



# Tax Abatement Incentive Program

## It's Time to Revitalize

The City of Richmond offers partial exemption from real estate taxes for qualifying rehabilitated and replaced structures. For those properties that qualify, the increase in market value caused by rehabilitation/replacement will be credited from taxable assessment for **up to ten years** within the Enterprise Zone and **seven years** outside the Enterprise Zone.

### To Qualify:

- The property must be no less than 20 years old.
- Rehabilitation must increase the initial value of the structure by a minimum of 40%.
- Appropriate permits must have been acquired from the Department of Planning and Development Review, Room 110, at the time of application for Tax Rehabilitation.
- Rehabilitated or replaced structures must meet zoning requirements (in the Enterprise Zone).
- The replacing structure cannot exceed the square footage of the replaced structure by more than 110%.

### Requirements for Exemption:

- The applicant must first apply for a building permit with the Department of Planning and Development Review.
- Each tax abatement application must be submitted with an active building permit issued from the Department of Planning and Development Review to the Assessor's Office, Room 802 in City Hall. Payment must be in the form of cash or check only.
- Do not begin work until the initial inspection has been completed. If you have not been contacted by an appraiser within 7-10 business days of receipt of application in the Assessor's Office, please call the Assessor's Office.
- Any work completed prior to initial inspection is considered part of the base (initial) value and will not be part of the credit.
- The work must be completed within 24 months of application date. Example: Applied 2/1/2011, expires 2/1/2013.
- Any value increase from general reassessment is not part of the Tax Abatement Program.
- Rehab credit transfers with the property title.
- For final value inspection, the applicant must give written notice of completion to the Assessor's Office or complete a Qualification Release Form and send it to the Assessor's Office.
- After notification of completion, an appraiser will contact the property owner for final inspection.
- If the property qualifies, the abatement begins January 1st of the following year after the written request for a final inspection has been received by the Assessor's Office.

### Contact Information

Kristy Middleton, Rehab Coordinator  
City Hall

City of Richmond Assessor's Office  
900 East Broad Street, Room 802  
Richmond, VA 23219

Phone: (804)646-5227 Fax: (804)646-5686



Mayor Dwight C. Jones

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## Commercial/Industrial Abatement Example

The following is an example of how the Tax Abatement Program can reduce property tax amount.

Base Value		Final Value		Rehab Abatement	
Land Value	\$15,000	Land Value	\$15,000		
Building Value	\$10,000		\$133,000		
Total Value	\$25,000	Total Value	\$148,000	Rehab Abatement	\$123,000

YEAR 1 (Tax Rate 1.20 per \$100)	
Annual Assessment	\$179,000
Rehab Abatement	\$123,000
Amount to be taxed	\$56,000
Taxes without the abatement	$\$179,000/100 \times 1.20 = \$2,148$
Taxes with the abatement	$\$56,000/100 \times 1.20 = \$672$
Credit Amount	$\$2,148 - \$672 = \$1,476$

After the final inspection is completed, the final value is determined by the Assessor's Office.

## Credit Examples Using Above Abatement Example

For properties that are within the **Enterprise Zone** and how it is applied. The credit begins in Year 1 and expires at the end of Year 10.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Year	1	2	3	4	5	6	7	8	9	10
Tax Rate	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Abatement	\$1,476	\$1,476	\$1,476	\$1,476	\$1,476	\$1,476	\$1,476	\$1,107	\$738	\$369
%	100%	100%	100%	100%	100%	100%	100%	75%	50%	25%

For properties outside of the **Enterprise Zone** and how it is applied. The credit begins in Year 1 and expires at the end of Year 7.

	2011	2012	2013	2014	2015	2016	2017
Year	1	2	3	4	5	6	7
Tax Rate	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Credit	\$1,476	\$1,476	\$1,476	\$1,476	\$1,476	\$974	\$487
%	100%	100%	100%	100%	100%	66%	33%



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