

## DEPARTMENT OF TAXATION 2001 Fiscal Impact Statement

1. **Patron** Black

3. **Committee** House Finance

4. **Title** Real Property Tax: Exemption for Qualified  
Elderly and Handicapped Individuals  
Living in Certain Localities

2. **Bill Number** HB 1987

**House of Origin:**

X **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill would increase from \$52,000 to \$60,000, the maximum income limit for purposes of obtaining an exemption or deferral of real property taxes for qualified elderly and handicapped persons. This increase in the income limits would apply only to individuals with property in any county, city or town having a 1980 population of greater than 500,000; any county city or town adjacent thereto; the cities of Manassas, Manassas Park, Chesapeake, Portsmouth, Suffolk, and Virginia Beach; the counties of Chesterfield, Fauquier, Henrico and Stafford; and the towns of Leesburg and Lovettsville.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not Available. (See line 8.)

7. **Budget amendment necessary:** No.

**7. Fiscal implications:**

This bill would have no impact on state revenues. It potentially would have some impact on local revenues, as more taxpayers may become eligible for an exemption or deferral of real property taxes.

**9. Specific agency or political subdivisions affected:**

All localities

10. **Technical amendment necessary:** No.

## **11. Other comments:**

The exemption/deferral programs for the elderly and handicapped provide tax relief for persons sixty-five years of age and older and for those who are permanently and totally disabled. At local option, localities may elect to adopt an exemption program, a deferral program, a combination of both, or neither.

Income and net financial worth tests were incorporated in the exemption/deferral program to direct tax relief to those whose income and financial worth were sufficiently low to merit such relief. This bill would raise the maximum income limit in the identified counties, cities and towns for elderly and handicapped requesting an exemption or deferral of property taxes from \$52,000 to \$60,000, representing a 15.4 percent increase. The limit was last raised in 1998, from \$40,000 to \$52,000.

The increase would not affect statewide income limits, but would be confined to those individuals with property in any county, city or town having a 1980 population of greater than 500,000; any county city or town adjacent thereto; the cities of Manassas, Manassas Park, Chesapeake, Portsmouth, Suffolk, and Virginia Beach; the counties of Chesterfield, Fauquier, Henrico and Stafford; and the towns of Leesburg and Lovettsville. Furthermore, the increase in the maximum income limitation does not affect the maximum combined net worth limitation of \$195,000 for localities affected by this bill.

### Other Legislation

Senate Bill 939 would authorize localities to adopt a real estate tax reduction program for citizens sixty-five years of age or older.

cc: Secretary of Finance

**Date:** 1/16/01/slr

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