

## **...Real Estate Tax Relief**

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### **1. How do I apply for real estate tax relief?**

Call the Commissioner of Revenue's Office at 276-403-5131 or 276-403-5136 for information. All applicants must complete applications for real estate tax relief in the Commissioner's office. The application process usually takes less than thirty minutes to complete. The applicant must supply documentation about his/her income and the income of any other relatives living in the home. He/she must also supply documentation regarding the combined financial worth of the property owner(s) as of December 31st of the year preceding the taxable year. An affidavit confirming the accuracy of the information provided for the application must be signed.

### **2. What documentation must I bring in order to complete the application?**

Financial statements for each individual living in the home for the year immediately preceding the taxable year including:

- Income tax return (if applicable including W-2 wage statements)
- SSA 1099 (income statement for your social security benefits)
- 1099 for Pension
- 1099 for Dividends
- Interest Statements for the preceding calendar year (from stocks, certificates of deposit, checking or savings accounts)
- Statement of actual cash value of certificates of deposit, stocks, bonds
- December bank statements for checking and savings accounts
- Social Security number for each person living in the home

Statements from Social Services regarding any assistance received including:

- SSI income statement
- Food Stamps
- Fuel Assistance
- Housing Allowance

### **3. Is the information contained in my application kept confidential?**

Yes. All information is strictly confidential and not open to public inspection pursuant to the Code of Virginia.

4. **Do I have to reapply each year?**

To be eligible for the real estate tax relief program, you must apply each year between January 2 and April 1. The final deadline for application is April 1. If you are eligible, relief will be applied to your real estate tax bill due on June 5 and December 5 of the calendar year in which you qualify for relief.

5. **Do I have to live in the property to be exempted?**

Yes. The applicant seeking relief must own and occupy the property. An exception is allowed for persons living in nursing homes, hospitals, or convalescent homes for physical or mental care as long as their property is not being used by or rented to others for monetary consideration.

6. **What is the age requirement for real estate tax relief?**

The applicant who occupies the home and is the owner of the record must be 65 years of age.

7. **Is there an age requirement for permanently and totally disabled persons?**

No. Individuals who are under 65 and are certified to be permanently and totally disabled by the Department of Veterans Affairs, the Railroad Retirement Board, or the Social Security Administration may apply for real estate tax relief provided they meet the income and net worth requirements. If an applicant is not eligible for certification by any of these agencies, he/she must provide sworn affidavits by two medical doctors who are licensed to practice medicine in Virginia. At least one of the affidavits must be based on a physical examination by your physician.

8. **What is the maximum amount of gross combined income that I can have to be eligible?**

The gross combined income of the owner(s) during the calendar year preceding the taxable year cannot exceed \$27,500 per year. Income from relatives living in the home (excluding \$10,000 per person, other than the property owner or their spouse) is included in computing gross income.

9. **What are some examples of income?**

Examples of income include:

- Wages

- Social Security
- Annuities
- Pensions
- Disability Income
- Interest
- Dividends
- Business Income
- Farm Income
- Income From Rental Property
- Income From Roomers and Boarders

10. **What is the percentage of tax relieved based on income?**

<b>Total Income From All Sources</b>	\$ 0 to \$12,500
<b>Tax Exemption</b>	100%
<b>Total Income From All Sources</b>	\$12,501 to \$14,500
<b>Tax Exemption</b>	90%
<b>Total Income From All Sources</b>	\$14,501 to \$15,825
<b>Tax Exemption</b>	80%
<b>Total Income From All Sources</b>	\$15,826 to \$17,500
<b>Tax Exemption</b>	70%
<b>Total Income From All Sources</b>	\$17,501 to \$19,150
<b>Tax Exemption</b>	60%
<b>Total Income From All Sources</b>	\$19,151 to \$20,825
<b>Tax Exemption</b>	50%
<b>Total Income From All Sources</b>	\$20,826 to \$22,500
<b>Tax Exemption</b>	40%
<b>Total Income From All Sources</b>	\$22,501 to \$24,150
<b>Tax Exemption</b>	30%
<b>Total Income From All Sources</b>	\$24,151 to \$25,825
<b>Tax Exemption</b>	20%
<b>Total Income From All Sources</b>	\$25,826 to \$27,500
<b>Tax Exemption</b>	10%

Regardless of the figures shown above, no exemption granted shall exceed \$400 annually.

11. **What is the maximum amount of total combined net worth that I can have to be eligible for real estate tax relief? How do I need to verify my net worth?**

The total combined net worth of the owner(s) as of December 31 of the year preceding the taxable year shall not exceed \$65,000. The fair market value of the home and up to ten acres of land on which the home is situated is not included in the combined net worth total. The owner(s) and spouse living in the home shall provide their federal tax return, if applicable, and any other documents to verify their total combined net worth for the preceding year (see previous section on necessary documentation).

12. **What are some examples of financial worth resources?**

Real estate other than the residence, bank accounts, trusts, certificates of deposit, stocks, bonds, cash value of life insurance policies, and the value of the personal property such as automobiles, trailers, motorcycles, etc., of the owner(s) and the spouse of any owner.

13. **If the property owner passes away, or sells the property, will the new owners "inherit" the tax relief?**

If the new owner is a qualifying spouse or qualifying co-owner of the property, then the relief will remain in effect. If the new owner did not qualify, then the exemption is prorated to the portion of the tax year in which the qualifying person owned the property.

14. **In order to apply, does the real estate have to be "free and clear"?**

No. If there is a mortgage on the property, you are still eligible to apply for real estate tax relief.