

What Are PA's New Homestead And Farmstead Exclusions?

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DANVILLE (Montour Co) - This past November, Pennsylvania voters approved a change in the Commonwealth's constitution to allow a method of real property tax relief, called (at that time) a homestead exemption. A homestead exemption allows for preferential treatment of homeowners under the real property tax.

In May the PA Legislature passed the Homestead Property Exclusion Program Act (Act 50 of 1998). In addition to changing the word "exemption" to "exclusion", Act 50 has provided the definitions and rules needed by school districts, counties, and municipalities (townships, boroughs, and cities) to implement the homestead exclusion. Homestead exclusions, and a similar exclusion for farm properties, called the farmstead exclusion,

can now be made. Homestead and farmstead exclusions can be implemented under Act 50 in a taxing jurisdiction (school district, county, or municipality) without changing the existing local tax structure as long as they pay for it without increasing real property taxes. The law also provides a mechanism for school districts to change their local tax structure by shifting more to an earned income tax, in exchange for eliminating several nuisance taxes (the per capita, occupation, and occupational privilege taxes) and reducing the real property tax.

The homestead exclusion is a way to target real property tax relief to homeowners who have their permanent residence in the taxing jurisdiction. It reduces the assessed values of homestead properties, reducing the property tax on these homes. The home-

stead exclusion provides the same dollar tax reduction to all eligible properties in the taxing jurisdiction, including houses on farms, condominiums, single family homes, and other places of permanent residence owned by the occupant. A "homestead" property is a dwelling used by an owner as his or her permanent home. You may have only one permanent home at a given time, and homestead properties may not include rental units, vacation homes, or camps.

The farmstead exclusion is a method of real property tax relief for farmers. It allows a mechanism for tax relief to farmers on the taxes they pay on farm buildings (other than the farm house itself, which is covered under the homestead exclusion), so long as at least one of the farm owners lives on the farm. This is in addition to other existing real property

tax relief programs, such as Act 319 "The Clean and Green" program which reduces the assessed value of farmland. If a taxing jurisdiction offers the homestead exclusion it must, by law, offer the farmstead exclusion as well. Act 50 also states that the farmstead exclusion rate will be set by the local governing body, and cannot exceed the amount of the homestead exclusion.

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A "farmstead" property is defined as "all buildings and structures on a farm of ten (10) contiguous acres or more in size that are used primarily for agricultural purposes" (such as housing animals, or storing supplies, production, or machinery). The farmstead exclusion would be applied to these "farm" buildings that are not already exempt from real property taxation under other laws. By requiring that the owner live on the farm, farms that are owned and operated by absentee owners will not be eligible for the farmstead exclusion.

Penn State Cooperative Extension is preparing an educational pamphlet on the homestead and farmstead exclusions. If you would like more information concerning Act 50 please call your county's Cooperative Extension Office.

HACCP Workshops

BOWLING GREEN, Ky. — One-day workshops to increase understanding of the issues associated with HACCP in slaughter plants and potential impact on the farm will be held across the U.S. during the month of August.

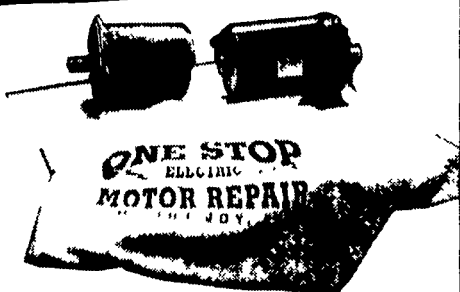
The food safety workshops, "Surviving in a HACCP World," will be held Aug. 25 in Columbus, Ohio; Aug. 26 in Omaha, Neb. and Aug. 27 in Denver, Colo.

The one-day workshops will begin at 9 a.m. and end at 4 p.m.

The Livestock Conservation Institute (LCI), an organization representing the food animal industry, is facilitating these workshops.

Contact the LCI Office at (502) 782-9798 or visit LCI's website at www.lcionline.org for more information or to register for the workshops.

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