

# Exemptions

## Board Of Tax Assessors & Appraisal Office

### NEW FEATURE

#### **\*APPLY FOR HOMESTEAD EXEMPTION ONLINE\***

To apply for Homestead Exemption online, [please click here](#).

### **IMPORTANT INFORMATION: HOMESTEAD EXEMPTIONS**

Several types of homestead exemptions have been enacted to reduce the burden of ad valorem taxation for Georgia homeowners. These exemptions apply to homestead property owned and occupied by the claimant as his or her legal residence.

To receive the benefit of the homestead exemption, the taxpayer must have occupied the property as of January 1st and file an initial application. In Coweta County, the Tax Commissioner has transferred the responsibility for accepting homestead applications to the Tax Assessors office. The responsibility to approve or deny the exemptions has always been that of the Board of Assessors. **Applications must be filed with the Tax Assessors office.**

Applications may be filed year round, however exemptions must be filed for by April 1 to apply to the current tax year and you must still own and occupy the property as of January 1. The homestead application is normally filed at the same time the initial tax return for the homestead property is filed. Identification verifying Georgia as your state of legal residence is required (*typically, your Georgia drivers license that shows the same address as where homestead is claimed*) and the application must be signed by the party claiming the exemption or their legally authorized agent. An individual or married couple may only claim one homestead exemption, even if they own multiple properties. Homestead exemption may only be claimed in your state of legal residence (where you vote, pay income tax, etc.).

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### **Homestead fraud is punishable by law. (O.C.G.A.48-5-51)**

Once granted, the homestead exemption is automatically renewed each year. The taxpayer does not have to apply again unless they move, there is a change in ownership of the property or the taxpayer seeks to qualify for a different type exemption. A change of address will trigger an audit. Special exemptions are subject to periodic audit.

All homestead exemptions must be approved by the Board of Tax Assessors.

Under the authority of the State Constitution, several different types of homestead exemptions are provided. In addition, local governments are authorized to provide for increased exemption amounts and several have done so. The Tax Assessors office can answer questions regarding the qualifications for all exemptions. Locally legislated exemptions supersede the state exemption amount when the local exemption is greater than the state exemption.

**Homestead exemptions may be filed at any time during the year. However, exemptions must be filed for by April 1st to apply to the current tax year. You must still own and occupy the property as of January 1 to be eligible.**

### **Filing deadlines cannot be extended.**

**Note: Beginning with tax year 2016, the state no longer collects its 1/4 mill ad valorem tax. Language below describing "state tax" exemptions is not currently relevant.**

**As referenced below:**

**M/O = Maintenance and Operations****"S" exemptions are state authorized / "L" exemptions are locally authorized**

- **Standard Homestead Exemption (S1)**

(Superseded by local legislation to a \$10,000 exemption on county M/O) The home of each resident of Georgia that is actually occupied and used as the primary residence by the owner may be granted a \$2,000 exemption from state, county and school taxes except for school taxes levied by municipalities and except to pay interest on and to retire bonded indebtedness. The \$2,000 is deducted from the 40% assessed value of the homestead. The owner of a dwelling house of a farm that is granted homestead exemption may also claim a homestead exemption in participation with the program of rural housing under contract with the local housing authority. (O.C.G.A. 48-5-44)

- **Individuals 65 Years of Age and Older May Claim a \$4,000 Exemption (S4)**

(Superseded by local legislation to a \$10,000 exemption on county M/O) Individuals 65 years of age or over may claim a \$4,000 exemption from all state and county ad valorem taxes if the income of that person and his spouse does not exceed \$10,000 for the prior year. Income from retirement sources, pensions, and disability income is excluded up to the maximum amount allowed to be paid to an individual and his spouse under the federal Social Security Act. The social security maximum benefit for 2020 is \$72,264.00. The owner must notify the Tax Assessors office if for any reason they no longer meet the requirements for this exemption. (O.C.G.A. 48-5-47)

