

RESOLUTION ON MOTOR VEHICLE TAX RELIEF FOR DISABLED VETERANS

WHEREAS, Arlington County has a long history of supporting our Nation's military; ¹

WHEREAS, it is estimated 2,900 of 13,000 veterans living in Arlington County have some level of disability due to injuries or diseases incurred in or aggravated during military service, secondary conditions to service-connected disabilities, and disabilities presumed to be related to circumstances of military service; ^{2 3 4 5 6}

WHEREAS, at least 11 jurisdictions in the Commonwealth of Virginia, including Fairfax and Loudoun Counties, provide motor vehicle tax relief for one motor vehicle owned by veterans who have a 100 percent permanent and total disability rating as determined by the U.S. Department of Veterans Affairs; ⁷

WHEREAS, based on the number of disabled veterans who receive motor vehicle tax relief in Fairfax and Loudoun Counties, it is estimated about 125 disabled veterans in Arlington County would qualify for motor vehicle tax relief; ^{8 9 10 11}

¹ Arlington County Military and Veterans Affairs Committee, accessed January 7, 2019, <https://commissions.arlingtonva.us/military-veterans-affairs-committee/>

² "FY2017 Disability Compensation and Pension Veteran Population," U.S. Department of Veterans Affairs, 2,871 disabled veterans in Arlington County, refer to MS Excel file: Comp_n_Pen_by_Cnty_2017.elsx, accessed January 7, 2019, https://www.va.gov/vetdata/veteran_population.asp

³ "Quick Facts - Arlington County," U.S. Census Bureau, veteran population of 12,797 as of July 2018, accessed January 7, 2019, <https://www.census.gov/quickfacts/arlingtoncountyvirginia>

⁴ "Veteran Population by County," U.S. Department of Veterans Affairs, estimate of 13,339 veterans in Arlington County as of September 30, 2018, refer to MS Excel file: 9L_VetPop2016_County.xlsx, accessed January 7, 2019, https://www.va.gov/vetdata/veteran_population.asp

⁵ "Disability Compensation Benefit," U.S. Department of Veterans Affairs, accessed January 7, 2019, <https://www.benefits.va.gov/compensation/index.asp>

⁶ "Presumptive Disability Benefits," U.S. Department of Veterans Affairs, accessed January 7, 2019, <https://benefits.va.gov/BENEFITS/factsheets/serviceconnected/presumption.pdf>

⁷ Virginia jurisdictions with personal property tax relief for disabled veterans, accessed January 7, 2019: Fairfax City, <https://www.fairfaxva.gov/government/commissioner-of-the-revenue/personal-property-motor-vehicle-license-tax-individual-business>
Fairfax County, <https://www.fairfaxcounty.gov/taxes/relief/vehicle-disabled-veterans>
James City County, <https://www.jamescitycountyva.gov/457/Disabled-Veteran-Exemptions>
Loudoun County, <https://www.loudoun.gov/taxrelief-veteran>
Hampton, <https://www.hampton.gov/573/Tax-Rates>
Suffolk City, <https://www.suffolkva.us/185/Disabled-Veteran-Personal-Property-Tax-R>
Virginia Beach, <https://www.vbgov.com/government/departments/commissioner-of-the-revenue/personal-property/Pages/disabled-veterans-personal-property-tax-relief.aspx>
City of Chesapeake, <http://www.cityofchesapeake.net/government/city-departments/departments/comm-rev/local-tax-rates.htm>

City of Norfolk, <https://www.norfolk.gov/index.aspx?NID=3577>

Hanover County, <https://www.hanovercounty.gov/401/Personal-Property-Tax>

City of Newport News, <https://www.nnva.gov/541/Handicapped-Disabled-Veteran-Motor-Vehic>

⁸ "FY2017 Disability Compensation and Pension Veteran Population by County," U.S. Department of Veterans Affairs, estimate of 22,132 disabled veterans in Fairfax County and 5,035 disabled veterans in Loudoun County, refer to MS Excel file Comp_n_Pen_by_Cnty_2017.elsx, accessed January 7, 2019, https://www.va.gov/vetdata/veteran_population.asp

