

ARLINGTON COUNTY CIVIC FEDERATION RESOLUTION ON MOTOR VEHICLE TAX RELIEF FOR DISABLED VETERANS

EXECUTIVE SUMMARY

PROCEDURAL HISTORY

The framework of a resolution on motor vehicle tax relief for disabled veterans was discussed with Mr. Erik Gutshall, Arlington County Board Member, at an “Open Door Session” on April 2, 2018. A proposal was sent to Mr. Gutshall on May 3, 2018, and his staff recommended the document be shared with the Arlington Civic Federation, Civic Associations, and other groups to get board-based support. On August 28, 2018, the proposal was emailed to 62 Civic Associations and no objections were received. On September 5, 2018, the Arlington County Military and Veterans Affairs Committee was briefed and an endorsement was sent to Arlington County Manager. This resolution of the Civic Federation’s Legislation Committee was passed, pending minor edits, unanimously on January 6, 2019. Voting members of Legislation Committee were: Ronald Haddox, Juliet Hiznay, John O’Hara, Andy Ludwig, Sarah Shortall, Allen Norton, and Don Gurney. Upon circulation of the resolution with amendments, these were accepted without objection. This resolution will be introduced to membership at the Civic Federation meeting to be held on February 5, 2019, by John O’Hara on behalf of the Legislation Committee.

BACKGROUND

The U.S. Department of Veterans Affairs provides a disability compensation benefit to veterans who are disabled because of injuries or diseases that were incurred in or aggravated during military service. A veteran’s disability compensation rating is graduated according to degree of the veteran's disability on a scale from 0 percent to 100 percent (in increments of 10 percent). Compensation may also be paid for disabilities considered secondary to disabilities occurring in military service and for disabilities presumed to be related to circumstances of military service. It is estimated that 2,900 out of 13,000 Arlington County veterans receive some level of disability compensation.

At least 11 jurisdictions in the Commonwealth of Virginia provide a motor vehicle tax relief for disabled veterans. A tax relief is achieved through changes to local codes in conformance with Virginia Code § 58.1-3000, which pertains to personal property subject to local taxation and in accordance with Virginia Code § 58.1-3506 (A)(19), which defines a separate classification for local taxation on a motor vehicle owned by a veteran. Tidewater area jurisdictions have reduced motor vehicle tax rates for disabled veterans and Jefferson County provides a full personal property tax exemption while Fairfax County, City of Fairfax, and Loudoun County have a motor vehicle tax rate of \$.01 per \$100 assessed vehicle value for qualifying disabled veterans. To qualify for a motor vehicle tax relief, a veteran must be rated by the U.S. Department of Veterans Affairs as having a 100 percent service-connected, permanent and total disability rating.

Arlington County Office of the Commissioner of Revenue indicated there would be no adverse amount of workload with Arlington County approval of motor vehicle tax relief measure and estimated the average vehicle tax relief would be almost \$400 per disabled

veteran plus there would be operational costs for computer system programming requirements. Arlington County Code § 27-11.1, which pertains to personal property tax on motor vehicles, would probably need to be amended. Based on veteran population projections and the number of disabled veterans approved for motor vehicle tax relief in Fairfax and Loudoun Counties, it is estimated about 125 disabled veterans in Arlington County would qualify for the proposed motor vehicle tax relief. The estimated annual cost or reduced revenue to Arlington County for providing motor vehicle tax relief to 125 qualifying disabled veterans would be approximately \$50,000.

Arlington County has a long and proud history of supporting our Nation's military and the Legislation Committee unanimously voted in favor of the following resolution regarding motor vehicle tax relief for disabled veterans.