

## Real Estate Tax Exemption FAQs

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### What is the difference between the Tax Freeze and the Tax Relief program?

The Tax Freeze program exempts you from the increase in real estate taxes from the date you first apply and qualify for the program. The Tax Relief either partially or fully exempts you from the real estate tax assessment on the real property in which you reside. Below is an example of each program for illustration purposes only. Both assume application and qualification for either program for the 2020 tax year; an assessed value in 2020 of \$100,000 and 2021 of \$110,000 and qualification for 50% tax relief.

<u>Tax Freeze</u>	<u>Benefit to Property Owner</u>	<u>Tax Relief</u>	<u>Benefit to Property Owner</u>
2020 Tax Year	\$0.00	2020 Tax Year	\$600.00
2021 Tax Year	\$120.00	2021 Tax Year	\$660.00
2022 Tax Year	\$1,200.00	2022 Tax Year	\$1,200.00

\*For illustration purposes only, the 2021 assessed value is assumed to increase to \$200,000 and the tax rate remain at \$1.20 per \$100 of assessed value.

### Which program, Tax Freeze or Tax Relief, best for me?

This is a question that can best be answered by your tax advisor or attorney. Finance personnel are not privy to the details of any taxpayer's financial affairs, nor should they be, to provide the taxpayer such advice.

### What are the qualifications for either of the tax exemption programs?

The basic qualification for either of the exemption programs are as follow:

- (1) Either age 65 or older; or, permanently and totally disabled; or
- (2) Gross combined income of the property owner(s) during the immediate preceding tax year was not greater than \$60,000, including income in excess of \$10,000 of a relative(s) living in the household with the property owner; or
- (3) The total combined net value of assets of those applying for the exemption cannot exceed \$350,000. This does not include the value of the dwelling and land (not in excess of 1 acre) on which the dwelling is located.

For those applying based on age, the head of household occupying the dwelling and owning title, or partial title must be 65 years old or older on December 31 of the prior tax year and the dwelling must be occupied as the sole dwelling of the applicant. **(continued on next page)**

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For those applying based on disability, the head of household occupying the dwelling and owning title, or partial title must be permanently disabled; and, the applicant must attach a sworn affidavit by two medical doctors licensed to practice medicine in the Commonwealth of Virginia, to the effect that the person is permanently and totally disabled.

**I received a tax credit on my real estate bill that is due January 14<sup>th</sup>. Do I still have to file a tax relief application or recertification form for 2021?**

Yes. Tax relief applications and recertification forms must be filed by March 31, 2021 to retain the tax exemption for the 2021 tax year.

**What is the due date for applications for the Tax Freeze or Tax Relief program for 2021?**

March 31<sup>st</sup>. Current participants must return their recertification notices by the date and both new applicants and those who have to submit new application, due to having participated in the program for 3 years, must submit their applications for tax relief by this date.

**A relative of mine is elderly and needs help attending to their financial affairs. What can I do to assist them in making sure they file their application and/or pay their taxes on time?**

While real estate taxes are public information, we need the taxpayer's permission to discuss the details of their financial affairs and tax relief for the elderly and disabled information. We can provide you with an "[Authorized Representative Form](#)" to complete and return to our office or if you have been designated Power of Attorney to handle such affairs we will need a copy of the POA document, appropriately signed and notarized by the taxpayer.

**Are any other factors or circumstances taken into consideration for tax relief applicants?**

Yes. The Director of Finance may approve applicants for tax relief for the elderly and disabled due to Extreme Financial Hardship. The taxpayer must have experienced an extreme financial hardship in the immediate past tax year or be actively experience an extreme hardship in the current tax year. Examples of Extreme Financial Hardship include illness, accident or loss of property, death of spouse, or other extraordinary circumstances beyond the taxpayer's control. In these types of circumstances, the Department of Finance will give consideration to the applicant for tax relief.

**What happens if I am qualified for either tax exemption program and I do not get my tax payment to the City by the due date?**

The Richmond City Code specifically provides that to retain the tax exemption the taxpayer must remit their portion of the tax bill by the respective due dates, January 14 and June 14. Therefore, failure to remit the taxes by the due date may jeopardize your qualification to retain the credit.