

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

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**Meeting Date:** April 12, 2022

**Title:** Public Hearings – Proposed Tax Rates for Tax Year 2022

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*(Check Mark)*

Consent

Action

No Action (Information Only)

Resolution

Closed Meeting

Public Hearing

Ordinance

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<sup>th</sup> payment deadline. A public hearing on proposed tax rates for Tax Year 2022 has been advertised for the April 12<sup>th</sup> Board of Supervisors meeting.

**Proposed 2022 Tax Rates**

Attached are the proposed tax rates for Calendar Year 2022 as well as a comparison to Calendar Year 2021. The following changes have been advertised for consideration at the direction of the Board:

- 1) A decrease in the personal property tax rate from \$3.80/\$100 of assessed value to \$3.50/\$100 of assessed value in response to a sharp increase in the value of cars and trucks. This reduction in the rate also applies to personal property owned by public service corporations; and
- 2) A corresponding decrease in the alternative personal property tax rate for one motor vehicle for qualifying disabled veterans under Caroline County Code §103-46.5 from \$2.66/\$100 of assessed value to \$2.45/\$100 of assessed value.

**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 23.6% for Tax Year 2022 (down from 27% in 2020).

This PPTRA percentage is based on a Personal Property Tax rate of \$3.50/\$100 of assessed value. Should the Board of Supervisors decide to adopt a lower rate, the percentage of PPTRA relief will need to be recalculated (which the Commissioner's Office can accomplish during the Board meeting).

**Action(s) Requested of the Board of Supervisors:** Conduct public hearing and adopt tax rates and PPTRA tax relief rate for 2022.

County Attorney Ben Emerson has previously 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.

Adoption of the 2022 tax rates and PPTRA rate is needed as soon as possible to enable the Treasurer's Office to mail tax bills to citizens well in advance of the June 5<sup>th</sup> payment deadline.

## PROPOSED 2022 TAX RATES

	<b>Current</b>	<b>Proposed</b>
Real Estate	\$ 0.77/\$100 of assessed valuation	\$ 0.77/\$100
Personal Property	\$ 3.80/\$100 of assessed valuation	\$ 3.50/\$100
Alternative Personal Property Tax Rate for One Motor Vehicle for Qualifying Disabled Veterans Under Caroline County Code §103-46.5	\$ 2.66/\$100 of assessed valuation	\$ 2.45/\$100
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, Virginia 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, Virginia Code §58.1-3506 A. 29	\$ 0.00/\$100 of assessed valuation	\$ 0.00/\$100
Minerals Tax	\$ 0.77/\$100 of assessed valuation	\$ 0.77/\$100
Mobile Homes	\$ 0.77/\$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	\$ 0.77/\$100 of assessed valuation	\$ 0.77/\$100
Personal Property	\$ 3.80/\$100 of assessed valuation	\$ 3.50/\$100