

AVI SURVIVAL GUIDE
REAL ESTATE TAX RELIEF PROGRAMS
and the
RENTER REBATE PROGRAM

Prepared by
The Crosstown Coalition of Taxpayers

www.crosstowncoalitiontax.wordpress.com

Bella Vista Town Watch • Center City Residents' Association • East Falls Community Council • East Kensington Neighbors Association • East Passyunk Crossing Civic Association • Fishtown Neighbors Association • Hawthorne Empowerment • Logan Square Neighborhood Association • Northern Liberties Neighbors Association • Old Richmond Civic Association • Overbrook Farms • Packer Park Civic Association • Passyunk Square • Pennsport Civic Association • Queen Village Neighbors Association • Society Hill Civic Association • South Broad Street Neighborhood Association • South of South Neighborhood Association • Washington Square West Civic Association • West Powelton/Saunders Park RCO • Woodland Terrace Homeowners Association

Disclaimer

This guide on Real Estate Tax Relief and Renter Rebate Programs is a publication of the Crosstown Coalition of Taxpayers (CCT). The CCT's purpose in publishing this guide is to provide general information to its members, friends and residents of Philadelphia about Tax Relief and Renter Rebate Programs that certain property owners and renters can use to reduce their property tax bill.

This guide is not intended, nor should it be used, as a substitute for specific legal advice. Persons using this guide may not rely on it for legal guidance. Tax Relief and Renter Rebate Programs can involve many complex and difficult issues in some cases.

Note: The real estate tax and relief measures and rebate programs described on the following pages are either directly related to the Actual Value Initiation (AVI) or not directly related to AVI. All programs provide various real estate tax relief measures (and rent rebate assistance) to eligible applicants.

REAL ESTATE TAX RELIEF PROGRAMS

PROGRAM: HOMESTEAD EXEMPTION

What tax relief does this program provide?

The Homestead Exemption offers Real Estate Tax savings to all Philadelphia homeowners by reducing the taxable portion of their property assessment by \$30,000, starting in Tax Year 2014.

Who is eligible?

You must simply own the property and live in it as your primary residence. There are no other requirements.

How do I apply?

You may apply over the phone by calling the Homestead Hotline at 215.686.9200. Language services are available in numerous languages.

You may apply on line or you may print an application to be mailed in. To print the application, go to the Office of Property Assessment (OPA) website at and print a blank Homestead Exemption application. Applications are available to be printed in English, Español (Spanish) Homestead application, or 中国的 (Chinese) Homestead application.

Don't delay! Apply by September 13, 2013, for the Homestead Exemption for Tax Year 2014.

Once you are approved, you will receive the Homestead Exemption every year, unless you move or the deed to your property changes.

Remember: *If the deed to your property changes*—for any reason—the Homestead Exemption will be removed from your property and you MUST reapply to receive the Homestead Exemption.

Was your Homestead Exemption application denied?

If you applied for the Homestead Exemption and it was not approved, you may still be eligible. View the list of denial reasons and find out how to reapply.

Changes to Your Property?

If you need to remove your Homestead Exemption because your property no longer qualifies, you must notify the Office of Property Assessment (OPA) within 45 days of the change. Or if you need to change the percentage of your property used for something other than your primary residence, such as a business or rental property, you must also notify the OPA. **Complete the Homestead Exemption Removal/Change form for either purpose.**

Co-op Properties

For cooperative (co-op) properties (when people own and operate the building where they live, but do not own individual units—forming a cooperative corporation), in addition to submitting a single Homestead Exemption application (one per OPA account number), a Homestead Exemption Co-op form must also be submitted. This form must be signed by an owner-occupant from each eligible unit. Contact the OPA at 215-686-9200 to request this form.

PROGRAM: TAX EXEMPTIONS FOR LONGTIME OWNER-OCCUPANTS OF RESIDENTIAL PROPERTIES (Gentrification Bill)

THIS BILL IS PENDING AND REQUIRES STATE APPROVAL OF THE INCOME GUIDELINES WHICH HAVE NOT YET BEEN FORTHCOMING.

How will this program help me?

