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SENATE JOINT RESOLUTION NO. 81

Offered January 9, 2008

Prefiled January 9, 2008

Directing the Joint Legislative Audit and Review Commission to study implications of a state income tax credit for homeowners with annual real property taxes exceeding a certain percentage of their annual incomes. Report.

Patron—Miller, J.C.

Referred to Committee on Rules

WHEREAS, it is increasingly difficult for Virginia's low and moderate income homeowners to pay their annual real property taxes; and

WHEREAS, many states provide income tax credits or other state assistance to homeowners with annual real property taxes exceeding a certain percentage of their annual incomes; and

WHEREAS, providing income tax credits to homeowners with large real property tax bills relative to their annual incomes would provide assistance to those who can least afford to pay; and

WHEREAS, the local real property tax is the largest source of locally generated revenue; and

WHEREAS, in the long-term, real property taxes likely will increase in part because of increases in the Commonwealth's population; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission be directed to study implications of a state income tax credit for homeowners with annual real property taxes exceeding a certain percentage of their annual incomes.

In conducting its study, the Joint Legislative Audit and Review Commission shall (i) examine state constitutional and statutory issues regarding real property tax exemptions, (ii) study the effectiveness and efficiency of local real property tax relief programs, (iii) study thresholds for real property tax liability used by other states for triggering eligibility for state income tax credits or other state assistance, (iv) consider the percentage of annual income that annual real property taxes would have to exceed for purposes of determining eligibility for state income tax credits, (v) examine the ability of low and moderate income homeowners to pay real property taxes, and (vi) consider such other issues as it deems appropriate.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the Department of Taxation. All agencies of the Commonwealth shall provide assistance to the Joint Legislative Audit and Review Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2008, and for the second year by November 30, 2009, and the Director of the Joint Legislative Audit and Review Commission shall submit to the Division of Legislative Automated Systems an executive summary of findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the Joint Legislative Audit and Review Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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