

MARSHALLTOWN

— I O W A — CITY CLERK'S OFFICE

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URBAN REVITALIZATION TAX ABATEMENT PROGRAMS

RESIDENTIAL TAX ABATEMENT

Tax abatement is a program used to encourage and stimulate the rehabilitation of existing and new housing. The City of Marshalltown has enacted into law the Urban Revitalization Act. Under this Act, qualified residential real estate may be eligible to receive an exemption from property taxes, except for property tax levies imposed by a school district for applications submitted on or after July 1, 2024, as and to the extent required by Iowa Code Section 404.3D. You may choose 100% exemption for three years, or a sliding tax exemption for either five- or ten-years. This program is referred to as the Tax Abatement Program.

Qualified improvements include improvements resulting in an increase of actual assessed value by at least 10% qualify for tax abatements for the following: New construction of residential buildings, Rehabilitation of residential buildings, Additions to existing residential buildings.

You are not eligible for a Residential Tax Abatement unless you had an approved building permit for the improvement. Maintenance and repair of homes, such as replacement windows and siding are not a qualified improvement under the Tax Abatement program.

COMMERCIAL TAX ABATEMENT

Commercial tax abatement is a program used to encourage and stimulate the rehabilitation of designated commercial areas. The City of Marshalltown has enacted into law the Urban Revitalization Act in two areas of our community. Under this Act, qualified commercial improvements are eligible to receive a total exemption from property taxes for improvements for three years. New or substantially improved commercial properties within Urban Revitalization Zone 1 or Zone 2 are eligible for commercial tax abatement. A written minimum assessment agreement is required to qualify for exemption for commercial property. This must be approved by the County Assessor prior to filing the first-year application.

APPLICATIONS

An application shall be filed for each new exemption claimed. The first application for an exemption shall be filed by the owner of the property with the City Clerk's office by February 1st of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, or the following two assessment years, in which case the exemption is allowed for the total number of years in the exemption schedule. Upon the request of the owner at any time, the city council may provide by resolution that the owner may file an application by February 1st of any other assessment year selected by the governing body in which case the exemption is allowed for the number of years remaining in the exemption schedule selected. Applications are available on the City of Marshalltown's website: <https://www.marshalltown-ia.gov/156/Applications-and-Forms>. The application filing fee is \$50 per unit for residential and \$50 per application for commercial and industrial.

MAKE MARSHALLTOWN HOME GRANT

Tax Abatement may not be filed if you have applied for the Make Marshalltown Home New Home \$10,000 Grant incentive through the Marshalltown Area Chamber of Commerce. For more information about this program in lieu of tax abatement please visit <https://www.marshalltown.org/make-marshalltown-home/>.

For questions on the Urban Revitalization Tax Abatement Program, contact the City Clerk, 641-754-5701 x1101 or clerk@marshalltown-ia.gov.