



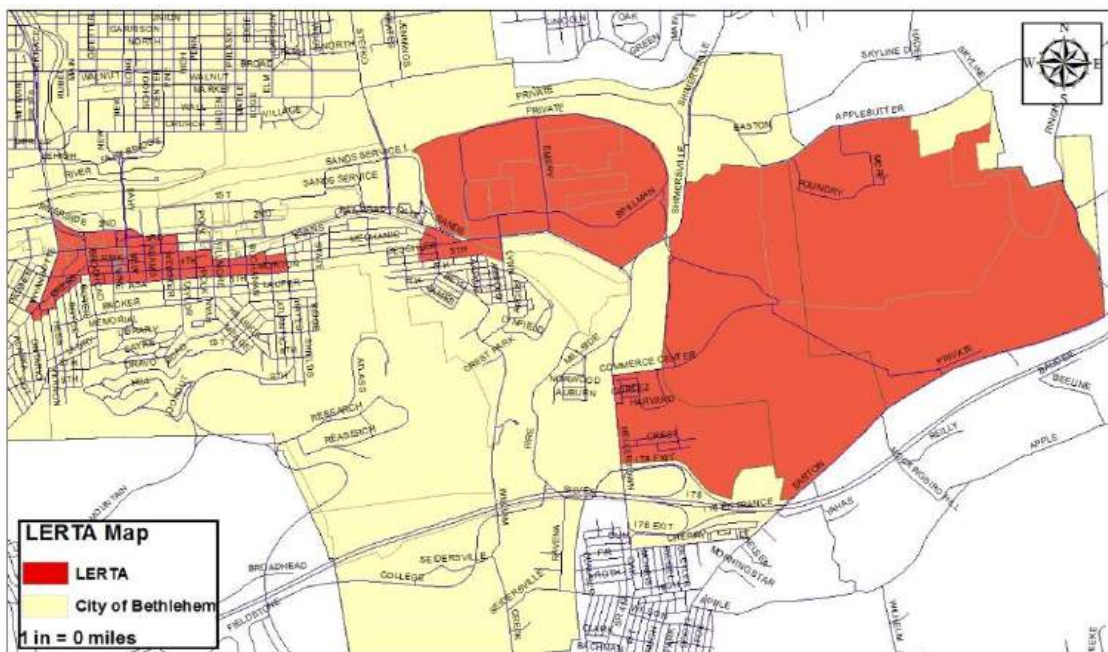
## LERTA: Local Economic Revitalization Tax Assistance

### LERTA Overview

LERTA is a tax abatement program that was created in 1977 to incentivize property investment and redevelopment of difficult or undesirable properties- such as brownfields. LERTA creates a graduated increase in tax payments on new construction and property rehabilitation for owners of commercial, industrial, and business properties located within designated zones in the City, including the Enterprise Zone. LERTA does require that property owners pay full land taxes, while taxes on improvements to the land grow incrementally over 10 years.

### What qualifies for LERTA benefits?

The owner of any property (commercial, industrial, office) within the LERTA district is eligible for the 10-year partial tax abatement on property tax increases resulting from the redevelopment or substantial improvement of a property which results in the reassessment of the property by Northampton County. As the map below illustrates, the LERTA District is located primarily in South & Southeast portions of the City of Bethlehem. LERTA benefits attach to the property, not the property owner. The tax abatement continues after the sale of a property. The tax abatement cannot be transferred to a different property. A property is not eligible if the owner owes any outstanding City, County, or School District taxes or if there are any outstanding or disputed utility bills for the property. A property may also lose LERTA eligibility if taxes are not paid within the year that they are due during the abatement period.



