

Tax Abatement Fact Sheet

What is the Tax Abatement Program?

The Tax Abatement Program provides a financial incentive for improving a property. Owners of business or residential property who are planning improvements to an existing structure or planning to build on a vacant lot are encouraged to apply for tax abatement. If the improvements you make to your property result in the County increasing the assessment on your property (which normally causes your taxes to go up) tax abatement provides temporary relief from these additional City, Dauphin County and Harrisburg School District real estate taxes. Full taxation of the increased value of your property is deferred for a period of time based on the type of property improvement. You will continue to pay any taxes you now pay on the property, however, you may be entitled to certain exemptions that will apply based on the type of improvements proposed on the property. A schedule of exemptions that apply to your type of property improvement will accompany this application. This schedule applies to both commercial and residential structures.

Do all improvements result in a reassessment?

No. Normal maintenance improvements generally do not result in a reassessment. Major improvements, such as structural additions, major reconstruction, or expanding the habitable area of the building, will often result in reassessment. Reassessment policy is determined by Dauphin County.

Is there a maximum amount to which I am entitled?

The maximum permissible exemption per residential dwelling unit is \$48,211 for calendar year 2000. This amount will increase once a year to allow for inflation. For residential structure improvements, the maximum exemption is \$10,000. The maximum exemption for new residential construction is \$130,000. The maximum exemption for business or commercial structures is \$10,000,000.

How do I apply for tax abatement?

In order to apply for tax abatement benefits, a property owner must file for tax abatement at the same time he or she applies for a building permit for the intended improvements or new construction. All necessary electrical, plumbing, zoning and building permits must be obtained prior to beginning work.

Apply for tax abatement and permits in the Bureau of Codes Administration, Suite 205, Dr. Martin Luther King, Jr. City Government Center, 10 N. Market Square, Harrisburg, telephone 255-6552.

Tax Abatement Exemption Schedule

	Yr/Amt	Yr/Amt	Yr/Amt	Yr/Amt	Yr/Amt	Yr/Amt	Yr/Amt	Yr/Amt	Yr/Amt	Yr/Amt
* Residential Improvements Under \$50,000	1 st - 100%	2 nd - 80%	3 rd - 60%	4 th - 40%	5 th - 20%					
** New Residential Construction	1 st - 100%	2 nd - 100%	3 rd - 100%							
Business Improvement Under \$50,000	1 st - 100%	2 nd - 80%	3 rd - 60%	4 th - 40%	5 th - 20%					
***Business/Residential Improvement \$50,000 or more	1 st - 100%	2 nd - 90%	3 rd - 80%	4 th - 70%	5 th - 60%	6 th - 50%	7 th - 40%	8 th - 30%	9 th - 20%	10 th - 10%

* The date of the construction of the residential improvement shall be the date of the issuance of building permit or the issuance of a certificate of occupancy, which ever is appropriate.

** The date of the residential construction shall be the date of the issuance of the certificate of occupancy.

*** The date of the business improvement shall be the date of completion as certified by the owner, independent architect, professional engineer or by the issuance of a certificate of occupancy.

NOTE: The exemption from real property taxes granted pursuant to the provisions hereof shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.

In the event of reassessment by the County, City or School District, tax abatement shall be proportionally applied to any new assessment so long as the tax abatement period for the property or project in question had not expired. This application is to ensure that each property or project affected by tax abatement received the same percentage of tax benefits before and after reassessment.