

The Taxpayer Relief Act - Act 1 of Special Session 1 of 2006

Dear Property Owner:

The Taxpayer Relief Act, Act 1 of Special Session 1 of 2006, signed into law by Governor Rendell on June 27, 2006, provides a mechanism to reduce your school real property tax. This potential reduction in school property tax comes to you via a homestead and/or farmstead assessment exclusion for qualifying properties. To qualify, the property must be used as the primary residence of the owner(s). Applications to potentially eligible property owners who do not have an approved application on file will be mailed on or about December 15th. You must apply to be approved for the reduction in assessment by filing a Homestead and/or Farmstead application with the Dauphin County Office of Tax Assessment between December 15th and March 1st. The Taxpayer Relief Act provides for property tax reduction allocations to be distributed by the Commonwealth to each school district.

Under a homestead or farmstead property tax exclusion, the actual property assessment for each Homestead and/or Farmstead is reduced by the amount of the exclusion before the property tax is computed.

If an application was previously filed and approved, do NOT file a new application. Approved applications are valid for a 3-year period. When applicable, you will be notified by the County regarding renewal.

Attached is the application. The filing period begins December 15th...all applications must be received by the Dauphin County Office of Tax Assessment no later than the following March 1st. Completed applications are to be delivered to the Dauphin County Office of Tax Assessment, Attn: Taxpayer Relief Act, 2 S. Second Street, PO Box 1295, Harrisburg, PA, 17108-1295. You will receive notification regarding approval or denial within 30 days of receipt of your application. If for any reason your application is denied, you will be given an opportunity to appeal the County's determination.

HOMESTEAD / FARMSTEAD 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 Taxpayer Relief Act.

The information contained and preprinted on the application was obtained from the Dauphin County Office of Tax Assessment and is to be referenced when answering all relevant questions. If the application is not preprinted with property-specific information, complete lines A through F relative to questions 1 through 9. Relevant information can be found on your most recent real estate tax notice.

Should you have an approved Act 50 or Act 72 Homestead and/or Farmstead application on file with the Dauphin County Office of Tax Assessment, do NOT complete this Act 1 application. All previously approved Act 50 or Act 72 applications will be considered as qualifying for the Taxpayer Relief Act. When your Act 50 or Act 72 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 1 application for completion and filing within the appropriate filing time period.

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 for 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 or any co-owner(s) claim anywhere else as your primary residence or do you or any co-owner(s) 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, what is your proportionate share of ownership? _____ %* This information should be available from the cooperative or condominium documents.

Question 6. *Is your property used for other purposes besides your primary residence, such as a business or rental property?* If this property is utilized for other purposes as well as your primary 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 “yes” to question 6, what percentage of this property is used for business or rental? _____%* To determine the percentage of building area used as business or rental, first calculate the total building square footage; secondly, calculate the square footage used as business and/or rental. Dividing the business and/or rental square footage by the total square footage equals the percentage of area that is used for business or rental purposes. For example, if the property contains a total of 2,000 square feet with a business (for example a barber shop) utilizing 300 square feet, the calculation would be 300 square feet divided by 2000 square feet equals .15 or 15% of the property is utilized as non-residential space ($300 \div 2,000 = .15$ or 15%). The answer to question 7 is that 15% of the property is used for business or rental purposes.

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, the property owner must notify the Dauphin County Office of Tax Assessment 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 Office of Tax Assessment at 717-780-6101.

False or Fraudulent Applications

The Dauphin County Office of Tax Assessment 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.

This application must be signed by an owner for whom this property is his or her primary residence. If the property has more than one owner, signatures of additional owners are not required. 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 in person from the Dauphin County Office of Tax Assessment, the County’s web site, local school district business office, and Dauphin County libraries throughout Dauphin County. **Original** applications must be filed with the Dauphin County Office of Tax Assessment, Taxpayer Relief Act, 2 S. Second Street, 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.

**THE TAXPAYER RELIEF ACT
DAUPHIN COUNTY
APPLICATION FOR HOMESTEAD AND FARMSTEAD EXCLUSION**

The following Homestead/Farmstead application is being provided to you by the Dauphin County Office of Tax Assessment on behalf of your local school district in accordance with the requirements of The Taxpayer Relief Act, Act 1 of Special Session 1 of 2006.

- Read and follow the attached instructions which will guide you in completing this application.
- **New** applications shall be filed with the Dauphin County Office of Tax Assessment, Taxpayer Relief Act, PO Box 1295, Harrisburg, PA 17108-1295 on or before March 1st.
- No applications will be accepted after March 1. If you sell this property after March 1 and do not have an approved application on file, the purchaser of your property will not be entitled to the benefit of the exclusion for a minimum of one school tax year.

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

A. Owner(s): _____
B. Property ID Number: _____
C. Property Location: _____
D. Mailing Address: _____
E. School District Name: _____ Municipality: _____
F. Assessment Information: Land: \$ _____; Improvement: \$ _____; Total: \$ _____

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1. Do you own and use the above referenced property location as your primary residence? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the above referenced mailing address, which may differ from the property location, correct? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you or any co-owner(s) claim anywhere else as your primary residence or do you or any co-owner(s) receive a homestead tax abatement or other homestead benefit from any other county or state? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is your residence part of a cooperative or condominium where your taxes are paid jointly? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. If "yes" to question 4, what is your proportionate share of ownership? | _____% | |
| 6. Is your property used for other purposes besides your primary residence, such as a business or rental property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. If "yes" to question 6, what percentage of this property is used for business or rental? | _____% | |
| 8. Do you wish to seek a farmstead exclusion for the buildings or structures on this property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. If you answered "yes" to question 8, do any farm buildings or structures receive an abatement of property tax under any other law? If yes, provide details: _____. | | |

Please read before signing: ***Any person who knowingly files an application which is false to any material matter shall be subject to payment of taxes due, plus interest, plus penalty and shall be subject to prosecution as a misdemeanor of the third degree and fine of up to \$2,500.***

Signature(s) of Owner(s) (____) _____ (____) _____ _____
Daytime Phone No. Evening Phone No. Date

Date Received: _____ Accept _____ Deny _____
Reviewed by: _____ Farmstead Value: _____
Homestead Value (if different than total assessment): _____