

**DEPARTMENT OF TAXATION  
2006 Fiscal Impact Statement**

1. **Patron** Mark L. Cole

2. **Bill Number** HB 87

3. **Committee** House Finance

**House of Origin:**

X **Introduced**

       **Substitute**

       **Engrossed**

4. **Title** Real estate tax; exemptions for certain elderly and handicapped

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

5. **Summary/Purpose:** This bill would add Stafford County, Fauquier County, and Clarke County to the existing list of localities in the northern Virginia area that may use higher income levels and total net worth amounts in determining eligibility for real estate tax exemptions for the elderly and handicapped.

The effective date of this bill is not specified.

6. **No Fiscal Impact**

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

8. **Fiscal implications:**

This bill would have no impact on state revenues. It would have a potential negative revenue impact on the counties of Stafford, Fauquier, and Clarke if those counties use the authority granted by this bill to increase the income and net worth limits, as more taxpayers may qualify for the exemption/deferral programs.

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

Stafford County, Fauquier County and Clarke County

10. **Technical amendment necessary:** Yes.

To correct a technical drafting error, TAX suggests the following technical amendments:

Page 1, Line 51 after Counties of Chesterfield

Strike: Fauquier,

Page 1, Line 52 after Goochland,

Strike: Henrico, and Stafford,

Insert: and Henrico,

## 11. Other comments:

The exemption/deferral programs for the elderly or handicapped provide tax relief for persons sixty-five years of age or older and for those who are permanently and totally disabled. The governing body of any locality may elect to adopt an exemption program, a deferral program, a combination of both, or none of the above. Income and net financial worth restrictions were incorporated in the exemption/deferral programs to direct tax relief to those whose incomes and financial worth were sufficiently low to merit such relief.

This bill would add the counties of Stafford, Fauquier, and Clarke to the list of localities in the northern Virginia area that may use higher income levels and total net worth amounts in determining eligibility for real estate tax exemptions or deferral programs for the elderly or handicapped. The local authorities in those counties would be authorized to increase the income limitations to a maximum of \$72,000 and the net combined financial worth amount to a maximum of \$340,000.

cc : Secretary of Finance

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