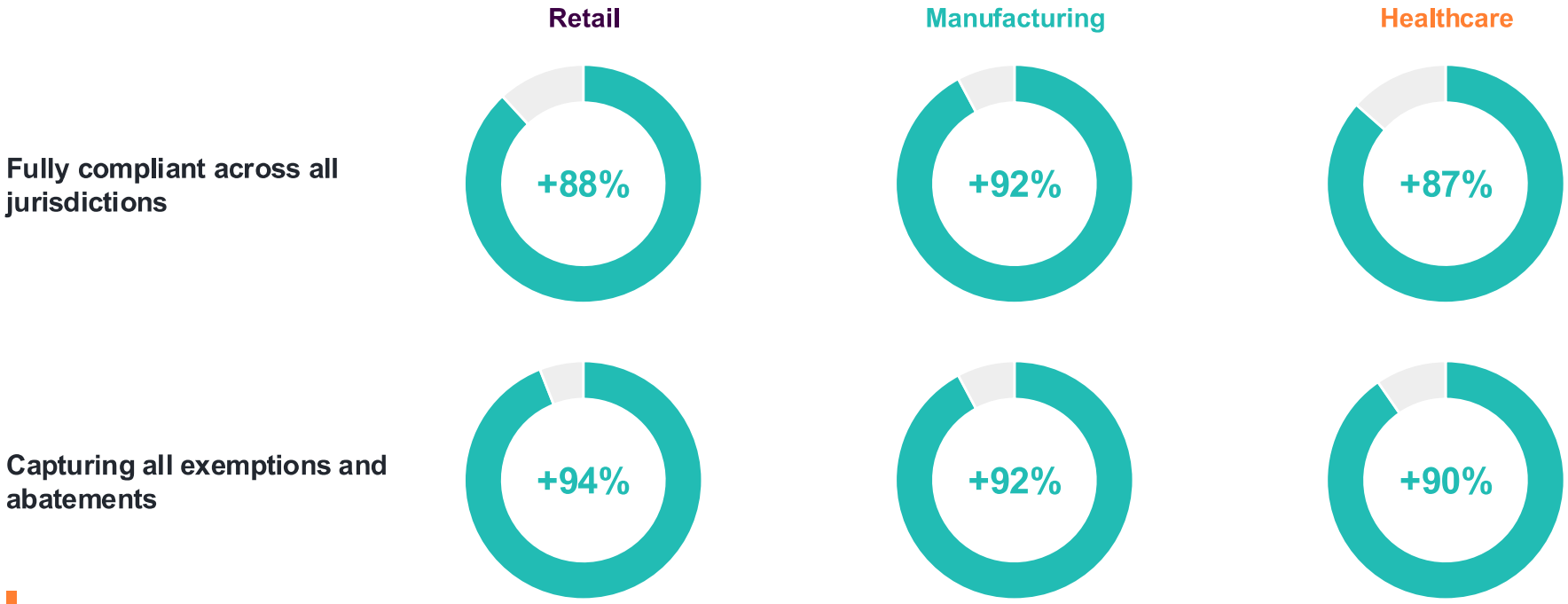
© Avalara. Confidential and proprietary.

Stop treating property tax as a fixed cost.

How to flip the narrative and build a business case for modernization.

(Over)confidence is near-universal

Net index on confidence in compliance coverage (top) and confidence on capturing every available exemption (bottom).



