

Clean and Green Tax Program May Provide Opportunities for Property Tax Relief

Articles, News May 17, 2021

The Clean and Green deadline for 2022 is June 1, 2021.

John T. Vogel, Esq., jvogel@tuckerlaw.com, (412) 594-5622

Most property owners are familiar with the tax appeal process in Pennsylvania. But many may not be aware of a program that provides tax savings for properties that are devoted for agriculture or forests. Under the state "Clean and Green Program," owners may apply for preferential tax treatment whereby property taxes under this Program which are based on values in use rather than fair market values. This can result in tax savings for property owners.

The State General Assembly initiated the Program in the mid-1970's as a tool to encourage protection of Commonwealth open spaces, forest and farmlands. More than 10,000,000 acres are enrolled state-wide. To be eligible, a property must be 10 acres in size and either devoted for "agricultural use," "agricultural reserve" or "forest reserve." ("Agricultural use" applications may be less than 10 acres in size if a property is capable of generating at least \$2,000 annually in farm income.)

More important, the State Department of Agriculture provides the county assessment offices with use values annually on these agricultural or forest properties, although the county has the option to implement lower values. Agricultural values are based upon the land's potential income generation, (and not what it might necessarily sell for at fair market value). "Forest reserve" values are based on the average value of timber in a particular county or the average value of six timber types by county. Again, the benefit is that property is not valued on fair market value, but on an agricultural and forest reserve. If you have a home on such property Clean and Green, it usually is excluded in the calculation of value.

Enrollment in the Clean and Green Program is not permanent and owners who withdraw from the Program or take action that disqualifies further owner participation are subject to 7 years of rollback taxes. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid if the property had not been enrolled, plus 6% simple interest per year.

Under Clean and Green, public access to your property is generally not required, except for "agricultural reserve" properties. That just means such "agricultural reserve" property must be open to the public for passive recreational uses free of charge, but subject to reasonable restrictions (e.g., no hunting or restrictive use of motorized vehicles). Keep in mind that review is on a case-by-case basis, and the details about a particular property may have an impact on qualification under Clean and Green.

The Clean and Green deadline for 2022 is June 1, 2021. If you have questions please contact John Vogel at jvogel@tuckerlaw.com or 412-594-5622.