

State College Area School District Property Owners – Important Update Homestead/Farmstead Exclusion and Installment Payment Plans

Who is affected by the homestead/farmstead exclusion? All property owners residing in the State College Area School District. This applies to school district property taxes only. Please check with your municipality to see if there is an exemption for municipal taxes.

What is a homestead/farmstead exclusion? Act 1 of 2006, also known as the Taxpayer Relief Act, provides district residents with an opportunity for real estate tax relief through a homestead/farmstead exclusion. Funded by gambling revenues provided by the state, the district will exclude from real estate taxation a uniform dollar amount of the assessed value of homestead and farmstead properties that have been approved.

What is an approved homestead/farmstead property? Taxpayers must apply for approval by completing and submitting an application to the Centre County Board of Assessment. An approved homestead/farmstead property, therefore, is a taxpayer's primary residence that has been granted homestead/farmstead status by the Centre County Board of Assessment based on the application submitted. Please note that an individual cannot have more than one primary residence at any time.

If I have a homestead and/or farmstead but have not applied for an exclusion, how do I apply? Applications are available at the Centre County Assessment Office during normal working hours. Anyone interested in completing an application can contact the office and request an application or visit Centre County's website to print an application. The assessment office is located at:

Centre County Tax Assessment Office
Willowbank Building
420 Holmes Street
Bellefonte, PA 16823
Telephone: (814) 355-6721
Website: www.co.centre.pa.us

If I apply now, will my 2008 tax bill be adjusted to reflect the homestead/farmstead exclusion and reduction in taxes? The deadline for filing a completed application that would reduce your 2008 school district property tax bill was March 1st. A taxpayer may contact the Centre County Tax Assessment Office at any time to obtain an application. For applications submitted after the deadline, the reduction will be effective for the following tax year, in this case 2009. As required by Act 1 of 2006, the district sends the required notices to eligible property owners by December 31st each year.

Do I have any responsibilities under the homestead and/or farmstead exclusion? Once you have received official notification that your application has been approved, you must notify the Assessment Office if the use of your property changes to an unqualified property. For example, if you rent your home, rent a portion of your home, or elect to use an area of the dwelling for commercial purposes, your approved exclusion may be lost or pro-rated for partial use of the dwelling. Any change of use must be reported to the Centre County Assessment Office within 45 days. Also, remember that a change in ownership requires the new owners to complete and submit an application to the Assessment Office in order to have the primary residence approved

for a homestead/farmstead exclusion. The homestead/farmstead exclusion does not automatically transfer if a property is sold. New owners should contact the Assessment Office after their closing to begin their application process.

How is the homestead/farmstead exclusion calculated? The amount of the homestead/farmstead exclusion is calculated by dividing the total gaming funds received by the number of approved homesteads/farmsteads certified by the Centre County Board of Assessment. The amount of the exclusion has the potential of varying each year based upon the amount of gaming funds provided to the district and the number of approved homesteads/farmsteads located in the district.

Does State College Area School District allow installment payments of the school tax due on properties? Yes. You are offered an optional installment plan if you previously applied for and were granted a homestead and/or farmstead exclusion. If you are eligible for the installment plan, the July 1st tax notice you received will include a tax notice along with coupons to make installments. Please note that the installment payment plan is optional. Taxpayers should review their specific situation to determine whether to pay once or remit their payments using the installment plan. Property owners who are not homestead or farmstead eligible do not qualify for installments. If you elect to pay by the installment option, please note that one requirement of the plan is that you forfeit the 2% discount.

Why do I have to forfeit my discount, if I pay using the installment payment plan? Due to the increased amount of record keeping required to authorize and administer a payment plan, the legislation determined in Act 1 of 2006 that school districts entering into installment payment plans were to eliminate the discount on payment plan participants.

What if my taxes are escrowed? Although the installment method is available for escrowed properties that are homestead and/or farmstead approved, we have received survey responses indicating that the escrow companies intend to remit the full tax due before August 31st to qualify for payment at discount. We expect escrow companies to follow the same payment procedures used in prior years. Please consult with your escrow company to confirm its intentions to pay at discount. If applicable, a copy of your tax notice was provided to your escrow agent on your behalf. An escrow mailing will be noted on the face of the enclosed tax notice. If your escrow agent will be paying your tax notice, please retain the enclosed tax notice for your records and allow the escrow agent to remit payment of the tax due. *If no escrow comment appears on your tax notice but your taxes are escrowed*, it is your responsibility to forward the tax notice to them for payment. To streamline this process in future years, please ask your escrow agent to request in writing your tax notice from the tax office. This will ensure that a copy of your tax notice is automatically forwarded for payment on your behalf.

Can I make payments on my county, township, and school district bills? At this time, the only taxing body that has authorized installment payments for its regular annual tax notice is the State College Area School District. Installment payment plans will not be authorized for supplemental bills that are periodically issued by the Centre County Tax Assessment Office.

Can I pay by ACH or credit cards?

At this time, the local tax offices are not able to offer these types of payment options for school district real estate taxes. Please check back with the tax office at a later date to determine whether payment options have been expanded as an increased level of customer service.