



CITY OF FALLS CHURCH

City of Falls Church Commercial Property Rehabilitation Tax Abatement Program

Requirements:

- The building must be at least 20-years old.
- Improvements must be for commercial use on commercial real estate property.
- Improvements must increase the assessed value of the building (land not included) by at least 50% and cannot increase building square footage by more than 100%. This increase in assessed building value must be a result of physical changes and not a result of general inflationary trends.
- Improvements must be the result of a single project. Building permits must be issued within a 60-day period from the time of the acceptance into the rehabilitation tax abatement program, and completed within 2 years from the date that the initial construction permit was issued.
- Program does not apply to properties built on vacant land.
- There is no tax exemption granted on land value.
- The tax exemption amount will be determined by the difference in the value of the improvement between the base improvement value and the final improvement value established.
- The amount of the tax exemption will be fixed and will not increase over time; however it may be reduced if the property improvement value declines during the partial tax exemption period.
- Separate applications must be submitted for each structure.
- Appropriate building permits must be acquired before filing application.
- City Assessor must inspect the structure 3 different times: 1) upon receipt of application, 2) immediately prior to commencement of proposed rehabilitation, and 3) upon completion of project. A written request must be submitted to assessor for final inspection.
- All real estate taxes on the property/building must be paid and current prior to the acceptance of a tax abatement application. Failure to pay all real estate taxes will result in forfeiture of the partial tax exemption for that year, in addition to any other penalties as applicable by law.

- Real estate taxes will be assessed and due at 100% of assessed value during the construction phase and until the final value appraisal.
- Owners must submit a detailed list of their ACTUAL improvement costs to the City Assessor for review.
- The tax exemption will transfer with the property.
- An application fee of \$50.00 must be made payable to the City of Falls Church and submitted with the application.

Duration:

Abatement will be for a period of 5 years and will start on January 1st of the year following the completion of the project. If an application is received, for example, on January 15, then the applicant must wait until the next calendar year to apply for the exemption..

Example:

If a property has an overall assessed value of \$1 million, comprised of a land value of \$600,000 and an improvement (building) value of \$400,000, the improvement value is the pertinent number. The improvement value must increase at least 50%, or \$200,000 in this example, for improvements completed within a two-year period following application to this program.

Taxes abated on \$200,000 in assessed improvement value are calculated as follows using the current real estate tax rate: $\$200,000 \times 0.0124 = \$2,480$. The tax abatement shall extend for five years. The annual abatement amount will be a maximum value of \$200,000 in this example times the current real property tax rate, which can change from year to year.

City of Falls Church, Virginia
Application for Tax Exemption for Rehabilitated Real Estate

Owner(s) of Record _____

Location of Property _____

Date Structure Built (must be no less than 20 years of age) _____

Use of Structure _____

Description of Work to be Done _____

I certify that the statements contained in this application are, to the best of my knowledge, both correct and true. Given under my hand this _____ day of _____ 20____.

Signature _____

Owner or Agent
Print Name _____

Mailing Address _____

Telephone Number _____

E-mail _____

This application must be completed and transmitted to the City Assessor with a fee of Fifty Dollars (\$50.00). No property shall be eligible for said exemption unless the appropriate building permits have been acquired and verified by the Building Official, and the City Assessor has inspected and valued the structure (base) upon receipt of the application and before the rehabilitation has started.

***** DO NOT WRITE BELOW THIS LINE (OFFICE USE ONLY) *****

Application Number _____ RPC Number _____

Building Permit Number _____ Cost Per Building Permit \$ _____

Building Permit Date _____

(month/date/year)

From Worksheet: Base Value \$ _____ Completed Value \$ _____

Approved/Denied Amount of Exemption Approved \$ _____

***** FEE *****

Make check payable to: City of Falls Church Fee \$50.00

Account Number _____

Date Received _____ Invoice # _____ Receipt # _____