

The Homeowner Tax Relief Act 72-2004

Homestead / Farmstead Exclusion Notification and Application Instructions

Dear Property Owner:

The Homeowner Tax Relief Act, Act 72 of 2004, was signed into law by Governor Rendell on July 5, 2004, to allow school districts to reduce property taxes through a homestead and/or farmstead exclusion. Property tax relief will be funded by a combination of state revenue from gaming and dedicated local income taxes. Under a homestead property tax exclusion, the assessed value of each home is reduced by the exclusion amount before the property tax is computed. Most likely, initial property tax reductions will not take effect until July 1, 2006; however, the changes may occur as early as July 1, 2005 or as late as July 1, 2007. In addition, some school boards may choose not to adopt the homestead exclusion.

The tax reduction will come to you in the form of a reduced assessment noted on your school district real property tax bill. However, the reduction will not be automatic. You must qualify for the reduction by filing a homestead and/or farmstead application with the Dauphin County Assessment Office, and your application must be approved. Approved applications are valid for a 3-year period. You will be notified by the County when you need to renew your application.

Attached is the application for completion. Applications must be filed before March 1st of each year. Submit your completed application to the Dauphin County Office of Tax Assessment, Attn: Act 72 Administration, 2 S. Second Street, PO Box 1295, Harrisburg, PA, 17108-1295. You will receive notification regarding your approval or denial from the Dauphin County Office of Tax Assessment within 30 days after the receipt of your application. If for any reason your application is denied, you will be given an opportunity to appeal the county's determination.

Watch for further notification from your local School District regarding property tax relief updates and details.

APPLICATION INSTRUCTIONS

The enclosed Homestead and/or Farmstead application is being provided to all residential property owners on behalf of your local school district in accordance with the requirements of The Homeowner Tax Relief Act, being Act 72-2004.

Provide information on lines A through F relative to questions 1 through 9 that follow. The A. Property ID Number and B. Assessment Information can be found on your most recent real estate tax notice.

Should you have an approved Act 50 Homestead and/or Farmstead application on file with the Dauphin County Office of Tax Assessment, you need not complete this Act 72 application. All previously approved Act 50 applications will be considered as qualifying for the Homeowner Tax Relief Act 72. When your Act 50 application is due to expire and renewal is required, you will be notified by the Dauphin County Office of Tax Assessment and provided with a new Act 72 application for completion and filing within the appropriate filing deadline.

If you have not previously completed a Homestead and/or Farmstead application, carefully read and follow these instructions. To provide for efficient processing of all applications, many of the question only require a "yes" or "no" answer.

Question 1. *Do you own and use the above referenced property location as your primary residence?* The Exclusion can only be claimed upon a property utilized as a place of primary residence or domicile by the property owner. "Domicile" is the fixed place of abode where the owner intends to reside permanently, not temporarily. "Domicile" is the place where a person makes his/her home; until something happens that the person adopts another home. You may be asked to provide proof, such as your driver's license, your voter registration card, your personal income tax form, or your local earned income tax form, that this property is your primary residence. For example, if you have another residence which you claim as primary, the referenced property location in the data box does not qualify as your domicile. Check "yes" or "no".

Question 2. *Is the above referenced mailing address, which may differ from the property location, correct?* This question is to verify the accuracy of the mailing address provided. For example, you may use a PO Box for mailing purposes and a street number and/or name for the actual location of the property. For validation purposes, if the information you have provided is correct, simply check "yes".

Question 3. *Do you claim anywhere else as your primary residence or do you or your spouse receive a homestead tax abatement or other homestead benefit from any other county or state?* As explained in the directions for answering question 1, only one residence can be considered as your **primary** residence or domicile. If you claim another property as your primary residence, you must check "yes". If the "property location" on the enclosed application is your primary residence, check "no".

Question 4. *Is your residence part of a cooperative or condominium where your taxes are paid jointly? If you pay a fee, which includes real estate taxes, to a fund and the total property real estate tax is paid from that fund, check "yes". If you pay your own real estate tax bill, check "no".*

Question 5. *If "yes" to question 4, is a portion of the fee used to pay real estate taxes?*

Question 6. *Is your property used for other purposes besides your primary residence? If this property is utilized for other purposes as well as your residence, for example a professional office, barber or beauty shop, you must check "yes". If you utilize 100% of this property as your domicile and primary residence, check "no".*

Question 7. *If you answered "yes" to question 6, what portion, expressed as a percentage of the total living area, is used as your primary residence? You must make a determination as to the percentage of living area as compared to the total building square footage that is used as your primary residence. For example, if you have a 1,000 square foot house with a 300 square foot beauty shop in the living area, the calculation would be 300 divided by 1,000 or 30% of the total living area is being utilized as non-residential space. In this example, 70% (the reciprocal of 30%) of the total area is being utilized as your primary living space.*

Question 8. *Do you wish to seek a farmstead exclusion for the buildings or structures on this property? A "Farmstead" is defined as all buildings and structures on a farm not less than ten contiguous acres in area not otherwise exempt from real property taxation or qualified for any other abatement or exclusion pursuant to any other law that are used primarily to produce or store any farm product produced on the farm for purposes of commercial agricultural production, to house or confine any animal raised or maintained on the farm for the purpose of commercial agricultural production, to store any agricultural supply to be used on the farm in commercial agricultural production or to store any machinery or equipment used on the farm in commercial agricultural production. The term shall only apply to farms used as the domicile (primary residence) of an owner. If you believe you have buildings that qualify as farmstead property, check "yes"...otherwise, check "no".*

Question 9. *If you answered "yes" to question 8, do any farm buildings or structures receive an abatement of property tax under any other law? Only buildings and structures on farms which are at least ten contiguous acres in land area and are the home is used as the primary residence of the owner are eligible for a farmstead exclusion. The buildings and structures must be used for commercial agricultural production, i.e., to store farm products produced on the farm, to house animals maintained on the farm, or to store agricultural supplies or machinery and equipment used on the farm. Check "yes" if you believe your property qualifies for the farmstead exclusion. If yes, please indicate what buildings or structures are exempted, excluded, or abated from real property taxation under any other law. You may be asked to provide proof that buildings and structures are used for commercial agricultural activity, such as the net income or loss schedule from your state or federal income tax forms.*

Change in Use

When the use of a property approved as homestead or farmstead property changes so that the property no longer qualifies for the homestead or farmstead exclusion, property owners must notify the Dauphin County Assessment Office within 45 days of the change in use. If the use of your property changes and you are not sure if it still qualifies for the exclusion, you should contact the Assessment Office at 717-780-6101.

False or Fraudulent Applications

The Assessment Office may select, randomly or otherwise, applications to review for false or fraudulent information. Any person who files an application which contains false information, or who does not notify the Assessment Office of a change in use which no longer qualifies will be required to:

- Pay the taxes which would have been due but for the false application, plus interest;
- Pay a penalty equal 10% of the unpaid taxes;
- If convicted of filing a false application be guilty of a misdemeanor of the third degree and be sentenced to pay a fine not exceeding \$2500.

By signing and dating the application, the applicant is affirming or swearing that all information contained in the application is true and correct.

Filing of Applications

Blank applications are available annually on December 15th from the Dauphin County Office of Tax Assessment, the local school district business office, and other selected locations throughout Dauphin County. Original applications must be filed with the Dauphin County Office of Tax Assessment, Attention Act 72 Administration, PO Box 1295, Harrisburg, PA 17108-1295 on or before March 1st annually.

Contact the Dauphin County Office of Tax Assessment with any questions...phone 717-780-6101 or email taxassessment@dauphinc.org.