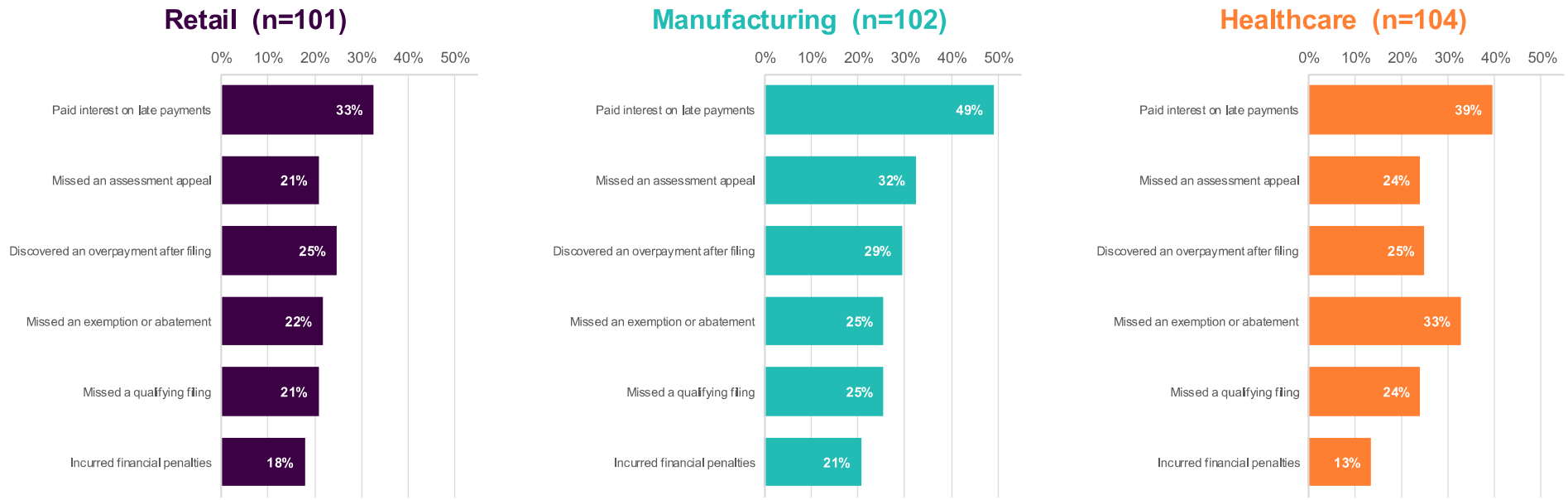
Net confidence never drops below +87% on either question. Set that against the next slide: 67–78% of these same organizations have taken a real financial hit in the past three years.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q15, Q16. Net index = (confident – not confident) ÷ base.

@2026 Spiceworks Ziff Davis

The confidence gap: what actually happened

Negative outcomes experienced in the past three years.



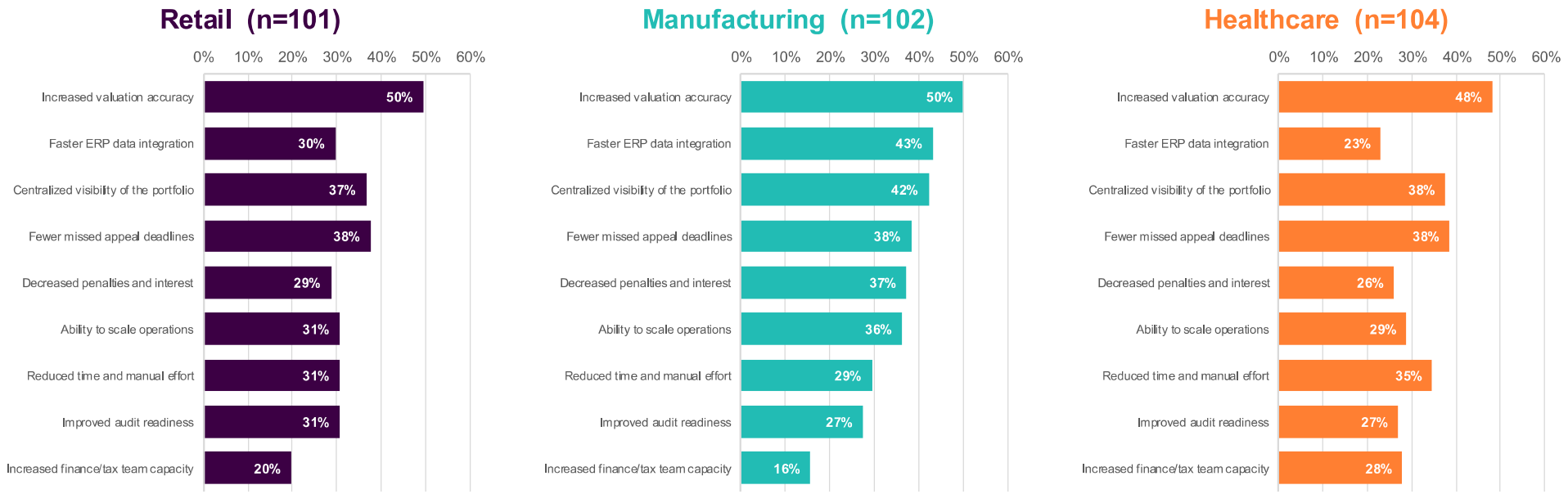
78% of manufacturers, 73% of healthcare systems and 67% of retailers hit at least one of these — against net confidence above +87%. Interest on late payments is the single most common failure, and nearly half (49%) of Manufacturing pays it

