What is the Primary Residential Exemption?

(§§ 59-2-103, 59-2-103.5 and R884-24P-52)

The primary residential exemption is a 45% property tax exemption on most homes in Utah. This means you only pay property taxes on 55% of your home's fair market value.

Eligibility

You may be eligible for the primary residential exemption if you occupy your home for 183 consecutive days or more in a calendar year.

The exemption applies to your house and up to one acre of land.

Apartments, condos and mobile homes also qualify. Up to one acre of land per residential unit qualifies for the primary residential exemption, **IF** used exclusively for residential purposes.

Properties inhabited by tenants also qualify, if they reside in the property for 183 consecutive days or more in a calendar year.

You must inform the county if you no longer qualify for the primary residential exemption.

KEY POINTS:

- *The **primary residential exemption** is 45% of your home's fair market value.*
- ***Some counties** may require an **Application for Residential Property Exemption** (Form PT-23 **or county equivalent)** to receive the exemption.*
- ***All other counties** require a signed **Residential Property Declaration** (Form PT-19A **or county equivalent)** when title is transferred to a new owner.*
- *A homeowner should always submit an application to the county if they **inhabit their property for less than the full calendar year.***
- ***It is recommended to submit an application annually with current leases if your residential***

Application

You likely already have the primary residential exemption applied to your property. Most homes that are used as residences and sold are presumed to continue as residences, so the primary residential exemption is ongoing without a new application.

Certain counties may require a new application (Form PT-23 or county equivalent) in certain circumstances. The Utah Code allows counties to pass an ordinance that requires an application should the property change ownership, change from a non-primary residence to a primary residence, or if the county reasonably believes the property may no longer qualify. Most often these counties require an application from the new owner when a home is bought and sold.

A homeowner should always submit an application to the county if they inhabit their property for less than the full calendar year.

DID YOU KNOW?

- ***A building that is under construction** and intended to be used as a residential property upon completion can qualify for the **primary residential exemption** before it is completed. An application may be submitted to the County Assessor.*
- *You can confirm you receive the **primary residential exemption** by determining any difference between the **market value** and **taxable value** on your **Valuation Notice** (received around the end of July) or **Tax Notice** (received around the start of November). **The taxable value will be 55% of the market value.***
- ***Only one household may claim the exemption within the state of Utah.** Married couples living apart cannot claim two exemptions. Unless couples have **legally** separated, they can only claim one exemption.*
- *The **primary residential exemption** has existed since **1982**, and was **raised to 45% in 1995.***

Residential Property Declaration

Beginning 2019, *If a county does not have an ordinance requiring an application for the primary residential exemption,* a residential property declaration (Form PT-19A or county equivalent) is required when title changes on a home. New homeowners must submit a residential property declaration to the county assessor within 90 days of receipt of the form.

This ensures all homes receiving the primary residential exemption genuinely qualify, and reduces the chance that out-of-state residents who own residential properties in Utah are incorrectly identified as domiciled in Utah for state income tax purposes.

QUESTIONS?

*Contact your **local County Assessor** or the **Property Tax Division at the Utah State Tax Commission.***