



FY 2024 Recommended Budget Budget Question

Board Question #: 5

BUDGET QUESTION: How much revenue would be generated if the airplane personal property tax was increased by \$0.10? How many pennies could the vehicle personal property tax be reduced to offset the aircraft tax increase? What are the aircraft tax rates of surrounding localities?

RESPONDING DEPARTMENT/OFFICE: Budget

RESPONSE: Currently, the personal property tax rate for aircraft registered in the County is \$0.000001. This rate has remained unchanged since FY 2013. As a result of the low tax rate no revenue is generated therefore, the Commissioner of Revenue does not track the number of registered aircraft or the associated values. In order to obtain the necessary information needed to calculate how much revenue would be generated by increasing the aircraft tax, the Commissioner of Revenue’s office would have to send a request for information letter to all the aircraft owners located in the County.

To help address the intent of the question, staff reached out to localities with comparable airports and received a response from Louisa County. The chart below shows the assessed tax at the requested \$0.10 rate, the upper rate of \$0.50 used in other localities, and the tax rate of \$0.81 needed to reduce the County’s personal property tax rate by 1 penny, or \$86,000.

	Tax on Aircraft Assessed Value of \$10,644,575*	Aircraft Tax Rate per \$100 Assessed (CY 2022)
\$0.10 increase on tax rate	\$10,644.58	0.100000
Upper tax rate used in other localities	\$53,222.88	0.500000
Tax rate needed to meet one penny on personal property tax rate	\$86,008.17	0.808000

*Spotsylvania County assessed value not available. Louisa County assessed value used.

While data is not available to assess the actual impact, should owners re-house their aircraft in other localities, the County may see a decline in associated aviation fuel tax revenues.

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The below listing provides a comparative analysis of the aircraft tax rate assessed by surrounding localities.

County	Aircraft Tax Rate per \$100 Assessed (CY 2022)
Spotsylvania	0.000001
Prince William	0.000010
Stafford	0.000100
Culpeper	0.000100
Fauquier	0.003000
Loudoun	0.010000
Fairfax	0.010000
Louisa	0.480000
Henrico	0.500000
Hanover	0.500000
Chesterfield	0.500000