



Residential Tax Abatement

What is “tax abatement”?

It is a temporary reduction in property taxes that are otherwise payable on the actual value added to a residential property due to a qualified improvement. Tax abatement is legally known as “Urban Revitalization” (Chapter 404 of the Iowa Code). The City of Windsor Heights has adopted urban revitalization plans to permit tax abatement for qualified real estate improvements in designated areas.

What is a “qualified improvement”?

Qualified improvements are new construction, rehabilitation and additions that meet the other requirements described below.

Are there other requirements for residential tax abatement?

General other requirements to qualify for residential tax abatement include:

- Increase the assessed value of residentially classified property by 10%;
- Conform with the City’s Zoning Ordinance;
- Conform with all other applicable codes, rules and regulations;
- A building permit with all necessary inspections completed is needed for most improvements that increase your value.

What does “residentially classified” mean?

Single-family, duplex, and multiresidential dwelling units.

What kinds of improvements increase the assessed value?

New construction, additions, major rehabilitation and remodeling improvements generally increase the assessed value.

Repairs generally do not increase the assessed value unless several major repairs are completed at the same time. For specific information, contact the Polk County Assessor’s Office at 515-286-3014.

Does \$1 spent on work = \$1 of increased assessed value?

One dollar spent is not necessarily equal to one dollar of increased value. Contact the Polk County Assessor’s Office at 515-286-3014 for more information.

What areas of Windsor Heights qualify for residential tax abatement?

Most residential areas of Windsor Heights will qualify. Check with the Building and Zoning Department to see if your project is in an urban revitalization area.

Is money available to make improvements?

Not as a part of the residential tax abatement program.

If qualified improvements are made, how do I get tax abatement?

The property owner must file an application with the City prior to the 1st working day of February following the year when the improvements are completed. The City encourages filing applications as soon as the project is completed.

How do I apply?

Complete the tax abatement application. It takes about 5 minutes to complete the application.

Applications are available at: <https://www.windsorheights.org/455/Urban-Revitalization-Plan>

Who applies?

The property owner. Even if as a lessee, you are doing the improvements and your lease agreement has you paying the taxes, the property owner will need to consent to the application. The tax abatement will be included as part of the property's tax record for the term of the abatement.

How often do I need to apply?

Each year you make qualifying improvements to the property. If no further improvements are made, the initial application is sufficient.

Why would an application be denied?

- The assessed value of the property is not increased by at least 10%.
- The improvement is not in conformance with City codes and regulations, including all completed building inspections.
- The application was submitted after the filing deadline.
- The improvement is not in a designated area to receive tax abatement.

If I do interior improvements, will the Assessor need to see them?

Yes, the assessor needs to verify and assess the improvements before the abatement is granted.

Will my taxes increase if I use tax abatement?

It is possible your taxes will increase over time because of reassessments, special assessments for sidewalks, sewer, or streets, and/or the tax formula components change (tax rates increase, residential rollback values decrease).

If I think my assessment is too high, what can I do?

You may appeal the assessment to the Polk County Assessor at 515-286-3014.

Why did the City Council designate most of the City for tax abatement?

The City Council adopted tax abatement to encourage new construction and housing rehabilitation.

Do I have to make improvements?

The program is voluntary. If you do not want to make improvements, then the tax abatement program will not affect you.

Residential Tax Abatement Schedule

For the first year, an exemption from taxation on 100% of the first \$75,000 of actual value added.

For the second year, an exemption from taxation on 75% of the first \$75,000 of actual value added.

For the third year, an exemption from taxation on 50% of the first \$75,000 of actual value added.

For the fourth year, an exemption from taxation on 25% of the first \$75,000 of actual value added.