First Time Homebuyer Exemption

First time homebuyer means a natural person who has at no time held an interest in residential real estate, wherever located, and which has been occupied as their principal residence, and who intends to occupy the property being conveyed as his principal residence within 90 days following recordation of the deed.

First time homebuyers are eligible for a transfer tax exemption citywide if they use the property as their principal residence. Council shall have the right to deny this exemption to any property owner where the sale and purchase appears to be done fraudulently to take advantage of the realty transfer tax exemption ordinance.

For property located within the downtown redevelopment High Priority Target Area, the seller will also receive an exemption from their portion of the transfer tax if they sell to a first time homebuyer.

First time homebuyers may also be eligible for downpayment assistance through the Dover First Start program. For more information, contact the Community Development Office at (302) 736-7175.

For More Information:

City of Dover
Tax Assessor’s Office
P.O. Box 7100
Dover, DE 19903

Phone: 302-736-7022
http://www.cityofdover.com

February 2015
Who is Eligible?

Any persons purchasing residential real property in which they will reside within the Downtown Redevelopment High Priority Target Area as shown.

Requirements

- The homeowner is required to occupy the home as their principal place of residence during the entire four years that the taxes are abated.

- If the property ceases to be the owner’s principal place of residence at any time during the four-year period of abatement, then they shall lose their right of abatement. The homeowner is required to notify the City Clerk of the lack of qualification for the abatement and within 90 days from the date the qualification ceases, pay all taxes abated in the past.

How to Obtain the Tax Abatement

- The homeowner must make application by affidavit submitted to the City Clerk showing qualification for the abatement.

- Each year thereafter, submit a similar affidavit showing their continued right to the abatement.

Real Estate Tax Relief

Eligible persons shall be given tax relief from the payment of City real estate taxes in the following manner:

<table>
<thead>
<tr>
<th>Year</th>
<th>Reduction of Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st year</td>
<td>100% reduction</td>
</tr>
<tr>
<td>2nd year</td>
<td>75% reduction</td>
</tr>
<tr>
<td>3rd year</td>
<td>50% reduction</td>
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<tr>
<td>4th year</td>
<td>25% reduction</td>
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