Tax Increment

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The difference in property tax revenue generated by the increase in assessed value over the OTV. A portion of the increment may be retained by the municipality to service debt on eligible infrastructure costs, pay for eligible related costs, reimburse a non-municipal Sponsor or developer for eligible costs of the Housing Infrastructure Project, and/or pay for eligible direct costs associated with the eligible infrastructure project. Municipalities whose infrastructure projects will result in an affordable or moderate-income housing development are eligible to retain up to 85% of the education tax increment. Municipalities whose infrastructure projects will result in any other type of housing development are eligible to retain up to 75% of the education tax increment. All projects must retain at least 85% of the municipal tax increment.

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