

Allegheny County Homestead & Farmstead Exclusions

Residents of Forward Township in Allegheny County may be eligible to receive a Rebate for **Three** types of Tax Savings programs. They are as follows:

1. There is the **Pennsylvania STATE Real Estate and Rent Rebate** plan, AND
2. There is the **Allegheny COUNTY Real Estate Discount** program.
3. There is the **Allegheny County Homestead/Farmstead (Act 50) Exclusion**

Note: This page is designed to **only** deal with the “**Allegheny County Homestead & Farm Exclusion**” tax savings plan. Information about the other two tax savings programs listed above are each shown on a separate page on this website.

Each resident can get a receive a financial benefit from **all THREE** Tax Savings programs.

Allegheny County Homestead & Farmstead Exclusions

The information in this article was largely taken from the following Allegheny County website - “[Real Estate | Act 50 Homestead-Farmstead | Application \(alleghenycounty.us\)](#)”.

The Homestead/Farmstead Exclusion (Act 50) is a program that *reduces the Assessed Value of your Real Estate by \$18,000 for county taxes only*. To qualify, you must be the owner and occupy the dwelling as your primary residence. The application deadline is March 1 of each year. You do not have to reapply each year. Once you have filed, your exemption will remain in effect until you sell/transfer the property or change your occupancy – *You never need to file again!*

An Example of how the Homestead/Farmstead Exclusion (Act 50) Works:

\$18,000 reduction in assessed value for County real property taxation results in an annual savings of \$85.14 in County taxes for most constituents.

The amount of real property tax owed by any taxpayer is the tax rate (measured in mills) multiplied by the assessed value of said property. Allegheny County's tax rate is 4.73. This means that for every \$1,000 in assessed value, a taxpayer will pay \$4.73 in taxes.

How much can Act 50 reduce the taxes of a qualified Forward Township resident? Act 50 Exclusion acts to reduce the basis of your property by \$18,000.00. The following example shows the computation of the COUNTY Property Tax Liability by with and without the \$18,000.00 exclusion for a home with an assessed valuation of \$100,000.00:

	<u>With Exclusion</u>	<u>With NO Exclusion</u>
Assessed Value of Home	\$100,000.	\$100,000.
Less: Act 50 Exclusion	- 18,000.	. 0 .
Basis for Computing Tax	\$ 82,000.	\$100,000.
Multiplied by County Tax Millage	<u>4.73</u>	<u>4.73</u>
Amount of Tax Due	<u>\$ 387.86</u>	<u>\$ 473.00</u>

In this example the Tax Payer saved \$ 85.14 (\$473.00 - \$387.86) on their County Taxes, and will do so every year they live in that house!

Although there might be exceptions, I would suspect **MOST Forward Township resident homeowners** qualify, and could have the County Property Tax on their home reduced by \$85.14 by using this Exclusion.

How do you apply for the Act 50 “Homestead and Farmstead Exclusion”? Complete and submit the Allegheny County Office of Property Assessments “Act 50 – Application for Homestead & Farmstead Exclusions” form to the Office of Property Assessments. That form, with detailed instructions is available at [Real Estate | Act 50 Homestead-Farmstead | Application \(alleghenycounty.us\)](#) **

** If you do not had internet access call me and I will get you a paper version of the application.

Some facts and Comments re: Act 50:

Do I have to apply every year for the Homestead Exclusion? *No*, you don't have to apply again if you remain the property owner, you haven't filed a deed transfer, and it continues to be your primary residence.

Can a homeowner have more than one Homestead Exclusion? No, a homeowner is eligible for the Homestead Exclusion *only* for his/her primary residence. Any other Homesteads will be removed, and the owner is subject to interest, penalties and fines up to \$2500.

How do I get the Act 50 removed from a property I just sold? Act 50 will automatically be removed once the sale is processed through the Department of Real Estate, but it will remain on the property until the end of the year. We can research that information for you.

My neighbor has moved out and uses his former home as a rental property. It still has a Homestead Exclusion on it. Is that legal? No, the owner must use the property as his/her *primary residence* to qualify for the Homestead Exclusion. We can research that information for you.

How long does the Homestead remain on a parcel? The Homestead Exclusion remains on the parcel as long as the owner retains the property as his/her *primary residence*. When a sale or deed transfer occurs, the Homestead stays on the parcel for the remainder of the tax year and then is removed January 1 of the following year.

Can a homeowner have more than one Homestead Exclusion? No, a homeowner is eligible for the Homestead Exclusion only for his/her primary residence. Any other Homesteads will be removed, and the owner is subject to interest, penalties and fines up to \$2500.

Are Homesteads allowed on parcels that are deemed commercial in use? A Homestead Exclusion is allowed if the parcel is of "mixed" use, commercial and residential. Example: A dentist has an office on the first floor of a building and resides on the top floor. If this is the dentist's primary residence, the Homestead Exclusion will be allowed.

If you have any questions about Act 50 and the impact on your Real Estate Taxes: Contact the Allegheny County Office of Property Assessments at 412-350-4636. If you contact the Office of Property Assessments and still have questions, or need help with the Application, contact **Senator Jim Brewster's** Office