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q17. Multi-select; columns sum to more than 100%. 'At least one' figures exclude respondents selecting 'None of the above'.

@2026 Spiceworks Ziff Davis

What a property tax solution delivers

Benefits experienced from using software for property tax operations.



Increased valuation accuracy leads in all three industries, at roughly 50%. The differentiator is Manufacturing: 43% cite faster ERP data integration, against just 23% in Healthcare.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q20. Multi-select; columns sum to more than 100%.

@2026 Spiceworks Ziff Davis

Audit readiness requires centralized data



Stop the scramble

maintain a single repository for returns, asset listings, and general ledgers so you aren't rushing when an auditor calls



Pull documentation quickly

easily access historical asset statuses, classifications, and depreciation schedules across any tax year



Defend your valuations

clear paper trails and ready access to records are your best defense against auditor adjustments and supplementary bills

Defend your valuations with complete confidence and instant access to your data.

5 ways modern property tax software drives ROI

Reduction of penalties and improved compliance

Automatically track deadlines to avoid late filing penalties (often starting at 10%)

Workforce optimization and resource reallocation

Automate manual processes to free up internal staff for high-value tasks and reduce reliance on external advisors

Better assessment visibility for appeals

Centralize data to easily identify overpayments, incorrect assessments, and missed exemptions

Operational efficiency and business growth

Scale compliance effortlessly without needing proportional staff increases as your portfolio grows

Improved budgeting and predictable expenses

Replace fluctuating penalty and contractor fees with predictable, structured technology costs

From passive ledger to active savings engine.

Stop just recording your liabilities. Start capturing your ROI with Avalara.

Avalara Property Tax



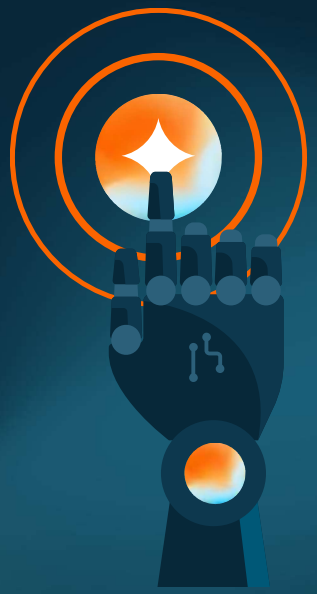
ONE PLATFORM. FULL VISIBILITY.

Avalara transforms a passive ledger into an active savings engine.

- ✓ Cloud-native, scalable platform vs. client-installed legacy limitations
- ✓ AI-powered document processing that eliminates manual data entry
- ✓ Automated assessment matching that actively flags variances and appeal opportunities
- ✓ Real-time visibility and workflow tracking across thousands of jurisdictions to ensure you never miss a deadline
- ✓ Audit-ready centralization for complete data confidence

The ROI of modernization

What to share with your leadership team





Compliance is costing us more than it should

We are spending too much manual effort tracking deadlines rather than actively analyzing valuations for savings.



The ROI of modernization is measurable

Centralizing data and leveraging AI will reduce our contractor fees, eliminate late penalties, and capture missed tax savings.



Our ERP isn't enough

Our current system simply records assets; it doesn't proactively identify tax relief, exemptions, or appeal opportunities.

© Avalara, Inc. 2026. Confidential and proprietary.

Avalara

Take the next step with Avalara.

What happens after you schedule a personalized property tax review:

- Watch a live walkthrough of how we automate document extraction and eliminate manual data entry.
- Learn how automated variance matching can uncover hidden savings and missed exemptions in your specific portfolio.
- Let our experts help you build a customized, data-backed business case to prove the value of modernization to your executives.

