
City of Bradford



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LERTA

**Local Economic Revitalization
Tax Assistance Program**

Did you know that as a Bradford City commercial or industrial property owner you may be eligible for a real estate tax abatement for up to five (5) years on improvements or new construction you plan to undertake? For five (5) years immediately following the year in which the improvement becomes assessable, the following real estate tax exempt schedule shall be in effect:

<u>Period</u>	<u>Improvement Portion Exempt</u>
First Year	100%
Second Year	80%
Third Year	60%
Fourth Year	40%
Fifth Year	20%

After the fifth year, the exemption shall terminate.

In order to give you, the property owner, an incentive for renovating or rebuilding, the City Council originally adopted the LERTA program in January 1993. Too often, a major deterrent to improving deteriorated property has been that improvements result in higher property value and, therefore, higher property taxes. The higher taxes can discourage property owners from making the needed investment. LERTA provides an incentive for making an investment toward a more prosperous and beautiful Bradford.

LERTA, which stands for Local Economic Revitalization Tax Assistance, allows local taxing authorities to exempt improvements to property if the property is located within the boundaries of the City of Bradford.

Example of How the LERTA Program Can Help You:

Assessment rate:	100%	
Total Millage	50.14	
\$250,000.00		Improvements on Structure
X 100%		Assessment Rate
\$250,000.00		New Assessed Value
X.05014		Total Tax Millage
\$ 12,535.00		New Property Tax Payable

Tax Savings With LERTA Utilizing Above Example:

Year	<u>Taxes Payable</u>	<u>Taxes Payable</u>	Annual LERTA Savings
	No LERTA	With LERTA	
1	\$12,535.00	0	\$12,535.00
2	\$12,535.00	\$2,507.00	\$10,028.00
3	\$12,535.00	\$5,014.00	\$7,521.00
4	\$12,535.00	\$7,521.00	\$5,014.00
5	\$12,535.00	\$10,028.00	\$2,507.00
6	\$12,535.00	\$12,535.00	0
Total	\$75,210.00	\$37,605.00	\$37,605.00

After the fifth year, the total taxes payable on improvements would be \$12,535.00. The total savings in taxes during the five-year period of the LERTA program will be \$37,605.00.

This example deals with an improvement of an existing structure and the LERTA program applies only to new taxes resulting from the improvement. Existing real estate taxes are not part of the LERTA program.