

# DEPARTMENT OF TAXATION

## 2023 Fiscal Impact Statement

1. **Patron** Don L. Scott

3. **Committee** House Finance

4. **Title** Tax Exemptions; Confederacy organizations

2. **Bill Number** HB 2162

**House of Origin:**

X **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

### 5. **Summary/Purpose:**

This bill would eliminate the state recordation tax exemption for the Virginia Division of the United Daughters of the Confederacy. The bill would also eliminate the tax-exempt designation for property owned by the Virginia Division of the United Daughters of the Confederacy and the General Organization of the United Daughters of the Confederacy.

If enacted during the regular session of the 2023 General Assembly, this bill would become effective July 1, 2023.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

### 8. **Fiscal implications:**

#### Administrative Costs

This bill would have an unknown impact on local administrative costs, but no impact on state administrative costs.

#### Revenue Impact

This bill would have an unknown positive impact on local and state revenues.

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

Department of Taxation  
All localities

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

## 11. Other comments:

### State Recordation Tax

Every deed or deed of trust admitted to record, except a deed exempt from taxation by law, is subject to a state recordation tax. Generally, the tax is imposed in the amount of \$0.25 per \$100 or fraction thereof of the amount of bonds or other obligations secured by the deed of trust. If the amount of the obligation cannot be ascertained, the tax is based on the fair market value of the property conveyed. An additional recordation tax may be imposed by cities and counties in an amount equal to one-third of the state tax.

Current law lists the Virginia Division of the United Daughters of the Confederacy as an organization that is exempt from state recordation tax. Current law also provides for a tax-exempt designation for property owned by the Virginia Division of the United Daughters of the Confederacy and the General Organization of the United Daughters of the Confederacy.

### Property Exempt from Taxation

Article X, Section 6 (a) (6) of the Constitution of Virginia empowers the General Assembly to exempt property from taxation by designation. Pursuant to that authority, the property owned by both the Virginia Division and General Organization of the United Daughters of the Confederacy is enumerated as exempt from state and local taxation.

### Proposal

This bill would eliminate the state recordation tax exemption for the Virginia Division of the United Daughters of the Confederacy. The bill would also eliminate the tax-exempt designation for property owned by the Virginia Division of the United Daughters of the Confederacy and the General Organization of the United Daughters of the Confederacy.

If enacted during the regular session of the 2023 General Assembly, this bill would become effective July 1, 2023.

cc : Secretary of Finance

Date: 1/22/2023 VB  
HB2162F161