Talk to an Avalara property tax expert

© Avalara. Confidential and proprietary.


Avalara
Tax compliance done right

ABERDEEN RESEARCH

SWZD SPICEWORKS ZIFF DAVIS | Build Authentic Relationships℠

Property Tax Compliance by Industry

Retail | Manufacturing | Healthcare

Prepared for Avalara · Aberdeen Research · August 2026

Scope of the compliance footprint

Average jurisdictions and assets per jurisdiction by industry.

Industry	Average RP jurisdictions	Average real properties per jurisdiction	Average BPP jurisdictions	Average tangible assets per jurisdiction
Retail	26	8	26	626
Manufacturing	36	18	36	626
Healthcare	30	18	36	1,500

The BPP portfolio is two orders of magnitude larger than the real property portfolio in every industry. Healthcare carries the densest asset load per jurisdiction — a median 1,500 tangible assets, against 625 for Retail and Manufacturing.

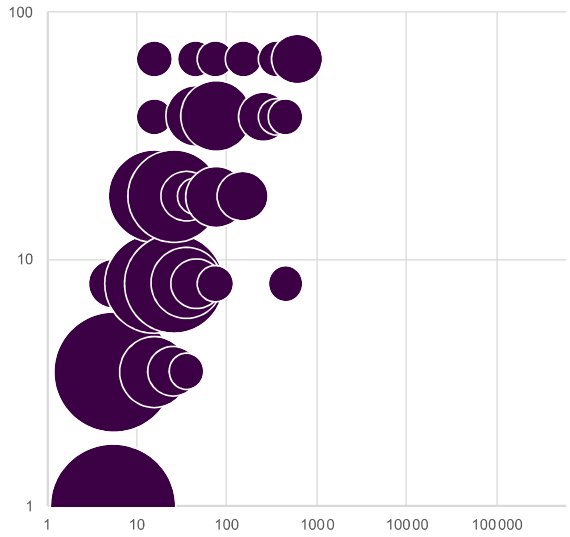
Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q5a–Q5d. Medians of bucket midpoints; 'Don't know' excluded. Medians rather than means, because the open-ended top buckets skew the averages by roughly an order of magnitude.

@2026 Spiceworks Ziff Davis

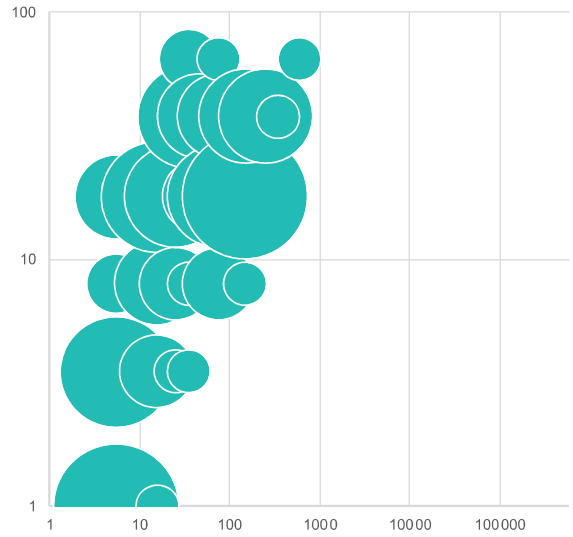
Real Property footprint, respondent by respondent

Each bubble is a group of respondents: jurisdictions against real properties per jurisdiction.

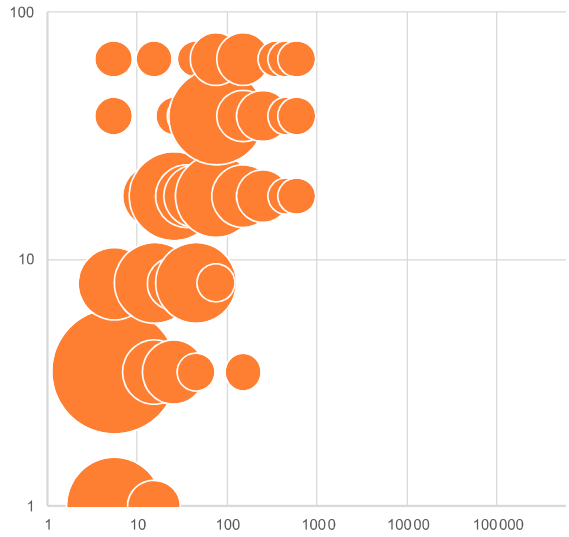
Retail (n=101)