Eligible owner-occupants whose certified market value after AVI, minus homestead exclusion, is more than three times the certified market value before Actual Value Initiative (AVI) shall be certified and taxed at the three times figure and not above that.

Who is eligible?

Owner-occupants who have lived in the property for at least 10 years as their principal domicile, or any person who, as of July 1 of the preceding year owned and occupied the property as a principal residence for at least five years if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program.

Also eligible are longtime owner-occupants of a building with a maximum of one commercial establishment and a maximum of three residential units of which one residential unit must be the principal residence of the longtime owner-occupant.

Total Household income must be less than or equal to one hundred fifty percent (150%) of the Area Median Income, adjusted for household size, as established by the U.S Department of Housing and Urban Development in its most recent publication for Philadelphia County.

The preliminary income limits are shown below. The limits will be finalized only after the State approves this exemption.

| Family Size | Income Limit |
|-------------|--------------|
| 1 | \$83,160 |
| 2 | \$95,040 |
| 3 | \$106,920 |
| 4 | \$118,800 |
| 5 | \$128,300 |
| 6 | \$137,810 |
| 7 | \$147,310 |
| 8 | \$156,820 |

How do I apply?

If the program and income guidelines are approved by the State Legislature, applications will be processed by the Office of Property Assessment (OPA) which will make the information available.

ALSO PENDING IS A PROGRAM THAT WOULD ALLOW THOSE RESIDENTS WHO DO NOT PAY TAXES AS A PART OF THEIR MONTHLY MORTGAGE PAYMENTS TO ARRANGE TO PAY THEM IN MONTHLY INSTALLMENTS.

PROGRAM: CITY OF PHILADELPHIA SENIOR CITIZEN LOW INCOME SPECIAL REAL ESTATE TAX PROVISIONS (Tax Freeze Program)

What does the senior citizen low income special real estate tax provision (real estate tax freeze program) provide?

This program will freeze the real estate taxes of qualified property owners who reside in the property. The taxes will be frozen at the rate that applied at the time when their application was approved.

Who is eligible?

To be eligible you must be the owner-occupant and qualify according to the guidelines listed below:

- To qualify, total income must be \$23,500 or less for a single person or \$31,500 or less for a married couple.
- You or your spouse must be 65 years of age or older, or you must be over 50 years of age if your deceased spouse was at least 65 years old at the time of his or her death.
- Additional information is included in each year's real estate tax bill and is also contained on the next two pages.
- The 2014 Application for Senior Citizen Low Income Special Real Estate Tax Provisions is available at: <http://www.phila.gov/OPA/Documents/2014senfreeze.pdf>.

Print a copy from the above link for submitting to:

Philadelphia Department of Revenue
P.O. Box 53190
Philadelphia, PA 19105

- For questions: 215-686-6442 or e-mail: revenue@phila.gov



2014 APPLICATION FOR SENIOR CITIZEN LOW INCOME SPECIAL REAL ESTATE TAX PROVISIONS

New Applicants Only. Prior Program Participants Do Not Need to File this Application.

Print Property Address (Must be Primary Residence.)

OPA Account Number
 - -

Print Owner's Name

Owner's Social Security Number
 - -

Filing Status: Single Married

Owner's Birth Date
 - -

Print Spouse's Name

Spouse's Social Security Number
 - -

If qualifying spouse is deceased, enter the date of death:
 - -

Spouse's Birth Date
 - -

Household Income To qualify, total income must be \$23,500 or less for a single person or \$31,500 or less for a married couple.

