



## FY 2017 Recommended Budget Budget Question

Board Question #: 76

**BUDGET QUESTION:** What is the history of the PPTRA percentage?

**RESPONSE:** Originally enacted in 1998, the Personal Property Tax Relief Act (PPTRA) was developed by the State in an attempt to gradually eliminate personal property tax bills for automobile assessments up to \$20,000, with the State reimbursing localities for the amounts not billed directly to County taxpayers. The gradual reductions grew to 70%. Then, in 2006, the General Assembly made a fundamental change to the PPTRA program, limiting reimbursements to a statewide total fixed amount of \$950 million to be spread among qualifying vehicles. Spotsylvania's fixed PPTRA revenue from the State is \$14,509,422.

County Code provides vehicle owners 100% Personal Property Tax relief if their vehicles are valued below \$1,000. For vehicles valued between \$1,001 and \$20,000, the percentage of relief varies from year to year depending upon the total value of vehicle inventory in the County. As shown in the table to the right, the Personal Property tax relief provided by the State has decreased from 52% to 39% since 2007. As the overall value of personal property increases, it is inevitable that the percentage of tax relief will continue to decline, given the fixed reimbursement from the State.

For more information on PPTRA, please see State Code §58.1-3523 et seq., and County Code Ch. 21, Article II, Section 21-38.

Personal Property Tax Relief	
Calendar Year	% Tax Relief
2007	52%
2008	52%
2009	51%
2010	47%
2011	46%
2012	43%
2013	42%
2014	40%
2015	39%
2016	TBD