Manufacturing (n=102)



Healthcare (n=104)



Horizontal: property tax jurisdictions (log scale) · Vertical: real properties per jurisdiction (log scale) · Bubble area: number of respondents

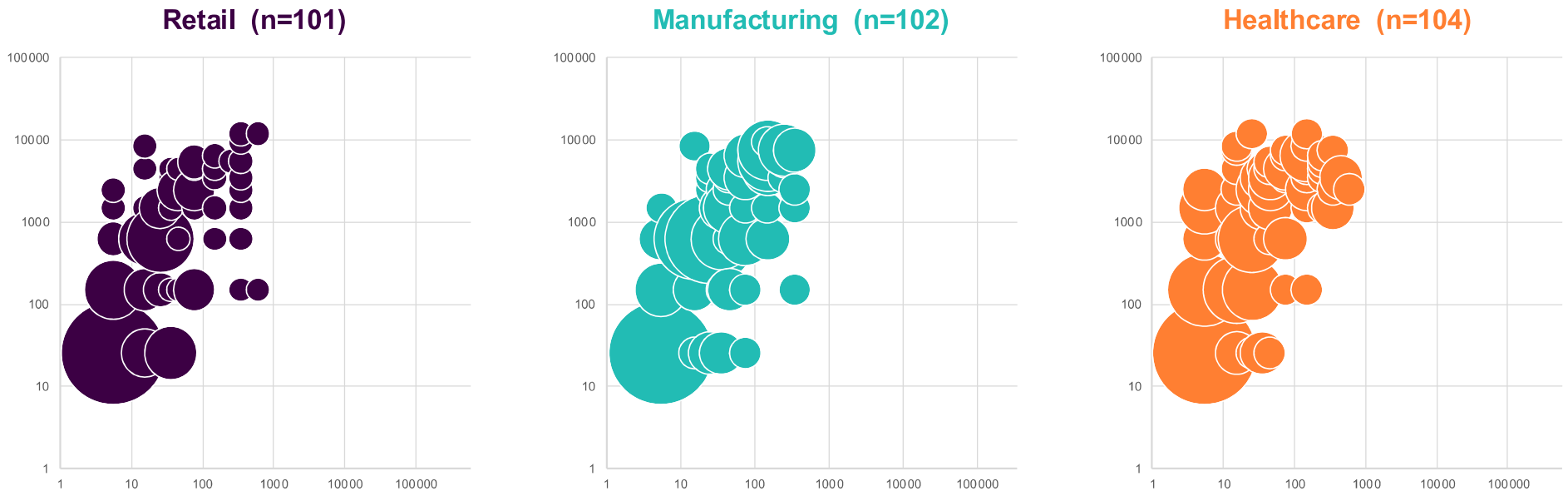
Retail clusters low and tight — many single-property jurisdictions. Manufacturing and Healthcare spread up and to the right, combining more jurisdictions with denser holdings in each.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q5a×Q5b and Q5c×Q5d, plotted at bucket midpoints on log scales. Both axes log because the footprint spans four orders of magnitude.

@2026 Spiceworks Ziff Davis

Business Personal Property footprint, respondent by respondent

Each bubble is a group of respondents: jurisdictions against tangible assets per jurisdiction.



Horizontal: property tax jurisdictions (log scale) · Vertical: tangible assets per jurisdiction (log scale) · Bubble area: number of respondents

The BPP cloud sits orders of magnitude higher on the vertical axis than the real property cloud. Healthcare's mass sits highest of all — asset-dense sites, each one a separate annual return.

