

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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*An Act to amend and reenact §§ 58.1-3219.5 and 58.1-3219.9 of the Code of Virginia, relating to real property tax exemptions for veterans with a service-connected disability and surviving spouses of members of the armed forces killed in action.*

[H 421]

Approved

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 58.1-3219.5 and 58.1-3219.9 of the Code of Virginia are amended and reenacted as follows:**

**§ 58.1-3219.5. Exemption from taxes on property for disabled veterans.**

A. Pursuant to subdivision (a) of Section 6-A of Article X of the Constitution of Virginia, and for tax years beginning on or after January 1, 2011, the General Assembly hereby exempts from taxation the real property, including the joint real property of husband and wife, of any veteran who has been rated by the U.S. Department of Veterans Affairs or its successor agency pursuant to federal law to have a 100 percent service-connected, permanent, and total disability, and who occupies the real property as his principal place of residence. If the veteran's disability rating occurs after January 1, 2011, and he has a qualified primary residence on the date of the rating, then the exemption for him under this section begins on the date of such rating. However, no county, city, or town shall be liable for any interest on any refund due to the veteran for taxes paid prior to the veteran's filing of the affidavit or written statement required by § 58.1-3219.6. If the qualified veteran acquires the property after January 1, 2011, then the exemption shall begin on the date of acquisition, and the previous owner may be entitled to a refund for a pro rata portion of real property taxes paid pursuant to § 58.1-3360.

B. The surviving spouse of a veteran eligible for the exemption set forth in this article shall also qualify for the exemption, so long as the death of the veteran occurs on or after January 1, 2011, the surviving spouse does not remarry, and the surviving spouse continues to occupy the real property as his principal place of residence.

C. A county, city, or town shall provide for the exemption from real property taxes the qualifying dwelling pursuant to this section, and shall provide for the exemption from real property taxes the land, not exceeding one acre, upon which it is situated. However, if a county, city, or town provides for an exemption from or deferral of real property taxes of more than one acre of land pursuant to Article 2 (§ 58.1-3210 et seq.), then the county, city, or town shall also provide an exemption for the same number of acres pursuant to this section. *A real property improvement other than a dwelling, including the land upon which such improvement is situated, made to such one acre or greater number of acres exempt from taxation pursuant to this subsection shall also be exempt from taxation so long as the principal use of the improvement is (i) to house or cover motor vehicles or household goods and personal effects as classified in subdivision A 14 of § 58.1-3503 and as listed in § 58.1-3504 and (ii) for other than a business purpose.*

D. For purposes of this exemption, real property of any veteran includes real property (i) held by a veteran alone or in conjunction with the veteran's spouse as tenant or tenants for life or joint lives, (ii) held in a revocable inter vivos trust over which the veteran or the veteran and his spouse hold the power of revocation, or (iii) held in an irrevocable trust under which a veteran alone or in conjunction with his spouse possesses a life estate or an estate for joint lives or enjoys a continuing right of use or support. The term does not include any interest held under a leasehold or term of years.

The exemption for a surviving spouse under subsection B includes real property (a) held by the veteran's spouse as tenant for life, (b) held in a revocable inter vivos trust over which the surviving spouse holds the power of revocation, or (c) held in an irrevocable trust under which the surviving spouse possesses a life estate or enjoys a continuing right of use or support. The exemption does not apply to any interest held under a leasehold or term of years.

E. 1. In the event that (i) a person is entitled to an exemption under this section by virtue of holding the property in any of the three ways set forth in subsection D and (ii) one or more other persons have an ownership interest in the property that permits them to occupy the property, then the tax exemption for the property that otherwise would have been provided shall be prorated by multiplying the amount of the exemption by a fraction that has as a numerator the number of people who are qualified for the exemption pursuant to this section and has as a denominator the total number of all people having an ownership interest that permits them to occupy the property.

2. In the event that the primary residence is jointly owned by two or more individuals, not all of

57 whom qualify for the exemption pursuant to subsection A or B, and no person is entitled to the  
 58 exemption under this section by virtue of holding the property in any of the three ways set forth in  
 59 subsection D, then the exemption shall be prorated by multiplying the amount of the exemption or  
 60 deferral by a fraction that has as a numerator the percentage of ownership interest in the dwelling held  
 61 by all such joint owners who qualify for the exemption pursuant to subsections A and B, and as a  
 62 denominator, 100 percent.