- **Individuals 62 Years of Age and Older May Claim a \$10,000 Exemption (S3)**

Individual's 62 years of age or over that are residents of each independent school district may claim a \$10,000 exemption from all ad valorem taxes for educational purposes (school taxes) and to retire school bond indebtedness if the income of that person and their spouse does not exceed \$10,000 for the prior year. Income from retirement sources, pensions, and disability income is excluded up to the maximum amount allowed to be paid to an individual and his spouse under the federal Social Security Act. The social security maximum benefit for 2020 is \$75,552. The owner must notify the Tax Assessors office if for any reason they no longer meet the requirements for this exemption. (O.C.G.A. 48-5-52)

- **Homestead Exemption for Disabled Veterans (S5)**

Any qualifying disabled veteran may be granted an exemption from paying property taxes for state, county, municipal, and school purposes. The amount of the exemption for 2021 is \$101,754 and is updated annually by the Veterans Administration. The value of the property in excess of this exemption remains taxable. This exemption is extended to the un-remarried surviving spouse or minor children. (O.C.G.A. 48-5-48)

- **Homestead Exemption for Un-remarried Surviving Spouse (SS)**

The surviving spouse of a member of the armed forces who was killed in any war or armed conflict will be granted a homestead exemption from ad valorem taxes for state, county, municipal and school purposes. The amount of the exemption for 2021 is \$101,754 and is updated annually by the Veterans Administration. The veteran must have resided in the state of Georgia prior to their death. The surviving spouse will continue to be eligible for the exemption as long as they do not remarry. (O.C.G.A. 48-5-52.1)

- **Homestead Exemption for Un-remarried Surviving Spouse (SG)**

Provides for a 100% exemption from all ad valorem taxes levied for state, county and school purposes for the un-remarried surviving spouse of a Firefighter or Peace Officer killed in the line of duty. (O.C.G.A. 48-5-48.4)

- **Local Exemption (L1)**

Provides for total exemption from school taxes on the home and up to one acre for those property owners who are totally and permanently disabled and have a total household income of no more than \$12,500.00

per year from any and all sources. Income and disability status verification is required with application and is subject to periodic review.

- **Local Exemption (LB)**

Provides for \$20,000.00 exemption from school taxes on the home and up to one acre for those property owners who are totally and permanently disabled and have a total household income of no more than \$25,000.00 per year from any and all sources. Income and disability status verification is required with application and is subject to periodic review.

- **Local Senior School Tax Exemption - Three Tiers - No income limitations.**

- **(LC)** - Provides for an exemption from school taxes for property owners having reached the age of 65 as of January 1st of the year in which the exemption is sought in the amount of \$60,000.00 (2020)
- **(LE)** - Provides for an exemption from school taxes for property owners having reached the age of 71 as of January 1st of the year in which the exemption is sought in the amount of \$85,000.00 (2020)
- **(LG)** - Provides for an exemption from school taxes for property owners having reached the age of 75 as of January 1st of the year in which the exemption is sought in the amount of \$115,000.00 (2020)

- **Local Senior School Tax Exemptions may be stacked with the S5/SS Veterans Exemptions, however, separate application must be filed.**

- **LC** becomes **LD**
- **LE** becomes **LF**
- **LG** becomes **LH**

In addition to the various homestead exemptions that are authorized, the law provides a Property Tax Deferral Program whereby qualified homestead property owners 62 and older with a gross income of \$15,000 or less may defer but not exempt the payment of ad valorem taxes on part or all of the homestead property. Generally, the tax would be deferred until the property ownership changes or until such time that the deferred taxes plus interest reach a level equal to 85% of the fair market value of the property.

With respect to all of the homestead exemptions, the board of tax assessors makes the final determination as to eligibility. If the homestead application is denied, the taxpayer must be notified and an appeal procedure then is available to the taxpayer.

The Board of Tax Assessors routinely performs audits to determine continued eligibility for the various levels of homestead exemption.

