

The Taxpayer Relief Act, Act 1 of Special Session 1 of 2006, was signed into law by Governor Rendell on June 27, 2006. The law provides for property tax reduction allocations to be distributed by the Commonwealth to each school district, and the state funds to be used to reduce local residential school property tax bills. Property tax reduction will be through a “homestead or farmstead exclusion”.

What is a “homestead property”?

A homestead property is a dwelling primarily used as the owner’s permanent home. The owner may be living temporarily at another location, but must have the intention of returning to that home. No one can have more than one permanent home at any one time. Homestead properties do not include rental units, vacation homes, camps or other homes in which the owner does not live on a permanent basis. In general, it is the address where the owner is registered to vote and appears on the owner’s driver’s license. The homestead property includes the land under the dwelling, as long as it is owned by the same person who owns the dwelling. The formal definition of property is the same as that used for determining residence status for the earned income tax.

What is a “farmstead property”?

A farmstead property includes all building and structures that are used primarily for agricultural purposes (such as housing animals or storing supplies, production, or machinery) on a farm of ten contiguous acres or more in size. The farmstead must be the permanent residence of at least one owner, as defined under the homestead definition. The farmstead exclusion would be applied to buildings and structures that are not already exempt from real property taxation under other laws. The requirement that an owner live on the farm means that farms owned and operated by absentee owners will not be eligible for the farmstead exclusion.

Applications

Applications are available at the Mifflin County Assessment Office and must be filed before March 1st of each year unless an application is currently approved in the Assessment Office.

Forms and instructions are mailed each December for properties that haven’t been approved for the exclusion.

Questions

If you have questions regarding the Homestead/Farmstead Exclusion, please contact the Mifflin County Assessment Office at (717) 248-5783. Mifflin County Assessment Office hours are 8:00 a.m. to 4:00 p.m. Monday through Friday.