

The Prince William County Board of County Supervisors 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 percent. Exemptions are allowed for all property types: residential, commercial or industrial, and hotel or motel.

Minimum age and maximum 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 percent of the exemption each year for the first 10 years.

Over the next five years the tax savings are 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.

For more information, to make an appointment to discuss the program or to receive a program application, contact the Real Estate Assessments Office at 703-792-6780. Visit the office at 4379 Ridgewood Center Drive, Suite 203, Prince William, VA 22192. Applications are also available online at pwcva.gov/Rehab-App.



Tax Exemption Guide

REHABILITATED REAL ESTATE



Prince William County Real Estate Assessments Office

4379 Ridgewood Center Drive, #203
Prince William, Virginia 22192

Telephone: 703-792-6780 • Fax: 703-792-4025
TTY: 703-792-6293

9 a.m. to 4 p.m.

pwcva.gov/finance

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.

Participation in the program is subject to the following requirements:

- The increase in building value due to rehabilitation, renovation or replacement must be 25 percent 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 percent.
- Commercial or industrial structures must be at least 20 years old and increase in size no more than 100 percent.
- Hotel or motel structures must be at least 35 years old and increase in size no more than 100 percent.
- 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.

Applications must be submitted before rehabilitation work begins.

- 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.