63 **§ 58.1-3219.9. Exemption from taxes on property of surviving spouses of members of the armed**  
 64 **forces killed in action.**

65 A. Pursuant to subdivision (b) of Section 6-A of Article X of the Constitution of Virginia, and for  
 66 tax years beginning on or after January 1, 2015, the General Assembly hereby exempts from taxation  
 67 the real property described in subsection B of the surviving spouse (i) of any member of the armed  
 68 forces of the United States who was killed in action as determined by the United States Department of  
 69 Defense and (ii) who occupies the real property as his principal place of residence. If such member of  
 70 the armed forces of the United States is killed in action after January 1, 2015, and the surviving spouse  
 71 has a qualified principal residence on the date that such member of the armed forces is killed in action,  
 72 then the exemption for the surviving spouse shall begin on the date that such member of the armed  
 73 forces is killed in action. However, no county, city, or town shall be liable for any interest on any  
 74 refund due to the surviving spouse for taxes paid prior to the surviving spouse's filing of the affidavit or  
 75 written statement required by § 58.1-3219.10. If the surviving spouse acquires the property after January  
 76 1, 2015, then the exemption shall begin on the date of acquisition, and the previous owner may be  
 77 entitled to a refund for a pro rata portion of real property taxes paid pursuant to § 58.1-3360.

78 B. Those dwellings in the locality with assessed values in the most recently ended tax year that are  
 79 not in excess of the average assessed value for such year of a dwelling situated on property that is  
 80 zoned as single family residential shall qualify for a total exemption from real property taxes under this  
 81 article. If the value of a dwelling is in excess of the average assessed value as described in this  
 82 subsection, then only that portion of the assessed value in excess of the average assessed value shall be  
 83 subject to real property taxes, and the portion of the assessed value that is not in excess of the average  
 84 assessed value shall be exempt from real property taxes. Single family homes, condominiums, town  
 85 homes, and other types of dwellings of surviving spouses that (i) meet this requirement and (ii) are  
 86 occupied by such persons as their principal place of residence shall qualify for the real property tax  
 87 exemption.

88 For purposes of determining whether a dwelling, or a portion of its value, is exempt from county and  
 89 town real property taxes, the average assessed value shall be such average for all dwellings located  
 90 within the county that are situated on property zoned as single family residential.

91 C. The surviving spouse of a member of the armed forces killed in action shall qualify for the  
 92 exemption so long as the surviving spouse does not remarry and continues to occupy the real property  
 93 as his principal place of residence. The exemption applies without any restriction on the spouse's moving  
 94 to a different principal place of residence.

95 D. A county, city, or town shall provide for the exemption from real property taxes (i) the qualifying  
 96 dwelling, or the portion of the value of such dwelling and land that qualifies for the exemption pursuant  
 97 to subsection B, and (ii) the land, not exceeding one acre, upon which it is situated. However, if a  
 98 county, city, or town provides for an exemption from or deferral of real property taxes of more than one  
 99 acre of land pursuant to Article 2 (§ 58.1-3210 et seq.), then the county, city, or town shall also provide  
 100 an exemption for the same number of acres pursuant to this section. *A real property improvement other*  
 101 *than a dwelling, including the land upon which such improvement is situated, made to such one acre or*  
 102 *greater number of acres exempt from taxation pursuant to this subsection shall also be exempt from*  
 103 *taxation so long as the principal use of the improvement is (i) to house or cover motor vehicles or*  
 104 *household goods and personal effects as classified in subdivision A 14 of § 58.1-3503 and as listed in*  
 105 *§ 58.1-3504 and (ii) for other than a business purpose.*

106 E. For purposes of this exemption, real property of any surviving spouse of a member of the armed  
 107 forces killed in action includes real property (i) held by a surviving spouse as a tenant for life, (ii) held  
 108 in a revocable inter vivos trust over which the surviving spouse holds the power of revocation, or (iii)  
 109 held in an irrevocable trust under which the surviving spouse possesses a life estate or enjoys a  
 110 continuing right of use or support. The term does not include any interest held under a leasehold or term  
 111 of years.

112 F. 1. In the event that (i) a surviving spouse is entitled to an exemption under this section by virtue  
 113 of holding the property in any of the three ways set forth in subsection E and (ii) one or more other  
 114 persons have an ownership interest in the property that permits them to occupy the property, then the  
 115 tax exemption for the property that otherwise would have been provided shall be prorated by  
 116 multiplying the amount of the exemption by a fraction that has 1 as a numerator and has as a  
 117 denominator the total number of all people having an ownership interest that permits them to occupy the

118 property.

119 2. In the event that the principal residence is jointly owned by two or more individuals including the  
120 surviving spouse, and no person is entitled to the exemption under this section by virtue of holding the  
121 property in any of the three ways set forth in subsection E, then the exemption shall be prorated by  
122 multiplying the amount of the exemption by a fraction that has as a numerator the percentage of  
123 ownership interest in the dwelling held by the surviving spouse, and as a denominator, 100 percent.

124 **2. That the provisions of this act shall become effective for tax years beginning on or after**  
125 **January 1, 2017.**

ENROLLED

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