



FY 2022 Recommended Budget Budget Question

Board Question #: 38

BUDGET QUESTION: How many taxpayers receive tax relief through the County's tax relief program? Remind us of the eligibility requirements.

RESPONDING DEPARTMENT/OFFICE: Budget & Commissioner of the Revenue

RESPONSE: While there is a 100% exemption currently in place and applied to one motor vehicle titled to a 100% service-connected disabled veteran or his/her spouse, Spotsylvania does not currently have such a reduced rate on Personal Property for all those 65 and older or for anyone else 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. The maximum amount of the exemption is \$1,500.

Another Real Estate tax exemption is in place for the principal residence and up to one acre belonging to a 100% service-connected, permanently and totally disabled veteran or his/her surviving spouse.

Tax relief and deferral programs reduce the amount of tax revenue that comes to the County each year. The following table shows the exempted/foregone revenue associated with each existing program during CY 2020 and the number of participants:

Program	Revenue Not Received	Number of Participants
Real Estate - Tax Relief for the Elderly and Disabled	\$1,313,709	1,089
Real Estate - Veterans Exemptions	\$2,264,923	823
Personal Property – Disabled Veterans Exemptions	\$649,312	823
Total	\$4,227,944	

ESTIMATE OF STAFF TIME SPENT ON RESPONSE: