



FY 2022 Recommended Budget Budget Question

Board Question #: 6

BUDGET QUESTION: When a person reaches a certain age, is there a personal property tax exemption?

RESPONDING DEPARTMENT/OFFICE: Budget Office

RESPONSE: State Code §58.1-3506.1 enables the County to set a different rate for one vehicle owned and used primarily by or for anyone at least 65 years old or anyone found to be permanently or totally disabled. Here, “vehicle” is limited to an automobile or pickup truck.

While there is a 100% exemption currently in place and applied to one motor vehicle belonging to a disabled veteran, Spotsylvania does not currently have such a reduced rate on Personal Property for all those 65 and older or for anyone permanently or totally disabled. As we do not know to how many property owners this would apply, we are not able to estimate the impact a reduced rate would have on revenue.

A Real Estate tax relief program is in place for those 65 or more years old or who are totally disabled. Additional eligibility requirements include having an annual income of \$50,000 or less; net worth of less than \$200,000 excluding the home and up to 10 acres; and residence in Spotsylvania at the exempted home.

Tax relief and deferral programs reduce the amount of tax revenue that comes to the County each year. The following table shows the estimated revenue associated with each existing program during FY 2022:

Program	Net Revenue Not Received	Notes
Tax Relief for the Elderly and Disabled	\$1,400,000	This revenue is included in the \$137.5 million Real Estate revenue line item in the budget and a corresponding expenditure is included in the Health/Human Services function to match the way tax relief is treated in the CAFR. In reality, this revenue is never received.
Tax Deferrals (Land Use)	\$2,963,147	A reduced tax is paid on properties in the land use program. This program has a five year “look back” period through which five years of back taxes are due when the use of the land changes and no longer qualifies as land use.
Veterans Exemptions	\$2,013,418	
Total Est. Cost of Programs	\$6,376,565	