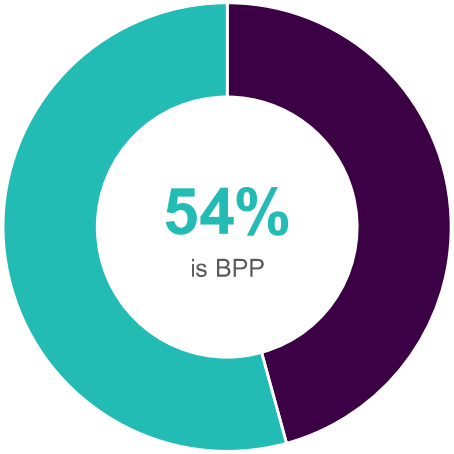
Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q5a×Q5b and Q5c×Q5d, plotted at bucket midpoints on log scales. Both axes log because the footprint spans four orders of magnitude.

@2026 Spiceworks Ziff Davis

Where the property tax liabilities actually fall

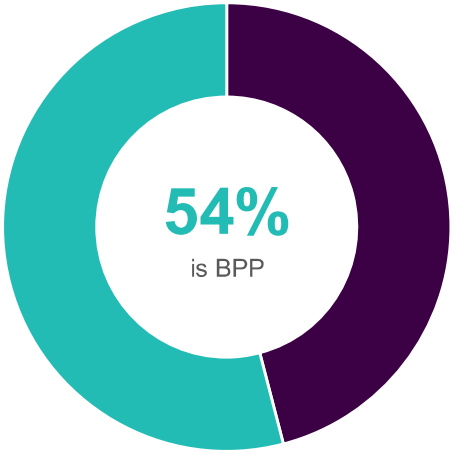
Business personal property is the larger share of annual liability in all three industries.

Retail (n=101)



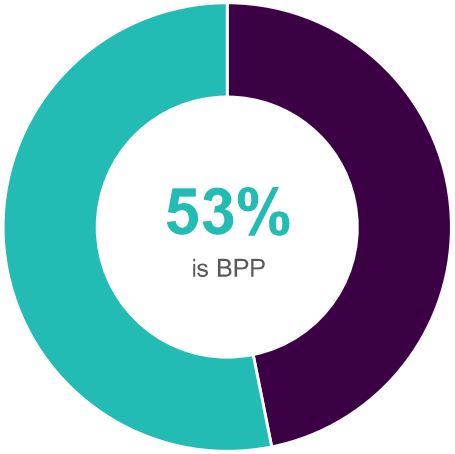
Real Property 46% · BPP 54%

Manufacturing (n=102)



Real Property 46% · BPP 54%

Healthcare (n=104)



Real Property 47% · BPP 53%

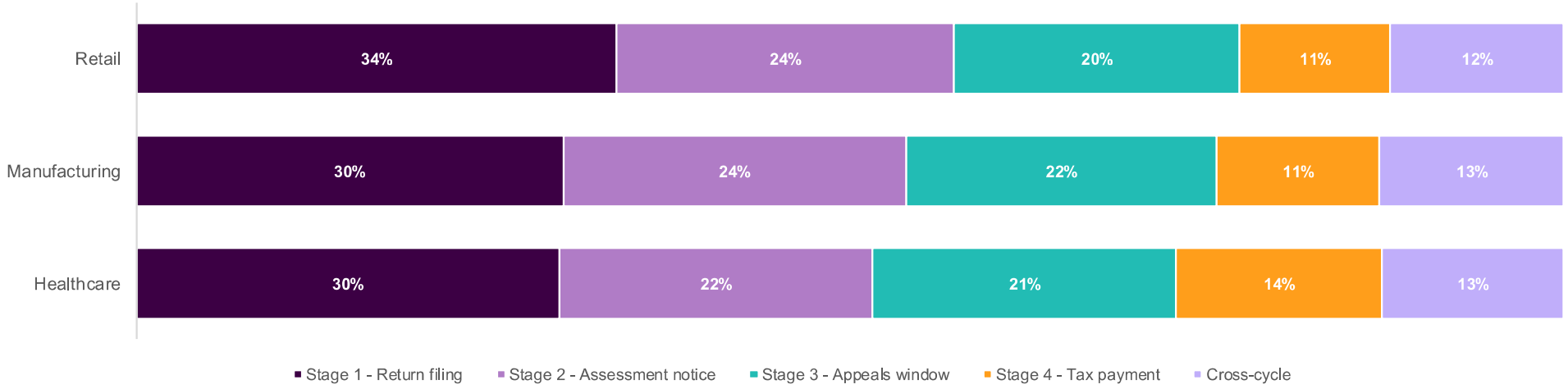
The split barely moves across industries — BPP is 53–54% of liability everywhere. The asset class that requires proactive filing is also the one carrying the majority of the total property tax obligation.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q6. Recomputed from respondent-level data including zero responses so each pair sums to 100%; the crosstab Mean Summary excludes zeros and sums to ~103%.

