

# DEPARTMENT OF TAXATION

## 2024 Fiscal Impact Statement

1. **Patron** Angelia Williams Graves

3. **Committee** Passed House and Senate

4. **Title** Recordation Tax and Property Tax;  
Certain Confederate Organizations

2. **Bill Number** SB 517

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

**Second House:**

           **In Committee**

           **Substitute**

  X   **Enrolled**

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

This bill would eliminate the recordation tax exemption for the Virginia Division of the United Daughters of the Confederacy.

The bill would also eliminate the tax-exempt designation for real and personal property owned by:

- The Confederate Memorial Literary Society,
- The Stonewall Jackson Memorial, Incorporated,
- The Virginia Division of the United Daughters of the Confederacy,
- The General Organization of the United Daughters of the Confederacy,
- The Virginia Division, Sons of Confederate Veterans, and
- The J.E.B. Stuart Birthplace Preservation Trust, Inc.

Under current law, the state recordation tax does not apply to any deed conveying real estate or the lease of real estate to the Virginia Division of the United Daughters of the Confederacy. Real and personal property owned by the above organizations are also currently exempt from taxation.

If enacted during the regular session of the 2024 General Assembly this bill would become effective July 1, 2024.

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

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

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

#### Administrative Costs

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

## Revenue Impact

This bill would have an unknown positive impact to state and local revenues to the extent that deeds conveying real estate or the lease of real estate to the Virginia Division of the United Daughters of the Confederacy become subject to the state recordation tax and the local recordation tax.

This bill would have an unknown impact on local revenues to the extent that the real and personal property owned by the Confederate-related organizations listed on Line 5 are now subject to local taxation.

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

Department of Taxation

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

### **11. Other comments:**

#### Recordation Tax

Under current law, every deed or deed of trust or lease 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 consideration of the deed or the actual value of the property conveyed, whichever is greater. An additional recordation tax may be imposed by cities and counties in an amount equal to one-third of the state tax.

Deeds conveying real estate or the lease of real estate to the Virginia Division of the United Daughters of the Confederacy are specifically exempted from state recordation tax.

#### Property Exempt from Taxation by Designation

Article X, Section 6(a)(6) of the Constitution of Virginia provides that property used by its owner for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes shall be exempt from state and local taxation. *The Code of Virginia* enumerates the organizations that would be exempt from taxation pursuant to this Constitutional authority, including:

- The Confederate Memorial Literary Society,
- The Stonewall Jackson Memorial, Incorporated,
- The Virginia Division of the United Daughters of the Confederacy,
- The General Organization of the United Daughters of the Confederacy,
- The Virginia Division, Sons of Confederate Veterans, and
- The J.E.B. Stuart Birthplace Preservation Trust, Inc.

#### Proposal

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#### Similar Legislation

**House Bill 568** is identical to this bill.

cc : Secretary of Finance

Date: 3/7/2024 AO  
SB517FER161