## How does the tax abatement work?

All properties in the City of Bethlehem are assessed and taxed by Lehigh and Northampton Counties. When a property is improved (typically through the substantial renovation or new construction of a structure or site renovations) a property is reassessed and a new value is placed on the property. Upon completion of construction and the receipt of the Certificate of Occupancy (CO) the City updates the assessment for a property. The increase in taxes is called the 'tax increment'. LERTA allows property owners to pay abated taxes on this tax increment, for a period of 10 years. As illustrated in the table below, property owners pay no tax on the increased assessment for a LERTA property in Year 1 after construction, and taxes increase incrementally each year until Year 11 after construction, when the owner must pay the full taxes on the increased value of the property.

LERTA TAX SCHEDULE	
Year 0 = Construction	100% Land Tax
Year 1 = Post Build	100% Land Tax, 0% of Tax Increment
Year 2	100% Land Tax, 10% of Tax Increment
Year 3	100% Land Tax, 20% of Tax Increment
Year 4	100% Land Tax, 30% of Tax Increment
Year 5	100% Land Tax, 40% of Tax Increment
Year 6	100% Land Tax, 50% of Tax Increment
Year 7	100% Land Tax, 60% of Tax Increment
Year 8	100% Land Tax, 70% of Tax Increment
Year 9	100% Land Tax, 80% of Tax Increment
Year 10	100% Land Tax, 90% of Tax Increment
Year 11	100% Land Tax, 100% of Tax Increment

## What is the process for LERTA?

A property owner should first inquire with the City of Bethlehem Department of Community and Economic Development to determine whether their property falls within the District. The City will provide written confirmation that a property qualifies for LERTA. The property owner must then submit a LERTA permit application at the time of construction or before. LERTA applications can be submitted up to **60 Days after the building permit** is issued, but not after construction is completed and/or a CO has already been issued. The exemption timeline begins with the receipt of a final Certificate of Occupancy (CO) by the property owner.

### Additional Information

LERTA applies to properties that have undergone substantial improvements, which result in an increased assessment value, as determined by the counties. Most cosmetic improvements do not qualify a property for LERTA. If you have any questions regarding the City of Bethlehem LERTA, please contact the City of Bethlehem's Department of Community & Economic Development at (610) 865-7085.



# Local Economic Revitalization Tax Assistance Application

Pursuant to the Local Economic Revitalization Tax Assistance Act 76 of 1977 (72 p.s. §4722 et seq.)

COUNTY: \_\_\_\_\_

PARCEL ID: \_\_\_\_\_

TAX MAP: \_\_\_\_\_

BLOCK & LOT: \_\_\_\_\_

PROPERTY ADDRESS: \_\_\_\_\_

NATURE OF PROPERTY:  Commercial  Single-Family Residential  
 Industrial  Multi-Family Residential (# OF UNITS: \_\_\_\_)

OWNER/TAXPAYER'S NAME: \_\_\_\_\_

OWNER'S MAILING ADDRESS: \_\_\_\_\_

CONTRACTOR'S NAME: \_\_\_\_\_

CONTRACTOR'S ADDRESS: \_\_\_\_\_

BUILDING PERMIT #: \_\_\_\_\_

DATE ISSUED: \_\_\_\_\_

CONSTRUCTION START DATE: \_\_\_\_\_

EST. COMPLETION DATE: \_\_\_\_\_

CURRENT PROPERTY ASSESSMENT: \_\_\_\_\_

ESTIMATED PROJECT COSTS: \_\_\_\_\_

DESCRIPTION OF PLANNED PROPERTY IMPROVEMENTS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*I hereby certify that the statements made in this application are true and correct to the best of my knowledge, information, and belief.* (NOTICE: It is a misdemeanor under 18PA C.S.A. §4904 to make false statements with the intent to mislead public officials.)

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME OF APPLICANT

\_\_\_\_\_  
IDENTIFICATION/TITLE OF APPLICANT

**FOR USE BY THE CITY OF BETHLEHEM ONLY**

- Zoning Compliance
- Plans on file with Code Enforcement
- HARB Approval

\_\_\_\_\_  
CITY OF BETHLEHEM AUTHORIZATION & DATE