

Response to Questions on the FY 2011 Budget

Request By: Supervisor Gross

Question: Please summarize the County's current senior and disabled tax relief program.

Response: Please see the attached description of the County's tax relief program.

**Fairfax County
Real Estate Tax Relief for the Elderly and Disabled**

Fairfax County offers a graduated real estate tax relief program for persons who are at least 65 years old or who are permanently and totally disabled and who meet certain income and asset criteria.

Current County Program

In FY 2010, the income limits of the Tax Relief program provide 100 percent exemption for elderly and disabled taxpayers with incomes up to \$52,000; 50 percent exemption for eligible applicants with income between \$52,001 and \$62,000; and 25 percent exemption if income is between \$62,001 and \$72,000. The allowable net asset limit in FY 2010 is \$340,000 for all ranges of tax relief. The asset limit excludes the value of the taxpayer's dwelling and up to one acre of land on which the dwelling is located.

Disabled participants may exclude from the income limit above the first \$7,500 of the owner's income. In addition, up to \$6,500 of a relative's income (other than the spouse) may be excluded from the income limit calculation. Tax relief benefits are prorated based on the portion of the year an applicant is 65 or becomes disabled.

In FY 2009, the County's Tax Relief program had 7,717 participants and relieved \$25.4 million in Real Estate taxes. Approximately 89 percent of these applicants are elderly citizens, and approximately 11 percent qualify as persons with disabilities. The majority of the 7,717 participants qualify for 100% relief because their income is at the lowest threshold.

Tax Relief criteria since FY 2000 are shown in the following table:

Real Estate Tax Relief for the Elderly and Disabled			
	Income Limit	Asset Limit	Percent Relief
FY 2000	Up to \$30,000	\$150,000	100%
	Over \$30,000 to \$35,000		50%
	Over \$35,000 to \$40,000		25%
FY 2001	Up to \$35,000	\$150,000	100%
	Over \$35,000 to \$40,000		50%
	Over \$40,000 to \$46,000		25%
FY 2002	Up to \$40,000	\$150,000	100%
	Over \$40,000 to \$46,000		50%
	Over \$46,000 to \$52,000		25%
FY 2003	Up to \$40,000	\$160,000	100%
	Over \$40,000 to \$46,000		50%
	Over \$46,000 to \$52,000		25%
FY 2004	Up to \$40,000	\$190,000	100%
	Over \$40,000 to \$46,000		50%
	Over \$46,000 to \$52,000		25%
FY 2005	Up to \$40,000	\$240,000	100%
	Over \$40,000 to \$46,000		50%
	Over \$46,000 to \$52,000		25%
FY 2006 through FY 2010	Up to \$52,000	\$340,000	100%
	Over \$52,000 to \$62,000		50%
	Over \$62,000 to \$72,000		25%

State Limits

The State maximum eligibility limits for income and assets for Northern Virginia localities are \$75,000 and \$540,000, respectively. The first \$10,000 of income for an owner who is permanently disabled and for relatives (other than the spouse) living in the household may be excluded from the income calculation for eligibility. In addition, State law allows a maximum acreage exclusion of up to 25 acres.