

Tax Relief Program Legislative History

- **1971** – Section 58-760.1 enacted, authorizing localities to provide, by ordinance, for the exemption or deferral of real estate taxes on an eligible owner's (or eligible joint owners') "sole dwelling." Eligible owners initially included only individuals over the age of 65. The statute set an initial "total combined income" limit of \$7,500, and "net combined financial worth" limit of \$20,000, both of which could be lowered by local ordinance.
- **1972** – Excluded the first \$1,500 of the owner's income and each of the owner's relatives' income living on the property (other than the spouse's income) from calculation of total combined income. Like the income and net worth limits, the income exclusion limit could be lowered by local ordinance.
- **1973** – Raised the income exclusion limit to \$2,500.
- **1974** – Raised the income limit to \$10,000, the net worth limit to \$35,000, and the income exclusion limit to \$4,000.
- **1977** – Permitted localities to increase the income limit to \$11,000, subject to certain conditions.
- **1978** – Raised the income limit to \$12,000, the net worth limit to \$50,000, and the extent of conditioned local authority to increase the income limit to \$13,000.
- **1979** – Raised the extent of conditioned local authority to increase the income limit to \$15,000.
- **1980** – Permitted the scope of relief to be based on the increase in tax liability since the later of the year an owner first became eligible, or the year when the applicable ordinance became effective. Also raised the income limit to \$15,000, the net worth limit to \$55,000, and the extent of conditioned local authority to increase the income limit to \$18,000.
- **1981** – Raised the income limit to \$18,000, the net worth limit to \$65,000, and the extent of conditioned local authority to increase the income limit to \$22,000.
- **1982** – Authorized exclusion of up to \$5,000 of an owner's disability income.
- **1987** – Raised the income limit to \$22,000, the net worth limit to \$75,000, the income exclusion limit to \$6,500, and the disability income exclusion limit to \$7,500. Also removed all local authority to increase the income limit.
- **1989** – Authorized jurisdictions with populations over 500,000 to increase the income limit to \$40,000 and the net worth limit to \$150,000. Also modified calculation of the income limit in other jurisdictions as the greater of \$22,000 or federal HUD income limits for the respective metropolitan statistical area.
- **1990** – Raised the income limit in most jurisdictions (those with populations under 500,000) to \$30,000 (or HUD limits).
- **1997** – Raised the net worth limit in most jurisdictions to \$100,000.
- **1998** – Raised the authority of counties with populations over 500,000 to increase the income limit to the greater of \$52,000 or federal HUD income limits, and the net worth limit to \$195,000.
- **2001** – Raised the income limit in most jurisdictions to \$50,000 (or HUD limits), and authorized counties with populations over 800,000 to increase the income limit to \$62,000 (or HUD limits) and the net worth limit to \$240,000.
- **2002** – Raised the income exclusion limit to \$8,500.

- **2004** – Raised the income exclusion limit to \$10,000, the disability income exclusion limit to \$10,000. Also raised the authority of jurisdictions with populations above 800,000 to increase the income limit to \$72,000 (or HUD limits) and the net worth limit to \$340,000. Made other revisions to limits not applicable to Fairfax County.
- **2005** – Authorized a disability benefit exclusion limit of \$5,000, and permitted alternative calculation of the income and net worth limits based on median adjusted gross income and the CPI.
- **2006** – Raised the authority of certain, named jurisdictions (including Fairfax County) to increase the net worth limit to \$540,000. Made other revisions to limits not applicable to Fairfax County.
- **2007** – Authorized prorated relief for joint owners where not all owners qualify, and set an initial net worth limit under the prorated relief program of \$500,000 in Fairfax County, which could be increased annually based on the CPI. Also raised certain named jurisdictions’ (including Fairfax County’s) authority to increase the income limit to \$75,000 (or HUD limits). Made other revisions to limits not applicable to Fairfax County.
- **2011** – Repealed all statutory income, net worth, and exclusion limits, and authorized the setting of income, net worth, and exclusion limits by local ordinance.

Other noteworthy changes:

- In 1977, the statute was amended to extend relief to individuals with permanent and total disability, and to establish that long term care residency would not change the status of an eligible owner’s “sole dwelling.”
- In 1978, relief was extended to owners of manufactured homes.
- In 1979, limits were set on interest for deferred taxes, and relief was extended to include properties held jointly by a married couple when only one spouse qualified for relief.
- In 1984, the statute was recodified under a new Title 58.1, as § 58.1-3210 through § 58.1-3218.
- In 1988, furniture, appliances, and “other items typically used in a home” were excluded from the calculation of net worth.
- In 1990, a relative’s income and assets were excluded from calculations of income and net worth if that relative resided in a long-term care facility as a matter of necessity, later made subject to certain limitations.
- In 1997, life insurance and receipts from debts were excluded from income.
- In 2002, Section 58.1-3211 was amended to allow exclusion of up to 25-acres of non-income producing land when calculating net worth in jurisdictions with populations above 800,000.
- In 2008, localities were permitted to include the income of nonrelatives living in the dwelling (except tenants and caregivers) in the total combined income calculation.
- Between 2008 and 2010, the income and net worth limits for some counties were revised, but the limits applicable to Fairfax County remained unchanged until they were repealed in 2011.
- In 2019, Section 58.1-3212 was amended to permit localities to exclude, for the purpose of the computation of annual income, the disability income received by certain categories of permanently and totally disabled nonowners living in the home.