- | | | |
|---|---|------------|
| 1. Total 2012 Gross Social Security and Supplemental Security Income (Medicare premiums must be included).....1. | <input style="width: 20px;" type="text"/> , <input style="width: 20px;" type="text"/> | 0 0 |
| 2. Total 2012 Gross Pensions, Annuities, Veterans' & Railroad Retirement Benefits, and taxable portion of Individual Retirement Accounts (IRAs).....2. | <input style="width: 20px;" type="text"/> , <input style="width: 20px;" type="text"/> | 0 0 |
| 3. Total 2012 Salary, Wages, Bonuses, Commissions, Income from Self-Employment and Partnership Income (Do not subtract losses).....3. | <input style="width: 20px;" type="text"/> , <input style="width: 20px;" type="text"/> | 0 0 |
| 4. Total 2012 Interest, Dividends, Capital Gains, Prizes (Do not subtract losses).....4. | <input style="width: 20px;" type="text"/> , <input style="width: 20px;" type="text"/> | 0 0 |
| 5. Total 2012 Net Rental Income and Net Business Income (Do not include rent you pay; do not subtract rental or business losses from your total income).....5. | <input style="width: 20px;" type="text"/> , <input style="width: 20px;" type="text"/> | 0 0 |
| 6. Total 2012 Other Income (Cash Public Assistance, Unemployment and Workers' Compensation, Alimony, Support Money, Gifts totaling more than \$500, Life Insurance Death Benefit Payments exceeding \$10,000 per person).....6. | <input style="width: 20px;" type="text"/> , <input style="width: 20px;" type="text"/> | 0 0 |
| 7. TOTAL ANNUAL FIGURE (Add Lines 1 through 6).....7. | <input style="width: 20px;" type="text"/> , <input style="width: 20px;" type="text"/> | 0 0 |

Reminder: To qualify, total income must be \$23,500 or less for a single person or \$31,500 or less for a married couple.

Under penalties of perjury, as set forth in 18 PA C.S. §§ 4902-4903 as amended, I swear that I have reviewed this return and accompanying statements and schedules, and to the best of my knowledge and belief, they are true and complete.

Taxpayer Signature _____ Date _____ Phone # _____

Preparer Signature _____ Date _____ Phone # _____

INSTRUCTIONS

If you participated in this program last year, it is not necessary to complete this application as you are automatically enrolled in the program this year.

To qualify, total income must be \$23,500 or less for a single person or \$31,500 or less for a married couple.

Print your Property Address and Office of Property Assessment (OPA) account number.

Print the owner's name, Social Security number, and birth date. Check the box indicating the appropriate Filing Status. If you check "Married", print spouse's name, Social Security number and birth date. If the qualifying spouse is deceased, enter the date of death.

You or your spouse must be 65 years of age or older, or you must be over 50 years of age and your deceased spouse was at least 65 years old at the time of their death. **You must send proof of age with your application. Do not send original documents; only photocopies will be accepted.** Examples of proof of age are a Social Security award letter, driver's license or birth certificate. Any document that clearly shows a date of birth will be accepted for consideration.

Complete the Household Income section as indicated. Documentation for proof of income MAY be requested at the discretion of the Philadelphia Department of Revenue. The Philadelphia Department of Revenue is authorized to perform an income verification check with the Internal Revenue Service and the Pennsylvania Department of Revenue Bureau of Individual Taxes. If at any time your income is found to exceed the program limits, you will be billed for additional monies due.

Sign and date the application, include your daytime telephone number.

**MAIL TO: PHILADELPHIA DEPARTMENT OF REVENUE
P.O. BOX 53190
PHILADELPHIA, PA 19105**

QUESTIONS: 215-686-6442 **E-mail:** revenue@phila.gov
www.phila.gov/revenue

IMPORTANT NOTES

For timely processing, complete and return this application by October 15, 2013.

For successful applicants, your savings will be reflected on your 2014 Real Estate Tax bill.

You must send proof of age with your application (examples: Social Security award letter, driver's license or birth certificate, any document that clearly shows a date of birth will be accepted for consideration.

PROGRAM: CITY OF PHILADELPHIA INSTALLMENT PLAN
APPLICATION (For Low Income Homeowners)

What does the real estate tax installment program provide?

This program will permit an owner-occupant to pay real estate taxes in a predetermined number of monthly installments.

Who is eligible?

Program guidelines and application deadline for 2014 will be included in the Real Estate Tax bill for 2014. Applications may also be found on the following website:

<http://www.phila.gov/Revenue/individuals/taxes/Pages/RealEstateTax.as>

PROGRAM: CITY OF PHILADELPHIA REAL ESTATE TAX CREDIT for
ACTIVE DUTY RESERVE and NATIONAL GUARD MEMBERS
on ACTIVE DUTY OUTSIDE OF PENNSYLVANIA

What assistance does this program provide to persons on Active Duty Reserve and National Guard Members on Active Duty outside of PA?

