



TAX CREDIT FOR REHABILITATED PROPERTY

The City of Fredericksburg gives partial exemption from real estate taxes for qualifying rehabilitated real estate. For those properties that qualify, the initial increase in real estate taxes caused by rehabilitation will be excused for two (2) years and will continue on a declining scale for five (5) more years. For full information, including the provisions for qualifying for this partial tax exemption, see Sections 70-98.1 and 70-99.1 of the City Code. A summary of the requirements and criteria to qualify for this exemption, and other information are set forth below.

Requirements for Classification as a Rehabilitated Structure

Residential (single or multi-family) Structures

1. Shall be no less than forty (40) years old.
2. Base value of the structure must be increased by at least twenty percent (20%)
3. The total square footage of the structure shall not be increased by more than fifteen percent (15%). Porches, unfinished attics and basements, attached carports or garages, shall be included when computing the square footage of a structure.
4. No improvements made upon vacant land nor total replacement of residential structures shall be eligible.
5. No property shall be eligible unless appropriate building permits have been obtained, and application for such made simultaneously with filing application for exemption with the Commissioner of the Revenue.
6. Residential property shall be (a) located in the Old and Historic District or (b) eligible for listing or listed on the National Register of Historic Places.

Commercial or Industrial Structures

1. Shall be no less than forty (40) years old.
2. Base value of the structure must be increased by at least thirty percent (30%).
3. Total square footage of structure shall not be increased by more than fifteen percent (15%). An existing attached carport, canopy, or similar structure shall be included in the calculation of the original square footage of a commercial or industrial structure. [Basements and attics may be finished-off without invoking the 15% limitation.]
4. No improvements made upon vacant land shall be eligible.
5. No property shall be eligible unless appropriate building permits have been obtained and application for such made simultaneously with filing the application with the Commissioner of the Revenue.

GENERAL INFORMATION

1. File the application with the Commissioner of the Revenue. The application fee is \$50.00 for residential property and \$150.00 for commercial/industrial property.
2. Upon receipt of the application and application fee, the property will be inspected by the Commissioner's Office to determine the base value. There shall be a limit of two (2) years from the date the application for exemption is submitted and the property is inspected by the Commissioner of Revenue or his agent to the date the rehabilitation is completed. Any rehabilitation which exceeds two (2) years shall not be eligible for exemption.
3. Base value is that value determined by the Commissioner upon receipt of the application after an interior inspection of the structure prior to commencement of the rehabilitation.

NOTE:

THE APPLICATION MUST BE SUBMITTED BEFORE AN INSPECTION CAN BE MADE AND AN INSPECTION MUST BE MADE BEFORE REHABILITATION COMMENCES.

4. Upon completion of the rehabilitation (at any time prior to 30 days before the expiration of the application) an owner may submit a written request to the Commissioner of the Revenue to inspect the structure to determine if it then qualifies for the rehabilitation exemption.
5. If the property does not meet the requirements for the exemption by the expiration date of the application, the request for a partial exemption will be denied, a new application must be filed and a new base value established. (NOTE: The new base value will include all of the value created during the previous application.)
6. If the property ultimately qualifies for tax relief, the exemption will be in effect for a period of seven (7) years. If the property is sold, the exemption will still be in effect for the new owner until the expiration date.

NOTE:

FINAL INSPECTION ON COMPLETED REHABILITATION WORK MUST BE MADE BY THE OFFICE OF THE COMMISSIONER OF THE REVENUE BEFORE THE EXEMPTION CAN BE APPROVED.

THE EXEMPTION COMMENCES ON JULY 1ST FOLLOWING THE APPROVAL.

7. For additional information, please contact the Commissioner of the Revenue, City Hall, 715 Pr. Anne St. or telephone (540) 372-1207.