



**City of Easton
LERTA
Local Economic Revitalization Tax Assistance**

What is LERTA?

The LERTA program is designed to promote and incentivize property investment in certain designated areas by granting a partial tax abatement on improvements made to properties within a designated LERTA District. Senate Bill #305 of 1977 enables the establishment of LERTA Districts in the State of Pennsylvania.

Easton City Council passed an ordinance amending Chapter 531, Tax Abatements, of the Codes of the City of Easton, Pa. to define the terms of the LERTA, set the exemption amount and schedule, and provide a procedure for property owners to secure an exemption. The Easton Area School District Board and Northampton County Council passed similar ordinances allowing the reestablishment of the LERTA program in Easton.

Who is eligible for LERTA?

Property owners of residential, commercial, industrial, or any other type of property located within the LERTA District are eligible for a 10 year partial tax abatement on property tax increases which are a result of substantial property improvement and subsequent property reassessment by Northampton County.

Easton's LERTA District was established by City Council Resolution #66-2012.

LERTA permit applications received after the improved property has received a CO from the City, will not be eligible for the program.

How much is the exemption/abatement?

For purposes of LERTA, a property's assessed value prior to the substantial improvement being made is referred to as it's "base" assessment. Upon completion of the improvements and receipt of a Certificate of Occupancy (CO) from the City of Easton, it is likely that the County will place an increased assessed value on the property. The difference between the base and the new assessed value is referred to as the increment.

For the first year immediately following the receipt of a CO, the owner will pay property taxes in the amount of the base assessment, in other words, the taxes will not increase from the base amount prior to construction. In the second year, the property taxes will be calculated at the base plus 10% of the increment. For each following year, for the next 10 years, an additional 10% of the increment will be added to the base until the 100% of the increment is reached.



How does one apply for LERTA?

To apply for LERTA benefits, a property owner must complete and submit a LERTA permit application to the Department of Code Enforcement at the time of construction permit application for the improvements. The application can be found at www.easton-pa.gov in the forms section under Code Enforcement. City Staff will notify Northampton County Tax Assessment office to ensure that the abatements are reflected in future property tax bills.

For a property in the District to be eligible, property owners must not owe the City, County, or School District any back taxes or have outstanding utility bills related to the property for which the application is being made.

The exemption timeline for each property is unique and begins with the receipt of the CO from the City of Easton.

LERTA applications may be received anytime until December 31st, 2017, at which point the City, School District and County Councils will determine if the program shall be continued.

What is a substantial improvement?

Any improvement to a property which results in an increased assessment value is considered a substantial improvement. Typically, cosmetic improvements, such as painting, new flooring, or new kitchen cabinets, are not considered substantial improvements.

What if the property is sold? Will the abatement continue?

Yes. The exemption from taxes authorized by this act shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.

More information can be found in Chapter 531 of the Codified City Ordinances entitled "Tax Abatements". For questions, please contact Dawn Hart in the Economic Development Department, dhart@easton-pa.gov or call 610-250-6719.