

Personal Property Tax Relief

The 1998 Virginia General Assembly passed legislation to phase out the payment of personal property taxes by individuals on certain motor vehicles. The State's "No Car Tax Program" has been eliminated as of September 1, 2006. A new program was implemented by the State as of January 1, 2006.

The personal property tax relief program is no longer intended to eliminate the personal property tax, but rather provide a reduction to the taxpayer. Your tax bill will be reduced by a percentage which will be determined annually. The relief now represents an annual block grant from the Commonwealth of Virginia.

The increases in the 2006 Personal Property tax bills are due to the changes implemented by the General Assembly of Virginia. Tax relief on motor vehicles in Gloucester County for the 2006 tax year is 48% of the first \$20,000 in value on qualifying vehicles instead of the 70% relief taxpayers have received in previous years. As a result of this new program the state relief will shrink over time as Gloucester County continues to grow and add new vehicles that are eligible for the relief.

Taxpayers whose bills remain delinquent for prior years after September 1, 2006 will be billed for the full amount of their original levy without regard to the old 70% relief. Gloucester County will not receive relief from the Commonwealth of Virginia on the delinquent bills.

When does a vehicle not qualify for PPTRA?

- If more than 50% of the mileage for the year is for business purposes
- On motor homes, trailers, and farm use vehicles
- If more than 50% of the depreciation associated with the vehicle is deductible as a business expense
- If the vehicle's cost is expensed pursuant to Section 179 of IRS Code
- Vehicle's with Farm Use or For Hire plates
- If the gross weight is more than 7,500 pounds
- If the vehicle is registered in a business name