Property Tax
Allegheny County, Pa. Property Tax Appeal Deadlines Loom

TAX SAVINGS AVAILABLE FOR OWNER-OCCUPIED RESIDENTIAL PROPERTIES THROUGH HOMESTEAD EXEMPTION FORMS
In December 2003, Allegheny County approved a Homestead Exemption under which the initial $15,000 in assessed value of each “homestead” located within Allegheny County may be exempted from County property taxes. A homestead is an owner-occupied residential or farm property. Vacation homes and income generating real estate, such as rental properties, are not eligible for the exemption.

In order to qualify for the Homestead Exemption for 2005 and future tax years, property owners must submit a homestead exemption application to the County assessor postmarked on or before March 1, 2005. Although homestead exemption application forms were mailed to property owners when this exemption was approved by the County, many residential homeowners have failed to apply for the exemption. Property owners unsure of whether they have applied for the Homestead Exemption may determine whether the County has their application on file by entering their address into the Allegheny County real estate website at www2.county.allegheny.pa.us/RealEstate/. If the “general information” tab for a property shows “YES” in the “homestead” line, an exemption application has been filed. Property owners who have not yet filed a homestead exemption application may do so by obtaining a form from the OPA or by downloading it from the County’s website at www.county.allegheny.pa.us/opa/act50frm.asp.

Property owners may also benefit from “The Homeowner Property Tax Relief Act” (the “HPTRA”), which was enacted by the Pennsylvania legislature in July 2004. Under the HPTRA school districts may elect to participate in a program in which they become eligible to receive state funds generated by the fourteen slot casinos slated to be established across the state over the next three years. School districts are required to pass on some of the state funding to residents in the form of property tax relief. However, in order to participate in the program, a school district must either impose an additional .1% earned income tax on its residents or at least put the issue of an additional earned income tax to a referendum in its November election. Additionally, school districts wishing to participate in the program must agree to put future tax increases exceeding the rate of inflation to a referendum. In order to qualify for state funding under this program, school districts must pass a resolution to participate by May 30, 2005. Certain school districts in Allegheny County have already passed such resolutions and other school districts are currently considering such resolutions.

The amount of money available to a school district, and the extent of the property tax relief that will result under the HPTRA, will vary from school district to school district. However, Governor Rendell has estimated that residents of participating school districts who properly apply for the reduction could obtain, on average, $330/each in property tax relief. While the County’s Homestead Exemption will supply taxpayers with property tax relief for the 2005 tax year, the HPTRA will not lead to property tax relief until income generated from the slot casinos is filtered down to the school districts. This is not expected to occur until the 2006-07 or 2007-08 school year.

Property owners who previously applied for the County’s Homestead Exemption, discussed above, have also automatically applied for any future property tax relief that may result from the HPTRA and do not need to take further action. Property
owners that have not applied for the County’s Homestead Exemption must file a homestead exemption application by **March 1, 2005** to receive property tax relief under either the County’s established Homestead Exemption or the HPTRA. Property owners may apply using the original homestead exemption form, available from County Office of Property Assessment (“OPA”) or the County’s website at [http://www.county.allegheny.pa.us/opa/act50frm.asp](http://www.county.allegheny.pa.us/opa/act50frm.asp), or through the new homestead exemption applications the County mailed to property owners in mid-October and late December. OPA reports that submitting either version of the homestead exemption application form allows a property owner to apply for homestead relief under both tax relief programs.

**REASSESSMENT DEADLINES AND PROCEDURES IN QUESTION**

OPA has completed its County-wide triennial reassessment for the 2006 tax year, as mandated by the County Administrative Code.

Although OPA was scheduled to send out formal notifications of 2006 assessed values starting on February 15, 2005, the notifications were postponed by Allegheny County Chief Executive Dan Onorato. Onorato reported that if the notifications were sent out as scheduled, more than 60 percent of commercial properties and nearly 80 percent of homeowners would have faced property assessment increases next year, with more than 17,000 homeowners facing increases of 100 percent or more. Although the largest increases reportedly would have been for properties located within the County’s most desirable communities, the average increase for each property would have been 19 percent, with a majority of properties experiencing increases between 10 and 20 percent.

In hopes of curbing such drastic increases, Onorato proposed County Council cap assessment increases at 4 percent. This proposal, which is currently under consideration, requires property values to either decrease, remain the same or increase up to 4 percent.

Taxpayers should be aware that even if Onorato’s proposal is enacted, school districts will still be able to appeal individual assessments on both residential and commercial properties and, therefore, may seek to raise assessed values beyond any OPA cap. Additionally, municipalities, school districts or others may challenge the constitutionality of such a cap.

Property owners should keep abreast of new developments. Onorato reported that he expects final notifications of 2006 assessed values to be sent out around March 15, 2005. In light of this delay, Onorato has asked County Council to extend the May 2, 2005 deadline for appealing the 2006 assessed values.

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