

Christopher A. Galloway Lake County Auditor

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What is a TIF (<u>Tax Increment Financing</u>)?

Tax increment financing or TIF is a public financing method generally used to finance infrastructure improvements. Municipalities typically divert future property tax revenue increases from a district toward an economic development project or public improvement project in the community. TIFs are implemented by ordinance or resolution and must be submitted to the county Auditor with a DTE24 application. The Auditor sends the TIF application to the Ohio Department of Taxation for approval.

Does a TIF effect the value of my property?

No. The same methods used for valuation of a property that has a TIF attached to it, is the same as those with the same property class that do not have TIF attached to it.

Does a TIF impact my taxes?

No. The TIF only redirects the destination that the collected tax dollars go.

How can I recognize a TIF parcel when doing a property search?

The <u>Permanent Parcel Numbers</u>, or **PPN**, for a property that has a TIF will be exactly the same except for the last character. A PPN with a TIF will have a "T" at the end of the PPN string (see below). This is only used for tax purpose and allows the Auditor's office to separate the value attributed to the TIF. <u>The value of both parcels must be</u> summed to achieve the full appraised value.

Where are the Owner Occupancy and Homestead credits applied?

If a property owner qualifies for these two credits, they will be applied to both PPN's.

Does the TIF parcel effect a parcel transfer?

No. You will not be charged the \$0.50 transfer tax for transferring a parcel with a TIF. The Auditor's office does request being notified of the TIF parcel at time of transfer either by verbal notification or including the PPN on the transfer.



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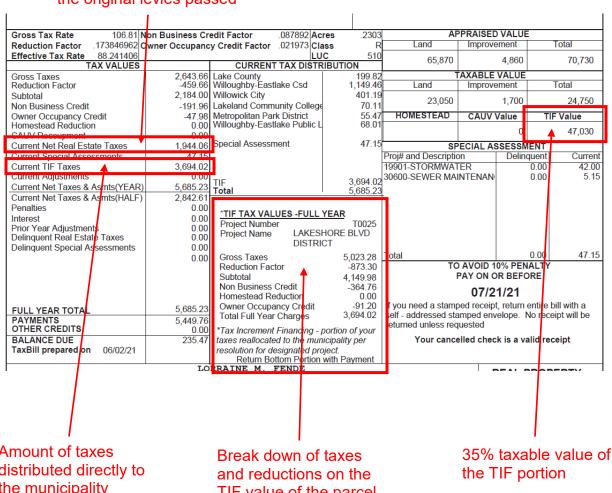
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How to read a tax bill that is in a TIF district

Amount of taxes distributed to the original levies passed



Amount of taxes distributed directly to the municipality

TIF value of the parcel