This program provides real estate tax relief to eligible persons. The amount of the relief is based on a formula which takes into consideration the amount of real estate tax due, time on active duty and other factors.

Who is eligible? How do I apply?

Application forms for 2014 and program guidelines will be available the first of 2014 at the following website:

http://www.phila.gov/Revenue/Tax%20Credits/2014realestate_taxcredit_activedutyapplication.pdf

Call 215-686-6442, the Philadelphia Department of Revenue, Active Military Duty Credit, Room 400 Municipal Services Building, 1401 John F. Kennedy Boulevard, Philadelphia, PA 19102 or email questions to revenue@phila.gov.

**PROGRAM: DISABLED VETERANS
 REAL ESTATE TAX EXEMPTION**

What assistance does this program provide to eligible persons?

Veterans (or their surviving spouses) who have a 100% service-connected disability.

Who is eligible?

As a result of Commonwealth of Pennsylvania legislation, applicants with an annual income of \$85,168 or less are eligible for the exemption. Once the exemption has been granted, there is a periodic review every five years. A veteran who is 100% service-connected disabled (or their surviving spouse) who demonstrates a financial need may qualify for a 100% exemption from real estate taxes.

How do I apply?

To apply, contact the Philadelphia County Veterans Affairs Director at 215-686-3256.

**PROGRAM: PENNSYLVANIA STATE
 PROPERTY TAX/RENT REBATE PROGRAM**

What assistance does this program provide to eligible applicants?

Eligible applicants may receive from \$250 up to \$650 or more a year.

Who is eligible to receive this assistance?

The rebate program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older. The income limit is \$35,000 a year for homeowners and \$15,000 annually for renters, and half of Social Security income is excluded.

Property Tax/Rent Rebate Preparation information is available from the Pennsylvania Department of Revenue at:

http://www.revenue.state.pa.us/portal/server.pt/community/property_tax_rent_rebate/14711.

NOTE: (1) Claimants can deduct half of any Social Security or Railroad Retirement Tier 1 benefits from their income when determining eligibility; (2) Information may be found on this link: www.revenue.state.pa.us.

PROGRAM: CATASTROPHIC LOSS

What assistance does this program provide and to whom does it provide help?

Property owners who have suffered damage to a structure due to a fire or other natural disaster resulting in a decrease of 50% or more in property value, may qualify for a reduction in their property assessment.

How do I apply?

You must file a Catastrophic Loss application in order to report the loss, so that the Office of Property Assessment (OPA) can determine the new market value for the property. Any adjustment in the assessment of real property will be reflected in the form of a credit for the next tax year.

This application must be submitted to the OPA “within the remainder of the county fiscal year” in which the catastrophic loss occurred, or “within six months of the date on which the catastrophic loss occurred, whichever time period is longer.”

The fiscal year for the City of Philadelphia is July 1 to June 30 of the following year. The application is on the following two pages.

