

**Caroline County
Board of Supervisors Agenda
Executive Summary**

Meeting Date: **April 20, 2021**

Title: **New Business – Adoption of Tax Rates for 2021**

(Check Mark)

<input type="checkbox"/> Consent	<input type="checkbox"/> Closed Meeting
<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> No Action (Information Only)	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Resolution	<input type="checkbox"/> PowerPoint Presentation

Summary: Each year, the Board of Supervisors establishes tax rates and the Personal Property Tax Relief Act (PPTRA) rate for the calendar year by mid-April to ensure that tax rolls are completed in time to mail tax bills to citizens well in advance of the June 5 payment deadline.

Proposed Tax Rates

Attached are the proposed tax rates for calendar year 2021 as indicated during discussion of the County Administrator’s Proposed FY 2021/2022 Budget.

PPTRA Rate

Every year, the Commissioner of the Revenue calculates the rate of personal property tax relief to be provided to County taxpayers as part of the Personal Property Tax Relief Act (PPTRA). Under the PPTRA, which was adopted by the General Assembly in 1998, Virginia residents were to originally pay a decreasing percentage of personal property tax on qualifying vehicles until the entire tax was relieved in 2002. The program relieved the tax up to \$20,000 of a vehicle’s assessed value; owners with vehicles assessed over \$20,000 pay 100% of the remainder of the tax.

However, implementation of the PPTRA was altered due to fiscal restraints at the state level. The original legislation was amended in 2006 to provide every locality in the Commonwealth with a set amount of funds to be used to provide tax relief on qualified personal property. This amount, which is \$2,371,896 for Caroline County, does not change over time. Therefore, as the County’s personal property tax base grows (more vehicles and vehicles with higher values are added), the amount available to provide relief on a per vehicle basis declines.

Commissioner of the Revenue Mark Bissoon has requested that the Board establish the rate of personal property tax relief to be provided to County taxpayers under the PPTRA at **27%** for calendar year 2021 (down from 29% in 2020).

Action(s) Requested of Board: Adopt tax rates and PPTRA tax relief rate for 2021 as recommended.

County Attorney Ben Emerson has again confirmed that the Board can set the tax rates on the same night that it holds the required public hearing on the proposed tax rates if it so desires.

PROPOSED 2021 TAX RATES

	Current	Proposed
Real Estate	\$0.83/\$100 of assessed valuation	\$0.77/\$100*
Personal Property	\$3.80/\$100 of assessed valuation	\$3.80/\$100
Alternative Personal Property	\$2.66/\$100 of assessed valuation	\$2.66/\$100
Tax Rate for One Motor Vehicle for Qualifying Disabled Veterans Under Caroline County Code §103-46.5		
Alternative Personal Property Tax Rate for Data Center Equipment Qualifying Under VA Code §58.1-3506, A, 43	\$1.25/\$100 of assessed valuation	\$1.25/\$100
Alternative Personal Property Tax Rate for Privately Owned Pleasure Boats and Watercraft, Motorized and Under 18 feet, Used for Recreational Purposes Only VA Code §58.1-3506, A, 28	\$0.00/\$100 of assessed valuation	\$0.00/\$100
Alternative Personal Property Tax Rate for Privately Owned Pleasure Boats and Watercraft, Non-motorized and Under 18 Feet, Used for Recreational Purposes Only VA Code §58.1-3506, A, 29	\$0.00/\$100 of assessed valuation	\$0.00/\$100
Minerals Tax	\$0.83/\$100 of assessed valuation	\$0.77/\$100
Mobile Homes	\$0.83/\$100 of assessed valuation	\$0.77/\$100
Machinery & Tools	\$3.50/\$100 of assessed valuation	\$3.50/\$100
Motor Carrier	\$3.50/\$100 of assessed valuation	\$3.50/\$100
Public Service Corporations		
Real Estate	\$0.83/\$100 of assessed valuation	\$0.77/\$100
Personal Property	\$3.80/\$100 of assessed valuation	\$3.80/\$100

**Note: Due to the increase in total real estate value resulting from the 2020 general reassessment and new construction, a tax rate of \$0.69/\$100 would generate approximately an equal amount of revenue as the current rate of \$0.83/\$100. Therefore, the proposed real estate tax rate of \$0.77 represents an effective increase of 8 cents per \$100 of assessed value.*