

Response to Questions on the FY 2017 Budget

Request By: Response provided to the Board based on citizen inquiry

Question: Please provide information on the total number of tax exempt properties, trends over last decade and impact on lost property tax revenues.

Response: In 2006 (FY 2007), tax exempt real estate represented 5.32 percent of the total real estate tax base, compared to 6.97 percent in 2016 (FY 2017). In each year, the majority comes from property owned by federal, state, regional, and local governments.

Since the Virginia Constitution changed in 2003, the Board of Supervisors has had a self-imposed moratorium on granting new exemptions. The moratorium only pertains to charitable, non-profit exemptions by designation. The moratorium does not pertain to properties that are automatically exempt by classification, such as churches and non-profit hospitals - entities over which the Board has no control over their exempt status. The category of "Charitable/Other" is less than 1 percent of the total real estate tax base in each year (0.33 percent in 2006; 0.73 percent in 2016).

Real Estate Exemption Category	2006			2016			2006	2016 Exempt
	Parcel Count	Assessed Value	% of Total	Parcel Count	Assessed Value	% of Total	Exempt Taxes at \$0.89	Taxes at \$1.13 (Proposed)
Federal	103	\$2,869,262,748	1.24%	108	\$4,434,299,240	1.77%	\$25,536,438	\$50,107,581
State	241	\$359,602,678	0.16%	259	\$437,136,740	0.17%	\$3,200,464	\$4,939,645
Regional	166	\$1,207,259,411	0.52%	184	\$1,345,231,580	0.54%	\$10,744,609	\$15,201,117
Local	<u>3,456</u>	<u>\$5,789,421,513</u>	<u>2.50%</u>	<u>3,689</u>	<u>\$7,577,828,890</u>	<u>3.02%</u>	<u>\$51,525,851</u>	<u>\$85,629,466</u>
Subtotal, Governmental Property	3,966	\$10,225,546,350	4.41%	4,240	\$13,794,496,450	5.50%	\$91,007,363	\$155,877,810
Religious	790	\$1,056,795,165	0.46%	860	\$1,525,204,110	0.61%	\$9,405,477	\$17,234,806
Charitable/Other	566	\$764,872,483	0.33%	1,553	\$1,832,951,200	0.73%	\$6,807,365	\$20,712,349
Private Educational	<u>72</u>	<u>\$271,171,165</u>	<u>0.12%</u>	<u>90</u>	<u>\$332,445,730</u>	<u>0.13%</u>	<u>\$2,413,423</u>	<u>\$3,756,637</u>
Subtotal, Non-governmental Property	1,428	\$2,092,838,813	0.90%	2,503	\$3,690,601,040	1.47%	\$18,626,265	\$41,703,792
Grand Total Exempt Property:	5,394	\$12,318,385,163	5.32%	6,743	\$17,485,097,490	6.97%	\$109,633,628	\$197,581,602
Taxable Property:	<u>344,601</u>	<u>\$219,405,403,770</u>	<u>94.68%</u>	<u>353,736</u>	<u>\$233,373,141,270</u>	<u>93.03%</u>		
Combined Tax Base:	349,995	\$231,723,788,933	100.00%	360,479	\$250,858,238,760	100.00%		

Note: "Charitable/Other" includes non-profit charitable organizations exempt by designation or classification under the Code of Virginia. This category also includes exempt non-profit entities such as lodges, cemeteries, volunteer fire departments, disabled veterans, spouse of KIA veterans, Reston Interfaith, Robert Pierre Johnson Housing, private parkland, and foreign governments exempt by treaty.