| | | | | | |
|---|--|--|----------------------------------|--|-------------------------|
| APPLICATION FOR A REDUCTION IN THE CERTIFIED REAL PROPERTY MARKET VALUE PURSUANT TO THE ACT OF MAY 22, 1933 (P.L. 853, No. 155) AS AMENDED BY ACT NO. 1984-175, APPROVED OCTOBER 16, 1984 | | CITY OF PHILADELPHIA OFFICE OF PROPERTY ASSESSMENT Curtis Center - 3rd Floor 601 Walnut Street Philadelphia, PA 19106 Telephone: 215-686-9282 | | FOR OFFICIAL USE ONLY APPLICATION NUMBER _____ BRT. NUMBER _____ CENSUS TRACT: _____ | |
| IMPORTANT NOTICE: Read the attached instruction sheet carefully so that you will be aware of your obligations under this act. This application must be submitted to the Office of Property Assessment "within the remainder of the county fiscal year in which the catastrophic loss occurred, or within six months of the date on which the catastrophic loss occurred, whichever time period is longer." | | | | | |
| 1. PROPERTY LOCATION (INCLUDE ZIP CODE) | | | | 20 CERTIFIED M.V. \$ _____ | |
| | | | | 20 _____ REVISED M.V. \$ _____ | |
| 2. NAME OF OWNER(S) OF RECORD | | 3. CURRENT MAILING ADDRESS (INCLUDE ZIP CODE) | | 4. CONTACT INFORMATION | |
| | | | | Telephone No. _____ | |
| | | | | E-Mail Address _____ | |
| 5. NAME OF APPLICANT(S) | | | | | |
| 6. APPLICANT'S MAILING ADDRESS (IF OTHER THAN OWNER OF RECORD) INCLUDE ZIP CODE | | | | 7. APPLICANT'S TELEPHONE NUMBER | |
| | | | | | |
| 8. DESCRIPTION OF PROPERTY PRIOR TO THE CATASTROPHIC LOSS | | | 9. DATE OF CATASTROPHIC LOSS | | |
| | | | Month _____ Day _____ Year _____ | | |
| 10. FULLY DESCRIBE THE CAUSE OF THE CATASTROPHIC LOSS (E.G. FIRE, FLOOD, OTHER) | | | | | |
| 11. SPECIFY & DESCRIBE THE EXTENT OF DAMAGE TO THE PROPERTY | | | | | |
| 12. SPECIFY & DESCRIBE IMPROVEMENTS MADE, IF ANY, TO THE PROPERTY AFTER THE DATE OF LOSS | | | | | |
| 12-A. BUILDING PERMIT NUMBER | | 12-B. DATE PERMIT ISSUED | 12-C. DATE CONSTRUCTION STARTED | | 12-D. CONSTRUCTION COST |
| | | | | | |
| CERTIFICATION I / We hereby declare that I/We have filed the foregoing Application for a Reduction in the 20 _____ Certified Real Property Market Value of the property described above and do hereby certify that the statements made in the foregoing application are true and correct to the best of my/our knowledge, information and belief. I/We understand that false statements made herein are subject to the penalties of the Act of December 6, 1972, P.L. 1482, No. 334, as amended, 18 Pa. C.S.A. § 4904, relating to unsworn falsification to authorities. | | | | | |
| DATE _____ | | | | OWNER OF RECORD _____ | |
| DATE _____ | | | | OWNER OF RECORD _____ | |
| FOR USE BY THE BOARD OF REVISION OF TAXES | | | | | |
| THIS APPLICATION IS: APPROVED DISAPPROVED | | FOR THE BOARD OF REVISION OF TAXES | | | |
| | | CHAIRMAN _____ | | | |
| | | SECRETARY _____ | | | |
| | | DATE _____ | | | |

Applications for a reduction in the certified real property market value under this Act must be filed with the Office of Property Assessment, "WITHIN THE REMAINDER OF THE COUNTY FISCAL YEAR¹ IN WHICH THE CATASTROPHIC LOSS OCCURRED, OR WITHIN SIX MONTHS OF THE DATE ON WHICH THE CATASTROPHIC LOSS OCCURRED, WHICHEVER TIME PERIOD IS LONGER²."

As used in this section, "catastrophic loss" means any loss due to mine subsidence, fire, flood or other natural disaster which affects the physical state of the real property and which exceeds fifty percent (50%) of the market value of the real property prior to the catastrophic loss.

The Office of Property Assessment is mandated by Act No. 1984-175, to re-value a property in the following manner:

"The value of the property before the catastrophic loss, based on the percentage of the taxable year for which the property stood at its former value, shall be added to the value of the property after the catastrophic loss, based on the percentage of the taxable year for which the property stood at its reduced value."

Any adjustment in the assessment under this Act shall be reflected in the form of a credit for the succeeding tax year.

To file under this Act, please complete and submit the Office of Property Assessment's Catastrophic Loss Application (Form 4-160) to:

Office of Property Assessment
Curtis Center - 3rd Floor
601 Walnut Street
Philadelphia, PA 19106

For more information about the Catastrophic Loss reduction, call the Office of Property Assessment at (215) 686-4631.

¹ "The fiscal year for the City of Philadelphia...beginning July 1 and ending June 30." Ordinance # 2789, December 14, 1967.

² Pursuant to the Act of May 22, 1933 (P. L. 853, No. 155), as amended by Act No. 1984-175, approved October 16, 1984.