Residential Tax Abatement

What is it?

A program that allows property owners who have made improvements to their property to minimize their property taxes by allowing them to pay taxes on the pre-improvement tax value of their property for 10-15 years. Please be aware that even if the city determines that a property is eligible for a tax abatement, the tax abatement will only be applied if the auditor finds that the improvements increased the taxable value of the property.

Who Qualifies?

- Owner of a 1-3 unit structure located in the city of Cincinnati
- Improvements were made to the property with documented costs of at least $2,500 for a 1-2 unit property or of at least $5,000 for a 3 unit property.
- Improvements increased the taxable value of the property (see below for more information).
- All work on the property was properly permitted.
- Structure passes an exterior inspection.

Required Documents

- $250 Application Fee (non-refundable).
- Documentation verifying completion of renovations/construction.
  - » Must provide proof that all permits related to the improvements have been closed. Applicants can submit a screenshot from http://cagis.hamilton-co.org/opal/ezTrakhome.aspx showing all permits as closed or submit documentation issued from Dept. of Buildings & Inspections.
- Proof of improvement costs.

How to Apply

- By Mail. Mail. Download and print the application, which is posted on the City of Cincinnati website. Mail the completed application, along with $250.00 nonrefundable application fee, and copies of other required documents to:

  City of Cincinnati
  Department of Community and Economic Development
  Residential Tax Abatement Program
  805 Central Avenue, Suite 700

What happens after an application is submitted?

- It usually takes the Department of Community and Economic Development (DCED) about 8 weeks to review an application and decide whether it is eligible for a tax abatement.
- If the DCED decides that a property is eligible for a tax abatement, it sends an eligibility letter to the property owner and the Hamilton County Auditor's Office.
- Once the Hamilton County Auditor's Office receives the eligibility letter, it will determine whether the improvements increased the property's taxable value.

What happens after an application is submitted? (continued)

- If the improvements did not increase the taxable value of the property, then a tax abatement will NOT be applied.
- If the improvements increased the taxable value of the property, the amount of the increase in value will be abated.

Example

- A property is originally valued at $80,000
- A property owner makes improvements costing $30,000
- The property owner submits an application for a tax abatement to DCED and is found eligible.
- The auditor determines that the improvements increased the taxable value of the property to $100,000 (+ $20,000)
- The abated value is $20,000.
- Although the home is worth $100,000, the property owner with a $20,000 abatement would only have to pay property taxes for an $80,000 home (the pre-improvement value)

Other Helpful Information

- Improvements and Taxable Value. Not all improvements to a structure increase the structure's taxable value. Tax abatements are only available when an improvement to the property has increased its taxable value.

<table>
<tr><th>Improvements that DO Increase Taxable Value</th><th>Improvements that DON'T Increase Taxable Value</th></tr>
<tr><td>• New additions to the home (adding a garage, or building an addition the home)
• Significant remodeling (finishing an unfinished basement, adding a bathroom)
• Significant repairs to make the home more structurally sound (fixing foundation, repairing compromised joists)</td><td>• Repaving the driveway
• Reroofing
• Replacing windows
• Replacing broken HVAC system
• Updating appliances
• General maintenance (painting, landscaping, minor repairs, etc.)</td></tr>
<tr><td colspan="2">**When a home has significant conditions issues requiring high cost repairs, a property owner may be able to receive a tax abatement for fixing the condition, if the tax value of the property was previously lowered because of the problem conditions</td></tr>
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- A tax abated property may still be subject to an increase in property taxes during the abatement period based on new tax levies or an increase in other property values in the same area.

If you have questions or need legal assistance, please call the Legal Aid line at **(513) 241-9400**