

Annual Tax Abatement Compliance Process **City of Dallas**

Companies party to non-residential tax abatement agreements with the City of Dallas through the Public/Private Partnership Program are required to (1) file an annual exemption application form with the Dallas Central Appraisal District, pursuant to V.T.C.A., Tax Code, §11.43 and (2) certify in a written report the City of Dallas by April 15th of each year that the company is in compliance with each applicable term of the agreement pursuant to §312.205 (a)(6) of the Property Redevelopment and Tax Abatement Act. Annual exemption application forms should be requested from the Dallas Central Appraisal District (DCAD).

Basic tax abatement agreement terms with the City of Dallas typically include providing evidence of the following:

- 1) that required real property improvements are completed including the receipt of a Certificate of Occupancy (year one only)
- 2) that applicable job creation or retention components are met (annual)
- 3) the applicant company is current on all ad valorem taxes and tangible personal property taxes (annual)

Early each year, City staff sends written notice to companies requesting the applicable information. This typically occurs prior to the end of February. Upon a determination that a company is compliant with all applicable terms of its agreement with the City, staff will “certify” that company as eligible for tax abatement with DCAD.

Companies that have applied to DCAD and received “certification” by the City of Dallas are eligible to receive tax abatement for a given tax year. DCAD will provide written notice of the approval. Failure to apply annually to DCAD and/or obtain City certification prior to April 30th will result in the loss of the tax exemption for that tax year.

Only those companies party to the tax abatement agreement are eligible for the incentive. In cases where property ownership has changed, an assignment of the tax abatement must be made in accordance to the agreement. This may include approval by City Council, or alternatively, written approval by the Director of Economic Development. Failure to request assignment of the tax abatement in accordance with the agreement may result in the loss of the tax exemption.