

DEPARTMENT OF TAXATION

2001 Fiscal Impact Statement

1. **Patron** Byrne

3. **Committee** Passed Senate and House

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

2. **Bill Number** SB 939

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. Summary/Purpose:

This bill would authorize localities to increase from \$30,000 to \$50,000 the maximum income limitation for purposes of obtaining an exemption or deferral of real property taxes for qualified elderly or permanently disabled persons.

This bill would also authorize localities in the Northern Virginia Planning District to increase from \$52,000 to \$62,000 the maximum income limitation for purposes of obtaining an exemption or deferral of real property taxes for qualified elderly or permanently disabled persons. These same localities would also be authorized to increase the maximum combined financial worth limitation from \$195,000 to \$240,000.

Current law permits localities to adopt an ordinance providing for exemptions or deferrals of real estate taxes for the elderly and handicapped who meet certain income and net worth limitations.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not Available.

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

8. **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 are sufficiently low to merit such relief. The income limit for all localities was last raised in 1990, from \$22,000 to \$30,000.

House Bill 1987 is identical to this bill.

cc: Secretary of Finance

Date: 3/23/01/slr

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