

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



Hampton City Council
February 13, 2019

Presented by
Ross A. Mugler, Commissioner of the Revenue

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

FY17 and FY18 and FY19 REAL ESTATE TAX RELIEF LOCAL OPTION

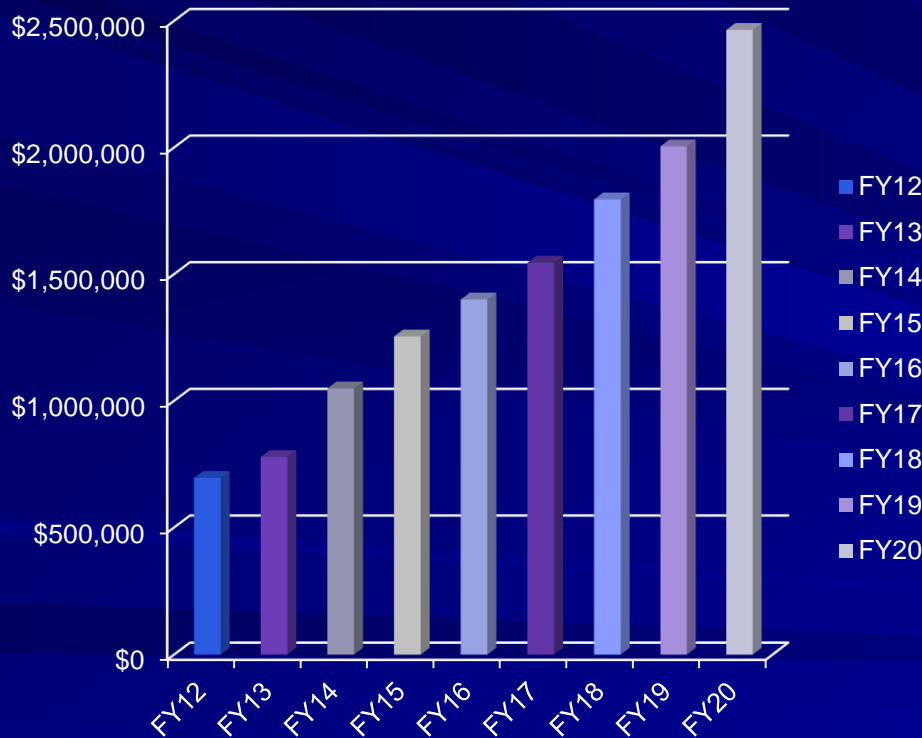
Program	FY17 Tax Revenue Impact	FY18 Tax Revenue Impact	FY19 Tax Revenue Impact
25% - 100% Exemption	\$1,188,290 1,298 parcels	\$1,032,037 794 parcels	\$ 905,333 677 parcels
Freeze	\$ 41,325 438 parcels	\$ 39,125 393 parcels	\$ 34,143 398 parcels
Deferral	\$ 228,947 148 parcels	\$ 301,067 182 parcels	\$ 293,555 168 parcels
Total	\$1,458,562 1,884 parcels	\$1,372,229 1,369 parcels	\$1,233,031 1,008 parcels

**FY12 through FY19 Residential Tax Revenue Impact
 DISABLED VETERAN REAL ESTATE TAX EXEMPTION
 Total 8 Year Revenue Loss \$10,522,565**

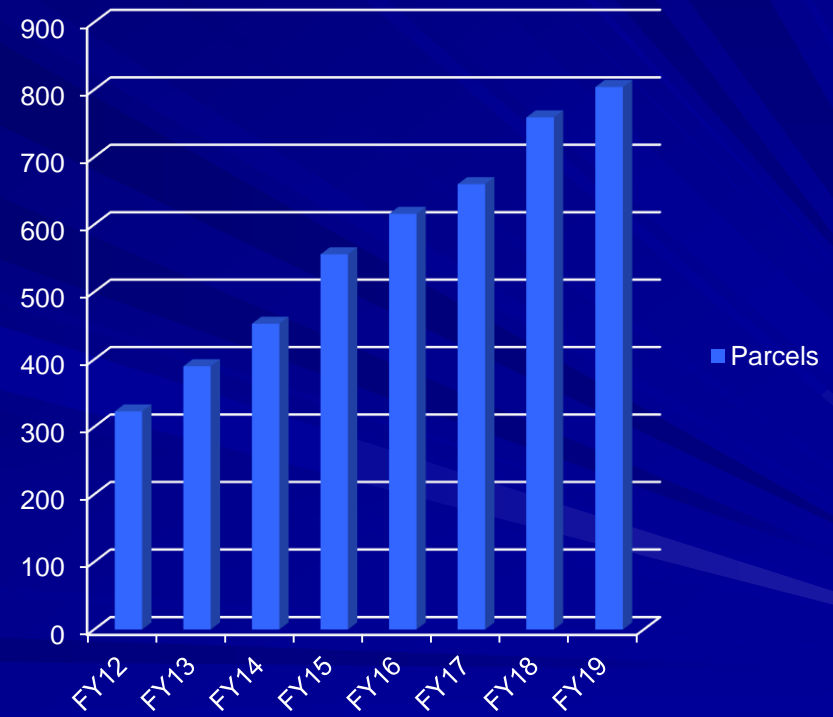
Fiscal Year	DV Annual Real Estate Tax Revenue Impact	Number of Parcels	DV Tax as % Hampton Residential Tax
FY12	\$695,672	323	.82%
FY13	\$ 778,105	390	.98%
FY14	\$1,049,090	453	1.16%
FY15	\$1,254,214	556	1.39%
FY16	\$ 1,400,227	616	1.59%
FY17	\$ 1,545,113	660	1.76%
FY18	\$ 1,795,208	759	2.02%
FY19	\$ 2,004,936	804	2.23%

Disabled Veteran Tax Exemption FY12 through FY19 and FY20 Projection Foregone Tax Revenue

Foregone Tax Revenue



Parcels



Fiscal Year Annual Revenue Impact DISABLED VETERAN TAX EXEMPTION Hampton Roads Localities

Locality	Census	FY2015	FY2016	FY2017	FY2018
Hampton	134,669	\$1,254,214 556Parcels	\$ 1,400,227 616Parcels	\$ 1,545,113 660Parcels	\$ 1,795,208 759Parcels
Chesapeake	240,397	\$1,889,288 757Parcels	\$2,263,084 880Parcels	\$2,597,153 997Parcels	\$3,057,663 1104Parcels
Newport News	179,388	\$1,136,431 576Parcels	\$1,276,811 635Parcels	\$1,438,691 682Parcels	\$1,611,280 697Parcels
Portsmouth	94,572	\$ 577,916 230Parcels	\$ 585,967 228Parcels	\$ 639,068 267Parcels	\$ 771,787 320Parcels
Suffolk	90,237	\$ 748,673 265Parcels	\$ 974,218 332Parcels	\$ 868,681 302Parcels	\$ 1,107,405 373Parcels
Virginia Beach	450,435	\$ 2,361,061 945Parcels	\$ 2,996,657 1102Parcels	\$ 3,610,479 1273Parcels	\$ 4,289,445 1441Parcels

Hampton Average Home Value DISABLED VETERAN TAX EXEMPTION STATE MANDATE

	Total DV Parcels FY19	Average Home Value FY19		Average Real Estate Tax FY19		Parcels Above Average FY19
City of Hampton		\$173,723		\$2,154		
Disabled Veteran	804	\$207,227		\$2,570		483