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SENATE JOINT RESOLUTION NO. 81
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Rules
on January 25, 2008)

(Patron Prior to Substitute—Senator Miller, J. C.)

Requesting the Department of Taxation 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.

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 Department of Taxation be requested 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 Department of Taxation 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.

All agencies of the Commonwealth shall provide assistance to the Department of Taxation for this study, upon request.

The Department of Taxation shall complete its meetings for the first year by November 30, 2008, and for the second year by November 30, 2009, and the Commissioner of the Department of Taxation shall submit to the Governor and the General Assembly an executive summary and report of its findings and recommendations for publication as a House or Senate document for each year. 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 no later than the first day of the next Regular Session of the General Assembly and shall be posted on the General Assembly's website.