WHEREAS, the Arlington County Commissioner of Revenue Office indicated that, although some computer system programming would be necessary, there would be no adverse amount of workload if the County Board approved motor vehicle tax relief for disabled veterans in Arlington County;¹²

WHEREAS, it is estimated that it would cost Arlington County approximately \$50,000 annually in lost revenue to provide motor vehicle tax relief to 125 qualifying disabled veterans based on tax relief per motor vehicle of about \$400;^{13 14}

WHEREAS, providing motor vehicle tax relief to disabled veterans in Arlington County would require that the County Board amend local codes in accordance with Virginia Code § 58.1 -3506 (A) (19), which allows a separate classification for local taxation on motor vehicles owned by disabled veterans;¹⁵ and

NOW, THEREFORE, BE IT RESOLVED that the Arlington County Civic Federation recommends the Arlington County Board approve motor vehicle tax relief on one motor vehicle owned by Arlington veterans who have a 100 percent permanent and total disability rating as determined by the U.S. Department of Veterans Affairs by amending Arlington County Code §27-11-1;¹⁶ and

BE IT FURTHER RESOLVED, that the Arlington County Civic Federation recommends the Arlington County Board adopt a reduced motor vehicle tax rate of \$.01 per \$100 assessed vehicle value on one motor vehicle owned by a disabled veteran with a

⁹ Data provided by Heike Burke, Personal Property and Business License Division, Department of Tax Administration, Fairfax County (VA), email to John O’Hara, July 2, 2018. As of May 2018, Fairfax County processed 552 qualified applicants for the reduced vehicle tax rate for disabled veterans, which is 2.49 percent of estimated 22,132 disabled veterans in Fairfax County.

¹⁰ Data provided by Darya Thompson, Deputy Commissioner, Office of the Commissioner of the Revenue, Loudoun County (VA), email to John O’Hara, June 8, 2018. As of June 8, 2018, Loudoun County had 313 veterans with 100 percent service-connected permanent and total disability rating receiving reduced vehicle tax rate, which is 6.22 percent of estimated 5,036 disabled veterans in Loudoun County.

¹¹ Projection of 125 disabled veterans in Arlington County eligible for a motor vehicle personal property tax relief was extrapolated from number of disabled veterans approved for tax relief in Fairfax and Loudoun Counties compared to estimated 22,132 Fairfax County veterans and 5,036 Loudoun County veterans receiving disability compensation benefit, which implied a 4.35 percent average qualifying rate that was applied to estimated 2,871 Arlington County veterans in receipt of disability compensation.

¹² Information provided by Ray Miller, Deputy Commissioner, Vehicle Personal Property Division, Arlington County Commissioner of the Revenue Office, email to John O’Hara, December 19, 2018

¹³ Data provided by Liza Gookin Hodskins, Aide to Erik Gutshall, Arlington County Board Member, with input from the Arlington County Commissioner of Revenue Office, email to John O’Hara, July 2, 2018. Cost estimate of \$100,000 based on inaccurate estimate of 254 disabled veterans, which yielded an average cost of \$394 per disabled veteran. For resolution briefings and discussions, average tax relief cost of \$400 used.

¹⁴ Cost estimate of \$50,000 based on 125 veterans multiplied by average tax relief of \$400 per veteran.

¹⁵ Commonwealth of Virginia Code § 58.1 -3506 (A)(19), accessed January 7, 2019, <https://law.lis.virginia.gov/vacode/title58.1/chapter35/section58.1-3506/>

¹⁶ “Personal Property Tax on Motor Vehicles, Trailers and Boats,” Arlington County Code § 27-11.1, accessed January 8, 2019, <https://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/22/2014/01/County-Code-27-Miscellaneous-Ordinances.pdf>

100 percent permanent and total disability rating, which is like the motor vehicle tax rate Fairfax and Loudoun Counties have approved for disabled veterans.^{17 18}

¹⁷ “Reduced Vehicle Tax Rate for Qualifying Disabled Veterans,” Fairfax County, accessed January 9, 2019, <https://www.fairfaxcounty.gov/taxes/relief/vehicle-disabled-veterans>

¹⁸ “Personal Property Alternative Tax Rate: Disabled Veterans,” Loudoun County, accessed January 9, 2019, <https://www.loudoun.gov/1612/Tax-Relief-for-Disabled-Veterans>