

**Q. What is Act 1?**

A. Act 1, enacted in June 2006, repeals Act 72 and sets out several options that allow a school district to reduce its dependency on real estate taxes to fund operations. A participating school district will receive a portion of state revenues generated by licensed slot machine operations. **To qualify for the “slot money”, the district must increase its local tax on earned income (or broaden its income tax base to include other sources of income). Funds received by school districts from “slot money” and increased local income tax must be used to reduce the property taxes of qualifying property owners.**

**Q. How do I become a “qualifying” property owner?**

A. To become a qualifying property owner **you must first complete the enclosed application** and return it to the address on the envelope provided. **The Lancaster County Assessment Office will determine if the property qualifies for tax relief.** Qualification is **not** a school district decision.

**Q. What is a “homestead”?**

A. A homestead is your primary residence. You may claim only one residence as your primary home. Your answers to the application questions will help the County Assessment Office determine if the building is a “primary residence.”

**Q. What is a “farmstead”?**

A. A farmstead is a primary residence on a farm, including the value of buildings and structures used in commercial agricultural production.

**Q. How much might my taxes be reduced?**

A. The final amount of the real estate tax reduction is unknown and will be different for each school district. Available funds will be determined by the State and will be based on the amount of gaming monies collected **and by the amount generated by the increase in local income tax collections.**

**Q. When will I see a reduction in my real estate taxes?**

A. That is unclear but we do not expect to receive money from the State before 2008, with tax relief for participating districts to be effective with the 2007-08 school year (July 1, 2008 property tax bill). **Still, you**

**should apply for tax relief now to avoid missing out on tax relief if funds are available in 2007.**

**Q. I completed a similar application in 2005; do I need to complete a new application?**

**A.** If your application was rejected or if you failed to submit an application at that time, you need to Fill Out and Submit a new application. If your application was approved, you do not need to reapply.

**Q. Why should I complete and return the Homestead Application?**

**A.** This is the only way you will be eligible to participate and receive a reduction in your school district real estate taxes. If you do not complete the application you will not receive a reduced assessment.

**Q. Will this reduced assessment also apply to my local municipality and/or county real estate tax.**

**A.** No. The provisions of the Act only apply to school district real estate taxes.

**Q. What is the deadline for filing my Application for Homestead and Farmstead Exclusions?**

**A.** March 1,.

It is very important that you complete and return the enclosed application as soon as possible. This is a required step in qualifying for tax relief under Act 1.