

**What is “property tax abatement”?**

Tax abatement is legally referred to as “Urban Revitalization” and is in Chapter 404 of the Iowa Code that authorizes cities to abate all or a portion of property taxes for qualified improvements to real property located within the City’s designated urban revitalization areas.

**Why did the City Council adopt an urban revitalization plan?**

The City of Stuart adopted the tax abatement program to promote new construction of single-family homes on infill (vacant) lots.

**What areas are included in the urban revitalization area?**

The tax abatement includes all real property located within city limits, excluding properties located at the Wambold Phase I, phase II, and All Saints housing developments.

**What type of property is eligible for tax abatement?**

The tax abatement only applies to the new construction of residential single-family dwellings.



**What is considered an eligible improvement?**

Eligible improvements include:

- New construction of a residential single-family dwelling
- Improvements must increase the actual value of the property by at least 10%
- Property is located within city limits, excluding Wambold 1, Wambold 2nd Addition, and All Saints Subdivision housing developments.

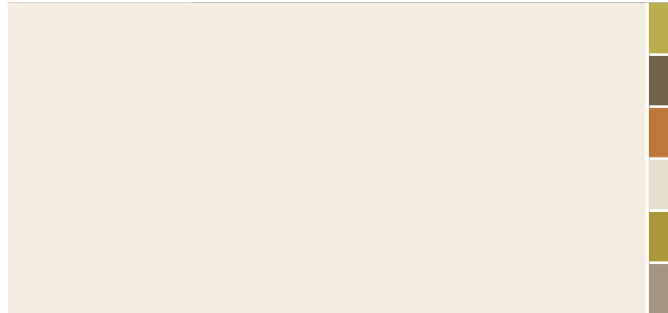


# City of Stuart

## New Construction Residential Tax Abatement Program



*Opening Doors for Homeowners Like You*



### What is the tax abatement schedule?

The tax abatement period is 5 years and is available at 75% on the first \$75,000 of actual value added by the improvements. The assessed valuation of a property has not had the rollback applied. The residential rollback may change each year.

\*Gross Assessed Value minus 75% of \$75,000 = 56,250 (Exempt Value) = Net Assessed Value

Net Assessed Value x Residential Rollback = Gross Taxable Value

Gross Taxable Value – Military Credit = Net Taxable Value

Net Taxable Value x Levy Rate = Gross Taxes Due

Gross Taxes Due – Credits = Net Taxes Due

### When and how do I apply?

The property owner must complete the tax abatement application with the City by February 1<sup>st</sup> of the assessment year for which the exemption is first claimed. You can obtain an application at City Hall or by visiting <http://stuartia.com/>. Return the completed application to Economic Development at City Hall.



The application takes less than 10 minutes to complete. You will be asked to provide the cost of your improvements. Keep in mind that one dollar spent does not always equal one dollar of increased value. The tax abatement is NOT automatic. It must be approved by both the City Council AND the County Assessor. However, only one application is required.

In February each year, the City Council will review and deny or approve the submitted applications.

\*For illustrative purposes only. The valuation, tax levy rate, and rollback rate may change from year to year. County Assessor's office to determine final tax savings.

In general, the City Council will approve applications if the project:

- Conforms with the adopted urban revitalization plan
- Located within the revitalization area
- Improvements were made during the time the revitalization area was designated by ordinance as a revitalization area

Approved applications will be forwarded to the County Assessor for final review and approval. The County Assessor makes the final determination in the increase in actual value added by the improvements by completing a physical review of all properties with approved applications.

### Why would an application be denied?

- The improvement is not new construction of a residential single-family dwelling.
- Improvements did not increase the actual value of the property by at least 10%.
- Property is not located within the urban revitalization area.
- Improvement is not in conformance with the adopted revitalization plan or applicable city codes and regulations.
- The application was submitted after the deadline.
- Improvements were not completed during the time the revitalization area was designated by ordinance as a revitalization area.

### Will my property taxes be eliminated using the tax abatement?

No. There will be taxes on the land on which your new construction home was built. In addition, the tax abatement only applies to 75% on the first \$75,000 of actual value added by the improvements.

### Will my taxes increase if I use the tax abatement?

It is possible your taxes may increase or decrease over time. This typically occurs when the County Assessor reevaluates property values.

### What if I think my assessment is too high?

Contact the County Assessor's office for assistance.  
Guthrie County Assessor: (641) 747-3319  
Adair County Assessor: (641) 743-2531

### When will I see the tax abatement on my property tax statement?

If your application for tax exemption is approved:

- Tax exemption for applications submitted in 2022 for the 2023 assessment year: Reflected on the 2024-2025 tax statement.
- Tax exemption for applications submitted in 2023 for the 2024 assessment year: Reflected on the 2025-2026 tax statement.
- Tax exemption for application submitted in 2024 for the 2025 assessment year: Reflected on the 2026-2027 tax statement.



### Contact Us

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