

City of Hampton Real Estate Tax Elderly or Disabled Relief Program Disabled Veteran Exemption



Hampton City Council
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Presented by
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REAL ESTATE TAX REDUCTION PROGRAMS

ELDERLY OR DISABLED REAL ESTATE TAX RELIEF

(Local Option)

- Freeze
- Deferral
- Exemption (Grandfathered)



DISABLED VETERAN REAL ESTATE TAX EXEMPTION

(State Mandated)

LOCAL OPTION PROGRAM REQUIREMENTS

- In order to qualify for Hampton's Real Estate Tax Relief Program:
 - Applicant must own the real property and use as sole residence
 - Owner is sixty-five (65) and older OR permanent and totally disabled
 - Maximum household income not more than \$50,000
 - Net Worth (excluding home) cannot exceed \$200,000
 - Up to ten (10) acres of land where house is situated
 - Exclusion up to \$7,000 of income for other individual(s) who live on the premises

TAX RELIEF AVAILABLE TO HAMPTON HOMEOWNERS FOR NEW APPLICANTS

- TAX FREEZE – amount of tax payment is frozen at the tax paid in the initial year they entered the program. Tax payment will not increase and if the tax decreases in a subsequent year the homeowner will pay the lower tax.
- DEFERRAL –postpone paying all or a portion of tax. Deferral of tax constitutes a lien on the property. The deferred tax becomes due the earlier of the property sale date or within one year from the death of last qualifying owner. The accumulated deferred tax is not subject to penalty or interest unless paid AFTER the due date. City will not attempt to collect on the lien until after taxes become due and delinquent.

EXEMPTION (GRANDFATHERED)

Only available to qualifying homeowners who were in the program on July 1, 2013 and continue to meet qualifications

Income Level	Tax Relief
\$0 - \$25,000	100% tax credit
\$25,001 - \$27,000	75% tax credit
\$27,001 - \$29,000	50% tax credit
\$29,001 - \$31,000	25% tax credit

FY19 and FY20 and FY21 REAL ESTATE TAX RELIEF LOCAL OPTION

Program	FY19 Tax Revenue Impact	FY20 Tax Revenue Impact	FY21 Tax Revenue Impact
25% - 100% Exemption	\$ 901,935 688 parcels	\$ 801,177 606 parcels	\$ 738,357 539 parcels
Freeze	\$ 36,360 400 parcels	\$ 44,765 394 parcels	\$ 49,726 398 parcels
Deferral	\$ 249,102 172 parcels	\$ 269,687 173 parcels	\$ 286,935 170 parcels
Total	\$1,187,397 1,298 parcels	\$1,115,629 1,369 parcels	\$1,075,018 1,107 parcels

**FY12 First year of State Mandated Exemption
 FY15- FY21 Residential Tax Revenue Impact
 DISABLED VETERAN REAL ESTATE TAX EXEMPTION
 Total 10 Year Revenue Loss \$16,109,867**

Fiscal Year	DV Annual Real Estate Tax Revenue Impact	Number of Parcels	DV Tax as % Hampton Total Real Estate Tax
FY12	\$695,672	323	.60%
FY15	\$1,253,964	556	.98%
FY16	\$1,397,959	616	1.09%
FY17	\$1,534,605	660	1.19%
FY18	\$ 1,789,636	764	1.36%
FY19	\$ 2,241,783	964	1.67%
FY20	\$ 2,375,162	931	1.73%
FY21	\$ 2,993,891	1,108	2.09%