

**DEPARTMENT OF TAXATION
2007 Fiscal Impact Statement**

1. **Patron** Lionell Spruill, Sr.

2. **Bill Number** HB 2909

3. **Committee** House Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Real Property Tax; Higher Percentage of Tax
Relief for Elderly and Disabled

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would allow localities with Real Property Tax exemption or deferral programs for the elderly or disabled to grant higher percentages of tax relief to individuals who are at least 65 years of age on the basis of increasing age.

The effective date of this bill is not specified.

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

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 any locality that chooses to use the authority granted by this bill to increase the percentages of tax relief available to its elderly citizens.

9. Specific agency or political subdivisions affected:

All localities

10. **Technical amendment necessary:** No.

11. Other comments:

The exemption and deferral programs for the elderly or handicapped provide tax relief from the real property tax imposed by localities. Localities are granted the authority to relieve persons sixty-five years of age or older and persons who are permanently and totally disabled from real property tax liability, provided that such relief is granted through a local ordinance. 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 grant the governing bodies of localities the authority to provide greater percentages of tax relief to persons who are at least 65 years old, based on their increasing age.

Similar Legislation

HB 2283 would create a formula for determining net financial worth with regard to deferring or exempting real estate tax for elderly and disabled individuals in certain localities. The net combined financial worth would be determined as the portion of net combined financial worth equal to the percentage of total combined income derived from pension or social security income.

HB 2641 would require indexing the income limits annually based on the percentage change in the Consumer Price Index for All Urban Consumers for purposes of the real property tax exemptions for the elderly and disabled.

cc : Secretary of Finance

Date: 1/16/2007 KP
DLAS File Name: HB2909F161.doc