



Tax Relief for Seniors & People with Disabilities

Board of Supervisors 50+ Committee Meeting

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Agenda

- Review current Tax Relief Program
- Review potential impact of “what if” scenarios:
 - Raising net asset limits
 - Raising income and net asset limits
 - Raising income and net asset limits using Consumer Price Index
 - Increasing acreage limit for exemption



Tax Relief Program At a Glance

- DTA staff conducts about 30 workshops annually. We also provide home visits on a case by case basis.
- In FY18, the program relieved \$26.3 million in real estate taxes.
- The R/E Tax Relief Program served 6,766 participants in FY18.
- Tax Relief also offers a reduced car tax rate and rent relief for seniors and people with disabilities.



District	Participants	Assessment Relieved
Braddock	808	\$3.4M
Dranesville	409	\$2.7M
Hunter Mill	576	\$2.3M
Lee	810	\$3.1M
Mason	887	\$3.5M
Mt. Vernon	743	\$2.9M
Providence	832	\$3.5M
Springfield	584	\$2.5M
Sully	568	\$2.2M



*Based on 2018 Calendar year

Tax Relief Program Requirements

- Applicant must be at least 65 years of age or permanently and totally disabled.
- Disability Certification requirements:
 1. Affidavit signed by two doctors
 2. Veterans Administration or Railroad Retirement Board, or
 3. Certification by the Social Security Administration

Current Real Estate Tax Relief Program Limits:

Percentage of Relief	Income Limits	Net Asset Limit
100%	\$52,000 or less	\$340,000
50%	\$52,001- \$62,000	\$340,000
25%	\$62,001-\$72,000	\$340,000

Important Details:

- Net asset computation excludes the value of the home, its furnishings, and up to one acre of land.
- Assets include Individual Retirement Accounts such as 401(k). They do not include pensions and annuities that do not have a cash value.
- The program limits were last revised in 2006.

Background: 50+Committee Chairman Herrity requested DTA to analyze the impact of making changes to Tax Relief to allow more individuals with 401(k) retirement accounts to qualify for property tax relief.

Methodology:

- Scenario 1 analyzes the impact of raising the net asset limit.
- Scenarios 2 and 3 analyze the impact of raising the income and asset limits.
- Scenario 4 analyzes the impact of raising the income and net asset limits using changes to CPI in the Washington metro area.
- Scenario 5 analyzes the impact of raising the Tax Relief acreage limit.

Scenario 1: Impact of increasing the net asset limit

	Net Asset Limits	GF Revenue Impact	Participants
Current	\$340,000	\$26.3 Million	~
Example 1	\$550,000	Additional \$6.7 Million*	Additional 1,800
Example 2	\$600,000	Additional \$7.4 Million*	Additional 2,000

*At current income limits.

Scenario 2: Raising income limit and net asset limit

Percentage of Relief	Potential Income Limits	Potential Net Asset Limit	GF Revenue Impact	Participants
100%	\$72,000 or less	\$550K	Additional \$17.6 Million	Additional 3,100
50%	\$72,001- \$82K	\$550K		
25%	\$82,001-\$92K	\$550K		

Scenario 3: Raising income limit and net asset limit

Percentage of Relief	Potential Income Limits	Potential Net Asset Limit	GF Revenue Impact	Participants
100%	\$72,000 or less	\$600K	Additional \$20.1 Million	Additional 3,800
50%	\$72,001- \$82K	\$600K		
25%	\$82,001-\$92K	\$600K		

Scenario 4: Adjust Tax Relief limits using Consumer Price Index

Percentage of Relief	Potential Income Limits	Potential Net Asset Limit	GF Revenue Impact
100%	\$64,000 or less	\$420K	Additional \$12.5 Million
50%	\$64,001 - \$76,000	\$420K	
25%	\$76,001 - \$89,000	\$420K	

Potential limits using inflation rate since FY 2006 program limits.

Scenario 5: Impact of increasing the exempted acreage

Parcel Size (acres)	Estimated GF Revenue Impact	Estimated Additional Participants
> 1 & ≤ 2	\$1,655,000	130
> 2 & ≤ 3	\$520,000	40
Total:	\$2,175,000	170

Locality	Tax Rate	Avg. Assessment	≈Taxes Relieved	Asset Limit	Acreage Exempt Limit	Max. Income Limits
Alexandria	\$1.13	\$548K	\$2.8M	\$430K	2 Acres	\$72,000
Arlington	\$1.006	\$640K	\$4M	\$400K	No Maximum	\$80,000*
Fairfax City	\$1.060	\$505K	\$1M	\$340K	1 Acre	\$72,000
Fairfax County	\$1.15	\$535K	\$26.3M	\$340K	1 Acre	\$72,000
Falls Church	\$1.355	\$677K	\$135K	\$540K	1 Acre	\$72,000
Loudoun	\$1.085	\$444K	\$8.8M	\$440K	3 Acres**	\$72,000
Manassas	\$1.406	\$273K	\$1M	\$340K	1 Acre	\$72,995
Prince William	\$1.125	\$347K	\$10.7M	\$340K	1 Acres**	\$87,073

*Arlington County made some changes effective 2019.

** Loudoun Excludes up to 10 acres and Prince William up to 25.



Thank you

**January 30, 2017 Memorandum to Fairfax County
Supervisors on Tax Relief Program**

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/tax-relief-jan-2017.pdf>