

DEPARTMENT OF TAXATION

2007 Fiscal Impact Statement

1. **Patron** Walter A. Stosch

2. **Bill Number** SB 788

3. **Committee** House Finance

House of Origin:

☐ Introduced

☐ Substitute

☐ Engrossed

4. **Title** Real Estate Tax; Elderly and Permanently and Totally Disabled

Second House:

☒ In Committee

☐ Substitute

☐ Enrolled

5. **Summary/Purpose:**

This bill would increase from \$52,000 to \$62,000 the maximum income limit localities in Central and Southeastern Virginia may impose in providing real estate tax exemptions or deferrals to the elderly or disabled.

The effective date of this bill is not specified.

6. **No Fiscal Impact.**

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

This bill will not have any impact on state revenues. Localities that use the authority granted by this bill to increase their maximum income limit may lose revenue as more taxpayers may qualify for the exemption/deferral programs.

9. **Specific agency or political subdivisions affected:**

Counties of: Chesterfield, Goochland, and Henrico

Cities of: Charlottesville, Chesapeake, Norfolk, Portsmouth, Richmond, Suffolk, and Virginia Beach

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

11. **Other comments:**

Generally

The exemption/deferral programs for the elderly or handicapped provide tax relief for persons sixty-five years of age or older and for those who are permanently and totally disabled. 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.

The state-wide limitations imposed upon the elderly or disabled to be eligible for the exemption or deferral are a net financial combined worth amount of \$200,000 a maximum income of \$50,000.

Currently, certain localities in Central and Southeastern Virginia are permitted to extend either the income limitations from \$50,000 to \$52,000. The eligible localities include the counties of Chesterfield, Goochland and Henrico; and the cities of Charlottesville, Chesapeake, Norfolk, Portsmouth, Richmond, Suffolk and Virginia Beach.

This Proposal

This bill would increase from \$52,000 to \$62,000 the maximum income limit the above localities in Central and Southeastern Virginia may impose in providing real estate tax exemptions or deferrals to the elderly or disabled.

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 for real property tax exemptions or deferrals.

Senate Bill 1265 would allow localities to extend real estate tax relief to dwellings in which not all individuals are 65 or permanently disabled.

cc : Secretary of Finance

Date: 2/6/2007 JOC
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