

**DEPARTMENT OF TAXATION  
2007 Fiscal Impact Statement**

1. **Patron** Frederick M. Quayle

2. **Bill Number** SB 1424

3. **Committee** House Finance

**House of Origin:**

**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 Estimates are:** Not Available. (See Line 8.)

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

**House Bill 1744** would increase the income limit for elderly and disabled taxpayers in certain Northern Virginia localities from \$72,000 to \$75,000.

**Senate Bill 788** would increase from \$52,000 to \$62,000 the income limit in certain cities and counties for eligibility for deferral and exemption programs provided to the elderly and disabled.

cc : Secretary of Finance

Date: 2/6/2007 KP  
DLAS File Name: SB1424FE161.doc