

## Application Q & A:

### 1. How does one apply?

Application forms can be obtained in the City Clerk's office or downloaded from the City's web site, [www.oskaloosaiowa.org](http://www.oskaloosaiowa.org). Fill out the required information (owner's name, address, phone number, legal description of the property, description of the improvements including costs and completion date), then sign and date.

### 2. When does one apply?

Applications must be filed with the City Clerk between January 1 and February 1 of the year in which the improvements would appear on the assessor's rolls.

### 3. Who makes the application?

The property owner. Even if the lessee is making the improvement and the lease agreement has the lessee paying taxes, the property owner must apply. The tax abatement will then be included as part of the property's tax record for the term of the tax abatement regardless of who owns or occupies the property.

### 4. How often do I need to apply?

Applications may be made each year qualifying improvements to the property are being made even though such improvements may not be actually completed during that year. If no further improvements are made, the initial application will be sufficient without the property owner having to file additional applications for succeeding years in which the tax abatement is received.

### 5. Will the County Assessor need to see the improvements? Yes. The improvements will need to be verified and assessed before the abatement is granted.

## Briefly Noted:

- Tax Abatement is a reduction in the property taxes which would otherwise be payable on the actual value added to a property due to qualified improvement.
- The reduction only applies to the additional taxes resulting from the increase in assessed value of the property due to the improvement.
- Commercial Tax Abatement calls for a three-year schedule; Industrial Tax Abatement calls for a ten-year schedule. Complete details are inside.
- Under urban revitalization, the taxes related to the assessed value of the property prior to the improvement cannot be reduced and will continue unabated.
- Properties which qualify for an Industrial and Commercial Tax Abatement under the City-Wide Urban Revitalization Plan, must be located within certain zones and areas within the corporate limits of Oskaloosa. A map showing these zones can be viewed on line at [www.oskaloosaiowa.org](http://www.oskaloosaiowa.org) or by visiting the City Engineer's Office.

## Useful Numbers:

### Oskaloosa City Hall

220 South Market Street  
City Clerk ..... 641.673.9431

### Mahaska County Assessor

1st Floor, Mahaska County Courthouse  
106 South 1st Street ..... 641.673.5805

### Oskaloosa Building & Zoning Division

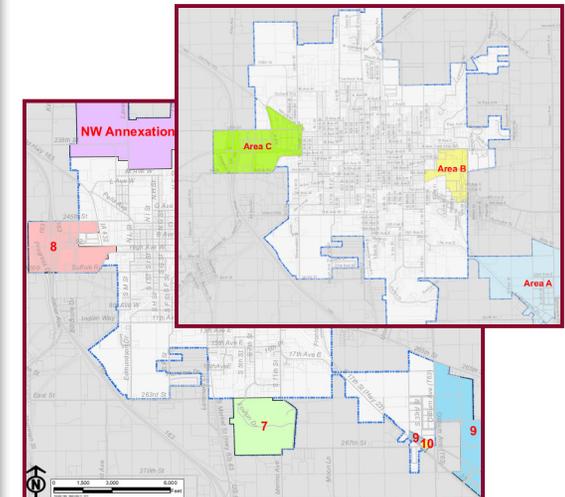
Akhilesh Pal, P.E, City Engineer  
or Oskaloosa's Building Official  
804 South D Street ..... 641.673.7472



## GOOD TO NOTE:

### CITY-WIDE URBAN REVITALIZATION PLAN

# COMMERCIAL AND INDUSTRIAL TAX ABATEMENT



A "Good to Note" Publication  
brought to you by The City of Oskaloosa  
City Hall • 220 South Market Street  
Oskaloosa, IA 52577 • 641.673.9431  
[www.oskaloosaiowa.org](http://www.oskaloosaiowa.org)

## Introduction

In an effort to help spur investment within the City of Oskaloosa, the City Council implemented a partial property tax abatement program. This brochure is intended to give an overview of the program but you are encouraged to visit the city's web site where maps of eligible commercial and industrial areas can be found. Downloadable applications are also available.

## Definitions

### What qualifies as an improvement?

Improvements that will qualify for abatement include new construction and rehabilitation of and additions to existing buildings.

- The assessed valuation of the property must increase at least 15% after the improvements have been made
- Improvements must conform to the zoning ordinance and all other applicable codes.
- A permit should be secured for improvements that will increase the property's value.

### What is considered a commercial property?

All properties that are commercially assessed, such as retail stores, office buildings, and doctors' offices are generally considered commercial. **Note:** Commercially assessed properties consisting of 3 or more living units and with at least 75% of the space used for residential purposes are considered residential properties and are eligible for the City's residential tax abatement program.

### What is considered an industrial property?

All properties that are industrially assessed and are located within the industrial zone areas. No manufacturing equipment or machinery which is assessed as real estate shall be eligible for exemption pursuant to the provisions of this chapter if said machinery or equipment is part of the normal replacement or operating process to maintain or expand existing operational status. (See Chapters 3.12 and 15.40 in the City's Municipal Code for complete information.)

## No Surprises

### Will the taxes accumulate and then surprise me at the end of the abatement?

No. The taxes normally due during the abatement period are forgiven in accordance with the abatement schedule; they are not postponed.

### Can property taxes ever be eliminated using tax abatement?

There will always be some taxes on property. Under urban revitalization, the existing assessed value of the property and the resulting taxes prior to the improvements will continue unabated.

### Is there a possibility my taxes will increase even if I qualify for tax abatement?

Yes. Remember, this is a *partial* property tax abatement program. You will be partially taxed upon the improvements made to the property. Taxes may also go up on the property if:

- The owner makes improvements but fails to apply for tax abatement. (It is the property owner's responsibility to apply for the program as it does not automatically kick in for qualified improvements).
- The value of the property and the resulting taxes increase due to some other reason other than improvement (i.e. reassessment);
- The property acquires a special assessment for public improvements such as sidewalks, sewer, or streets; or
- The tax formula components change such as a change in millage rates or roll back values.

### How long will the plan last?

The Urban Revitalization Tax Abatement Program is not scheduled to sunset. The City Council will continue to monitor the program to determine how successful it is.

## Abatement Schedule

The **Commercial Tax Abatement** plan calls for a (3) three-year schedule. Eligible improvements on commercial property will receive the following:

- 70% abatement the first year
- 55% abatement the second year
- 30% abatement the third year
- On the fourth year and every year thereafter, taxes on the full value of the property will be due.

The **Industrial Tax Abatement Plan** calls for a (10) ten-year schedule on industrial property and will receive:

- 80% abatement the first year
- 70% abatement the second year
- 60% abatement the third year
- 50% abatement the fourth year
- 40% abatement the fifth year
- 40% abatement the sixth year
- 30% abatement the seventh year
- 30% abatement the eighth year
- 20% abatement the ninth year
- 20% abatement the tenth year
- On the eleventh year and every year thereafter taxes on the full value of the property will be due.

**The reduction only applies to the additional taxes resulting from the increase in assessed value of the property due to the improvement.**

It is recognized that this program may not be utilized by all property owners within the designated areas. Through the distribution of this brochure, however, the City is attempting to provide information as to the availability of this program. Please contact City Hall to have your questions addressed.

**Questions?  
Call City Hall at 641.673.9431**