

MEMORANDUM

DATE: October 28, 2008
TO: The Board of Supervisors
FROM: John E. McDonald, Manager, Financial and Management Services
SUBJECT: Ordinance to Amend James City County Code Chapter 20, Taxation, to Change the Criteria for the Elderly and Disabled Tax Exemption

Attached is an ordinance amendment that would, if adopted, increase the maximum household income qualifying for tax relief for elderly and permanently disabled property owners from \$40,000 to \$45,000 and increase the tax exemption from taxes due on the first \$110,000 of value to those due on the first \$120,000. These changes will become effective for fiscal year 2010 tax billings.

This is the second year of a three-year plan endorsed by the Board to incrementally increase eligibility. That plan is summarized below:

<u>Fiscal Year</u>	<u>Income</u>	<u>Assets</u>	<u>Exempted Value</u>
2008	\$35,000	\$200,000	\$100,000
2009	\$40,000	\$200,000	\$110,000
2010	\$45,000	\$200,000	\$120,000
2011	\$50,000	\$200,000	\$130,000

The change in eligibility last year increased the number of qualifying applicants from 447 to 513 and the total tax relief from \$344,000 to \$435,000. The Commissioner of the Revenue estimates that the impact of the proposed ordinance amendment would be 785 qualifying applicants and \$725,000 in total tax relief in FY 2010.

Staff recommends approval of the attached ordinance amendment.

John E. McDonald

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Attachment