For more information: [Click Here](#)

## **FREEPORT EXEMPTION**

The governing authority of any county or municipality may, subject to the approval of the electors of such political subdivision, except from ad valorem taxation, including all such taxes levied for educational purposes and for State purposes, all or any of the following types of tangible property. **Application for this exemption must be made each year by April 1 in order to receive the maximum exemption on qualifying Inventory.**

## **Filing deadlines cannot be extended.**

**Note: The Coweta County version of Freeport differs slightly from the state version. Contact the Personal Property Division of the Tax Assessors office at 770-254-2680 for specific information and filing requirements.**

- Inventory of goods in the process of manufacture or production, which shall include all partly finished goods and raw materials, held for direct use or consumption in the ordinary course of the taxpayer's manufacturing or production business in the State of Georgia.
- Inventory of finished goods manufactured or produced within the State of Georgia in the ordinary course of the taxpayer's manufacturing or production business when held by the original manufacturer or producer of such finished goods. The exemption provided for herein shall be for a period not exceeding twelve (12) months from the date such property is produced or manufactured.
- Inventory of finished goods which, on the first day of January, are stored in a warehouse, dock or wharf, whether public or private, and which are destined for shipment to a final destination outside the State of Georgia and inventory of finished goods which are shipped into the State of Georgia from outside the State and stored for transshipment to a final destination outside this State. The exemption provided for herein shall be for a period not exceeding twelve (12) months from the date such property is stored in this State.

## SPECIALIZED AND PREFERENTIAL AGRICULTURAL ASSESSMENT PROGRAMS

### Filing deadlines apply for all specialized assessment programs. Contact office for details

- Three general types of specialized or preferential assessment programs are available for certain owners of certain types of Agricultural property.

The oldest of these programs, **Preferential Farm Assessment (PFA)** authorizes assessment at 30% instead of 40% of the fair market value for certain agricultural properties being used for bona fide agricultural purposes. Although still available, land values in Coweta County are too high for this program to provide the most benefit to property owners. This program became obsolete with the introduction of Conservation Use in the early 1990's.

The second and most prevalent type of preferential program is the **Conservation Use (CUVA)** program which provides that certain agricultural property, timber and land property, environmentally sensitive property, or residential transitional property is to be valued and assessed for ad valorem tax purposes at its current use value rather than its fair market value.

For more information on Conservation Use we have included the following Information.

### WHAT IS CONSERVATION USE?

Conservation Use was approved by an overwhelming majority of Georgia voters in an effort to encourage agricultural landowners to keep their land in production in exchange for favorable tax treatment. This favorable tax treatment is designed to protect these property owners from being pressured by the property tax burden to convert their land from agricultural use to residential or commercial use, hence the name "conservation use" assessment. In return for the favorable tax treatment the property owner must keep the land undeveloped in a qualifying use for a period of ten years or incur stiff penalties.

Applications for current use assessment must be filed with the county board of tax assessors on or before the last day for filing ad valorem tax returns in the county (April 1). **A \$25.00 recording fee must accompany all applications.**

### QUALIFICATIONS

- Owner must be an individual or family farm corporation, estate, trust or non-profit organization.
- Owner agrees to maintain the property in a qualifying use of "good faith" production of agricultural products or timber for 10 years.
- Owner cannot have over 2,000 acres statewide in the Conservation Use Program.
- The Tax Assessors Office may request additional information regarding the use of the property if the office feels it is necessary to determine if the property qualifies for the exemption. Information that may be requested is Schedule F (Profit or Loss from Farm Income), Form 4562 Depreciation, or Crop Production Records the owner maintains. (mandatory on tracts less than 10 acres)

### CONSERVATION USE VALUES

- Conservation values are set by the State of Georgia and cannot be appealed by the taxpayer, however the Board of Tax Assessors must still maintain the fair market value on the property which may still be appealed by the taxpayer.
- The Conservation values established by the state are made up of a combination of the capitalized income that could be produced from the land and market value. The ratio is 65% income and 35% fair market value.
- The maximum amount that conservation values may be increased is 3% per year or a maximum of 34.39% over the 10-year Covenant.
- The amount of savings on your tax bill cannot be determined at this time. The valuation for conservation use is available on your property upon request. You then can compare the fair market value to the conservation use value.
- Agricultural buildings may be included in the covenant. Although, the current values will not change on the buildings, these buildings would be subject only to the 3% per year maximum increase.