@2026 Spiceworks Ziff Davis

Where the property tax team's time goes

Average share of total team time by stage of the four-stage cycle.



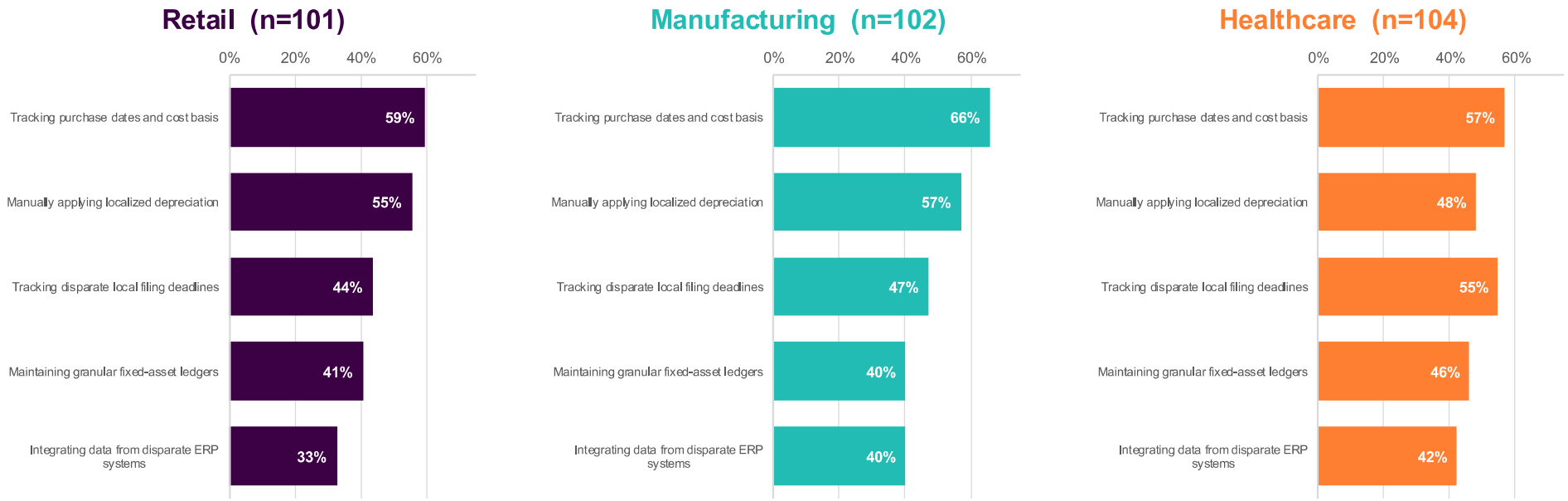
A third of all team time goes to Stage 1 — the return-filing work that only BPP requires. Healthcare is the exception at the other end: 14% of its time goes to Stage 4 verification and payment, versus 11% in Retail.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q12. Recomputed from respondent-level data including zero responses so each row sums to 100%; the crosstab Mean Summary excludes zeros and its stage totals reach ~135%. Stage 1 = fixed-asset ledgers + return filing; Stage 2 = mail ingestion + assessment review; Stage 3 = tax research + protests; Stage 4 = liability verification and payment; Cross-cycle = budgeting, accruals, other.

@2026 Spiceworks Ziff Davis

Where BPP compliance breaks down

Tasks causing the most operational friction, because BPP requires proactive reporting.



One answer dominates everywhere: tracking purchase dates and historical cost basis (57–66%). Healthcare is the outlier on deadlines — 55% cite disparate local filing dates, against 44% in Retail.

Source: Aberdeen, Avalara Property Tax Survey, August 2026. n=307 (Retail 101, Manufacturing 102, Healthcare 104). Q11. Multi-select; columns sum to more than 100%.

@2026 Spiceworks Ziff Davis