

Steelton's LERTA: Maximum Tax Incentive for New Commercial Development and Improvements



NOTICE TO TAXPAYERS

Under the provisions of Chapter 102 "Taxation", Article IX "Exemption from Taxes on New Improvements", §102-68 "Notification procedures", of the Code of the Borough of Steelton, commercial developers and business owners may be entitled to a property tax abatement on the value of new construction or improvements to existing properties. An application for exemption may be secured from the Borough Codes Office. The application must be fully completed and filed with the Borough at the time a building or alteration permit or other applicable permits are secured.

ABOUT LERTA

The Local Economic Revitalization Tax Assistance (LERTA) Program, authorized by Pennsylvania Act 76 of 1977, and Ordinance 2017-03 by the Steelton Borough Council, is a creative way to encourage owner-driven revitalization and new construction in Steelton Borough. Properties that qualify for LERTA still pay real estate taxes on the currently assessed value of their property, but receive a break on any new real estate taxes of up to 100% for ten years. By not immediately taxing the property owner on improvements made, Steelton Borough grants them the opportunity to recuperate the money used for redevelopment and to stimulate further commercial renovations and improvements. Steelton Borough is open for business and encourages developers and businesses to open up shop in our community.

HOW DOES STEELTON'S LERTA WORK?

The Steelton LERTA program provides new and existing property owners in the C-1 Town Center Commercial District with a ten year, 100% break on new real estate taxes that result from new construction or renovations to existing property.

Property owners in the Non-C-1 District receive a similar break on new real estate taxes on new construction/improvements on the following schedule:

- 100% break on new real estate taxes years 1 through 5
- 80% break on new real estate taxes year 6
- 60% break on new real estate taxes year 7
- 40% break on new real estate taxes year 8
- 20% break on new real estate taxes year 9
- Pay the full amount of taxes on improved property in year 10.

The LERTA abatement does NOT make a property tax free. It only applies to news real estate taxes that result from increased property value.

Applying for LERTA

Any commercial property owner desiring a tax exemption shall COMPLETE and SUBMIT a LERTA Tax Abatement Application to the *Steelton Borough Codes Office* PRIOR to the start of construction. A copy of the exemption request shall then be forwarded to all three local taxing authorities for consideration (Steelton Borough, Steelton-Highspire School District, and Dauphin County). Each local assessment agency shall, after the completion of the new construction or improvement, consider separately the new construction or improvement of approved properties and calculate the amounts of the assessment eligible for tax exemption according to limits established by the local authority. The taxpayer

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and local taxing authorities will then be notified of the reassessment and amounts of the assessment eligible for exemption under LERTA.

Improvements that do not result in an increased assessed value on subject property will not qualify for the LERTA.

**LERTA will only be granted when a LERTA application accompanies a building or use registration permit; benefits WILL NOT be applied retroactively to projects started without proper permits.*

The schedule of real estate taxes to be exempted shall be in accordance with the following percentages of assessed improvements to be exempted each year.

EXEMPTION SCHEDULE

District	1 st year	2 nd year	3 rd year	4 th year	5 th year	6 th year	7 th year	8 th year	9 th year	10 th year
C-1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Non C-1	100%	100%	100%	100%	100%	80%	60%	40%	20%	0%

Steelton Has Two LERTA Districts (includes East End as Non-C-1 District)

