

Incentive to Rehabilitate

5 Steps to Exemption



- 1. Building Permits** Apply for the necessary building permits at the same time you submit your application for tax exemption. Contact the Building Development Division at (703) 792-6930 for more information. The Building Development office is located in the Development Services Building at 5 County Complex Court, Prince William, VA 22192.
- 2. Complete Application** Complete an application form for the Tax Exemption for Rehabilitated Real Estate Program. Include with the application copies of all necessary building permits and a \$50 non-refundable application fee. Submit the application to the Real Estate Assessments Office **before any work is started.**
- 3. Determine Base Value** Upon application approval, the Real Estate Assessments Office will inspect the property to determine the base value. The base value will be the assessed value before the commencement of any work.
- 4. Request Final Inspection** When rehabilitation is complete, submit a written request for inspection to the Real Estate Assessments Office. Include a copy of the certificate of occupancy with the inspection request. Requests should be received prior to November 1 of the year in which the rehabilitation is complete.
- 5. Begin Exemption** If the property qualifies for the tax exemption program, exemption will begin on January 1 of the next calendar year.

Applications must be submitted before rehabilitation work begins.

Prince William County, Virginia

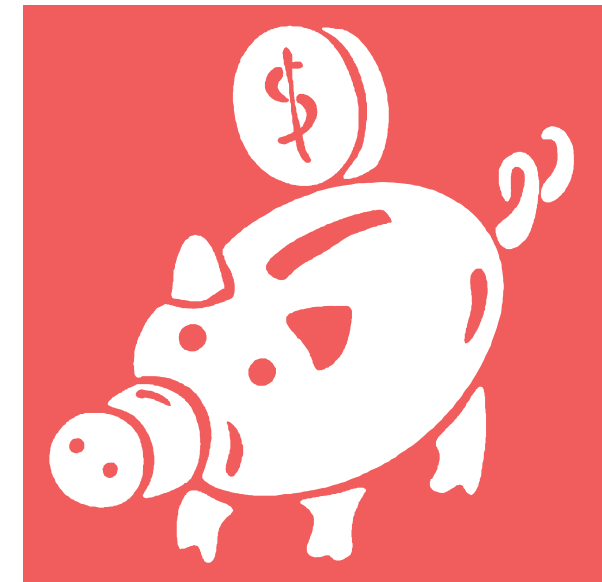


**Finance Department
Real Estate Assessments Office
4379 Ridgewood Center Dr., Suite 203
Prince William, Virginia 22192
(703) 792-6780
Fax (703) 792-6775**

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**Prince William County, Virginia
Finance Department
Real Estate Assessments Office**

Tax Exemption for Rehabilitated Real Estate Program

What is the program?

Prince William County's Board of County Supervisors has approved an ordinance enacting a tax exemption for real estate that is substantially repaired, rehabilitated, or replaced. The tax exemption program encourages renovation and revitalization of aging structures located in the County. By improving the condition and appearance of existing properties, Prince William County will become a more appealing place for homeowners and businesses to invest. The amount of exemption is based on the increase in building value caused by rehabilitation. The minimum increase in the value of the building is 25%. Exemptions are allowed for all property types: residential, commercial or industrial, and hotel or motel. Minimum age and size increase requirements apply.

The tax exemption is applied over a 15 year period and is transferable to a new property owner. The total tax savings is equal to 100% of the exemption each year for the first 10 years. Over the next 5 years the tax savings is reduced and the exemption is phased out as follows:

Year	Exemption
11	80%
12	60%
13	40%
14	20%
15	0%

The total exemption is limited to \$750,000 during the program period. There shall only be one application approved for any single property at any one time.

What are the requirements?

Participation in the program is subject to the following requirements.

- The increase in building value due to rehabilitation, renovation, or replacement must be 25% or more of the building value before any work is done.
- Residential structures must be at least 15 years old and increase in size no more than 30%.
- Commercial or industrial structures must be at least 20 years old and increase in size no more than 100%.
- Hotel or motel structures must be at least 35 years old and increase in size no more than 100%.
- You must complete the rehabilitation by December 31 of the third calendar year after your application was submitted.
- You must submit the application and a \$50 non-refundable application fee at the same time you apply for the necessary building permits and **before any work is started.**
- Taxes must be kept current to qualify and remain in the program.
- All work must conform to existing building and zoning regulations.
- The maximum length of time for tax exemption is 15 years.



Other Information

The base value of the structure will be the assessed value before commencement of any work. The Real Estate Assessments Office will make a final appraisal of the structure after work is complete, or after three years, to determine the increase in value due to rehabilitation. All work must conform to building and zoning regulations. Increase in assessed value due to rehabilitation is not equal to rehabilitation costs.

Tax exemption is for the base real estate tax rate only and does not apply to fire and rescue levy, gypsy moth levy, stormwater management fee, or any other special taxing districts. The tax exemption does not apply to land value.

How do I learn more?

For more information, or to make an appointment to discuss the program, or to receive a program application, contact the Real Estate Assessments Office at (703) 792-6780. Offices are located at 4379 Ridgewood Center Drive, Suite 203, Prince William, VA 22192.

Applications are available via fax at (703) 792-4636, message number 359, or via the Internet at <http://www.pwcgov.org/finance/pdf/txexmpt.pdf>.