### **BREACH ON CONTRACT**

- If the owner breaks the Covenant a penalty of twice the taxes saved by the taxpayer will be imposed and interest at the rate of 1% per month will be assessed if not immediately reported.
- If the Covenant is broken as a result of death or eminent domain (condemnation) no penalty will be assessed.
- If the Covenant is broken as a result of medically demonstrable illness or foreclosure, the penalty will be the amount of taxes saved for the current year only.
- Leases or contracts for billboard signs and some other types of non-qualifying use will breach the Covenant and all penalties will apply. Hunting leases are allowed.
- Leases for cellular communications towers are allowed provided proper notification is made to the Board of Assessors and the property subject to the lease is surveyed as a separate parcel and no longer receives benefit of the covenant.
- If the property is sold, and if the purchaser continues using the property as it was originally covenanted then no penalty would be assessed. Purchaser must sign covenant agreeing to no change in use. However, the taxpayer should be aware that if the use changes during the 10-year period all penalties would apply.

### **OTHER FACTS**

- If the owner desires to omit a portion of a tract from the Covenant they must present to the Assessors' satisfaction a clearly defined description of the portion under the Covenant and a clearly defined description of the portion not under the Covenant.
- The property owner may give up to 5.0 acres to a relative within the 4th degree of civil reckoning provided that relative builds a house on the property received within one year and resides in the house for the remainder of the 10-year period.
- Property is allowed to lie fallow or idle for up to 2 years within any 5-year period.
- Property owners over age 65 who renew their Covenant may elect after 3 years into the second 10-year Covenant to terminate the Covenant by filing in writing a declaration with the Tax Assessors' office.

The third option is the **Forest Land Protection Act (FLPA)** and is designed very similarly to CUVA having land values based on productivity and promulgated by the state but is exclusively for timber producing properties in excess of 200 acres. For more information on this program please contact the Tax Assessors office.

Each of these specialized or preferential programs requires the property owner to covenant with the board of tax assessors to maintain the property in its qualified use for at least 10 years in order to qualify for the preference. The Tax Assessors office can explain the ownership and use restrictions regarding property qualifying for either of these programs. Substantial penalties result if the covenant is broken. Additional information is available at: <http://dor.georgia.gov/>

## **Other Specialized Assessment Programs**

### **• Brownfield Property (O.C.G.A. 48-5-7.6)**

- Provides for tax savings on certain properties which have been subject to contamination upon redevelopment.
- Application for certification is made to the Environmental Protection Division of the Department of Natural Resources for participation under Article 9 of Chapter 8 of Title 12, the "Hazardous Sites Reuse and Redevelopment Act," as amended and then provided to the Board of Tax Assessors.

### **Rehabilitated Historical Property (O.C.G.A 48-5-7.2)**

- Provides for tax savings for certain properties which have been certified by the Georgia Department of Natural Resources as being eligible for preferential assessment based on criteria of that department.
- Owner must submit a copy of the Preliminary Certification Form from the DNR to the BOA and must complete the rehabilitation within 24 months of the date of receipt of certification.
- Upon completion of the rehabilitation, the owner must submit to DNR a written request for final certification (part B of application) and, upon receipt, submit to the BOA.

**Landmark Historic Property (O.C.G.A. 48-5-7.3)**

- Similar to the program for Rehabilitated Historic Property as described above but has been listed on the National Register of Historic Places or on the Georgia Register of Historic Places as provided in Part 1 of Article 3 of Chapter 3 of Title 12 and has been so certified by the Department of Natural Resources or (B) Has been certified by a local government as landmark historic property having exceptional architectural, historic, or cultural significance pursuant to a comprehensive local historic preservation or landmark ordinance which is of general application within such locality and has been approved as such by the state historic preservation officer.