



Fairfax County Tax Relief for Seniors and People with Disabilities

Board of Supervisors Budget Committee Meeting
September 21, 2021

Agenda

- Review of current Real Estate Tax Relief Program
- Staff recommendation and resources for program changes
- Q&A

Current Real Estate Tax Relief Program Limits

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

- The limits exclude the value of the primary home and up to one acre of land.
- Real estate tax relief limits were last changed in FY 2006.

Current Real Estate Tax Relief Program Participants

Real Estate Tax Relief		Gross Income Mean	Net worth Mean
% of Relief	Approved		
100%	5,306	\$31,768	\$96,185
50%	816	\$56,620	\$129,024
25%	517	\$66,418	\$125,182

- Qualified applicants may apply for current year and one year prior.
- Program is supported by six merit staff and five non-merit staff.

Current Real Estate Tax Relief Program Participants

Real Estate Tax Relief	Assessed Value		
	Homes Over \$1 Million	Median	Mean
100%	39	\$405,680	\$434,944
50%	8	\$434,000	\$458,935
25%	5	\$449,810	\$473,583

Locality	2020 Avg. Assessment	Taxes Relieved	% of Total RE Tax	Max. Income Limits	Max. Net worth Limit	Deferral
Alexandria	\$582K	\$4.6M	0.6%	\$72,000	\$430K	Yes
Arlington	\$686K	\$4.3M	0.5%	\$86,029	\$413K	Yes
Fairfax City	\$505K	\$1M	1.3%	\$72,000	\$340K	No
Fairfax County	\$580K	\$28.7M	1.0%	\$72,000	\$340K	No
Falls Church	\$680K	\$292K	0.4%	\$62,100	\$400K	Yes
Loudoun	\$529K	\$9.8M	0.9%	\$82,000*	\$920K*	No
Manassas	\$306K	\$1.1M	2.2%	\$56,150	\$340K	Yes
Prince William	\$372K	\$12M	1.5%	\$92,365	\$340K	No

*Loudoun County has a sliding income and asset limit.

Staff Recommendation for January 1, 2022:

- Adjust Tax Relief Limits

Percentage of Relief	Gross Income Limits	Net worth Limit	GF Revenue Impact	Participants
100%	\$0 - \$60,000	\$400K	Additional \$12 Million	Additional 2,040
50%	\$60,001 - \$80,000	\$400K		
25%	\$80,001 - \$90,000	\$400K		

Additional Changes to the Program for January 1, 2023

- Staff recommends the following changes to the program:
 - A new 75% tax relief bracket
 - Capping the relief at 125% of the mean assessed value of Fairfax County homes
 - Introducing a tax deferral program with 5% interest (p.a.)

- Earliest implementation date is January 2023 due to necessary:
 - Assessment system changes
 - Tax relief system changes

Tax Deferral

State law permits a tax deferral option for tax relief program participants or those who exceed program limits.

Considerations:

- May not be available for applicants with a mortgage

Locality	Deferral Participants	Deferred Interest on Taxes
Alexandria	15	5%
Arlington	64	0%
Manassas	13	8%
Falls Church	9	0%

Staff Recommendation for January 1, 2023:

- Add a 75% Bracket, Cap Total Tax Relief, & Deferral

Percentage of Relief	Gross Income Limits	Net worth Limit	GF Revenue Impact	Participants
100%	\$0 - \$60,000	\$400K	Additional Impact \$500,000 Total Impact \$12.5 M	Total 2,040
75%	\$60,001 - \$70,000	\$400K		
50%	\$70,001 - \$80,000	\$400K		
25%	\$80,001 - \$90,000	\$400K		
Tax Deferral	\$0 - \$100,000	\$500K	\$2.2 Million	490

Tax Relief up to 125% of the mean assessed value of Fairfax County homes

Timeline for Implementing Program Changes

- Ordinance change on or before December 7, 2021
 - October 19 – authorization to advertise
 - Board approval in November (for both 2022 and 2023 effective date)
- Applications are mailed in January 2022 and are due May 1, 2022.
- Additional administrative resources required by December 2021.
 - For every 800 applicants, one additional staff person is required.
 - Positions could be added as part of *FY 2022 Mid-year Review*.

Any questions?

Thank you