

**DEPARTMENT OF TAXATION
2008 Fiscal Impact Statement**

1. **Patron** Ryan T. McDougle

3. **Committee** Senate Finance

4. **Title** Real Property Tax; Credit for Taxes Paid.

2. **Bill Number** SB 792

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would provide a real property tax credit to any purchaser of real property in the amount of any real property taxes paid to the locality in satisfaction of an assessment on land that was owned by the Commonwealth at the time of assessment and subsequently acquired by the purchaser.

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. This bill would have a negative impact on local revenues. As the amount of real property taxes inadvertently paid on land owned by the Commonwealth is not known, the amount of credits that may potentially be claimed is unknown.

9. Specific agency or political subdivisions affected:

All Localities

10. Technical amendment necessary: No.

11. Other comments:

Current Law

Article X, § 6 of the *Constitution of Virginia* provides that property owned directly or indirectly by the Commonwealth or any political subdivision thereof is exempted from state and local taxation.

Under current law, any locality may provide by ordinance for the refund of any local taxes erroneously paid. No refund may be made if the application for refund is made more than three years after the last day of the tax year for which such taxes were assessed.

Proposal

This bill would provide a real property tax credit to any purchaser of real property in the amount of any real property taxes paid to the locality in satisfaction of an assessment on land that was owned by the Commonwealth at the time of assessment and subsequently acquired by the purchaser.

cc : Secretary of Finance

Date: 1/29/2008 jkl
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