

Town of Cheektowaga Capital Improvements to Residential Buildings (RPTL 421-I)

What is It?

- This is an exemption to reduce town taxes for residential home owners that have reconstructed, altered, or improved their home in the first five years following completion of the improvement.

Who is Eligible?

- Private individual or individuals, or organizations, who own residential property in the Town of Cheektowaga, are eligible.

Requirements

- The property must be used exclusively as a one-, two-, or three-family residential building, and undergone reconstruction, alteration or improvement.
- The project must be documented by a building permit, and a certificate of occupancy issued.
- Application (RP-421-I) for the exemption must be filed within one year of completion of the project.
- All taxes must be paid (no delinquent taxes owed).
- The project must increase the assessed value by at least \$10,000, with a maximum permitted exemption not to exceed \$150,000.

Disqualification

- The reconstruction, alteration or improvement project commenced prior to the effective date of the local law.
- The ordinary maintenance and repairs of the property do not qualify.
- The property ceases to be used primarily for residential purposes at any point in the duration of the exemption.
- The property is sold – the exemption is nontransferable.

Duration and Computation of Exemption

- The exemption starts at 50% of the amount of increase in assessed value attributed to the reconstruction, alteration or improvement. In each of the four years following the initial exemption, the amount will decline by 20%:

Example: House assessed at \$100,000 + \$10,000 Increase for Addition = Newly Assessed Value \$110,000 upon completion.

	Percentage of Exemption	Amount of Exemption	Taxable Amount For Town Tax
Year 1	50%	5,000	105,000
Year 2	40%	4,000	106,000
Year 3	30%	3,000	107,000
Year 4	20%	2,000	108,000
Year 5	10%	1,000	109,000