

Personal Property Assessment
Office of the Commissioner of the Revenue
Loudoun County



Personal Property Assessment Process

Personal Property Assessment Process Overview



- ▶ One of the primary functions of the Office of the Commissioner of the Revenue is to fairly and thoroughly assess all tangible personal property for local taxation.
- ▶ The Constitution of Virginia, Article X, segregates tangible personal property for local taxation, and authorizes the General Assembly to prescribe the methods to be utilized for assessment purposes. Localities throughout the Commonwealth may tax personal property to fund local services, but only under the guidelines established by the General Assembly.

Personal Property Assessment Process

Overview



- ▶ Tangible personal property primarily consists of vehicles, aircraft, boats, trailers, RVs and business equipment.
- ▶ Household goods and farm equipment has been exempted by the Board of Supervisors.
- ▶ Personal property taxes are Loudoun's second largest locally administered revenue source. Funds help pay for schools, law enforcement and other services provided by county government.
- ▶ Localities are authored to set rates on the various classes of personal property delineated in the Code of Virginia.
- ▶ Office of the Commissioner of the Revenue is responsible for tax assessment while the Treasurer mails bills and collects payments.

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- ▶ Virginia is a personal property tax state where owners of vehicles and leased vehicles are subject to an annual tax based on the value of the vehicle on January 1. Loudoun County levies a tax each calendar year on all motor vehicles, trailers, campers, mobile homes, boats, and airplanes with "situs" in the county.
- ▶ A vehicle has situs for taxation in Loudoun County if it is garaged, parked, or stored in the county, or if it is registered to a county address with the Virginia Department of Motor Vehicles.

Personal Property Assessment Process Overview



- ▶ The Office of the Commissioner of the Revenue is responsible for the assessment of all personal property with taxable status in Loudoun County.
- ▶ Virginia state law requires Commissioners of the Revenue to use a recognized pricing guide to assess vehicles for personal property tax.
- ▶ Loudoun County, as well as all Virginia localities, uses the January 1, Eastern Edition J.D. Power Official Used Car Guide and the January 1, J.D. Power Official Older Car Guide for routine valuation purposes.

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- ▶ JD Power valuation guides contain six values. Loudoun uses the "Clean Loan" value, taking into consideration four-wheel drive, special engine, and/or tandem/single axle configurations.
- ▶ In order of values highest to lowest, the Guides include: MSRP, Clean Retail, Clean Trade-in, Clean Loan, Average Trade-in, Rough Trade-in.
- ▶ Vehicles listed in the January 1, J.D. Power Classic, Collectible, Exotic and Muscle Car Appraisal Guide and Directory are valued using the low retail value, the lowest of three values listed in the guide.

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- ▶ If the model and year of a vehicle is not listed in the recognized pricing guide, the law permits the vehicle to be valued on the basis of percentage of original cost, to reflect fair market value. To ensure uniformity in valuation for vehicles of the same year, make and model, the Office of the Commissioner of the Revenue uses the Manufacturer's Suggested Retail Price (MSRP) as original cost. Prior model year vehicles not listed in the guide are assessed at 75% of the MSRP. Current model year vehicles not listed in the guide are assessed at 90% of the MSRP.

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- ▶ Subsequent model year vehicles not listed in the guide are assessed at 100% of cost as reported to the Department of Motor Vehicles. Vehicles 20 to 24 years of age, which are not listed in the J.D> Power January 1, Official Older Car Guide are assessed at 90% of the prior year's assessment.
- ▶ Due to the difficult nature of determining the condition of vehicles 25 years or older, such vehicles are assessed at \$100.
- ▶ Motorcycles, campers, trailers, boats, and motor homes are assessed based on a percentage of cost.

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Mobile Homes

- ▶ Loudoun uses the Average Mid value contained in the Virginia Manufactured Housing Appraisal Guide published by Wingate Appraisal Service for assessing mobile homes.

Aircraft

- ▶ Loudoun uses the average wholesale value listed in the Winter Edition Aircraft Bluebook Price Digest for assessing aircraft.

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Calculating the Tax

- ▶ The Loudoun County Board of Supervisors establishes vehicle personal property tax rates each year during the regular budget process. The current tax rate for most all vehicles is \$4.20 per \$100 of assessed value but is anticipated to be \$4.15 next year.
- ▶ The incorporated towns of Hamilton, Leesburg, Purcellville, and Round Hill impose a tax on vehicles in addition to the county tax. Rates vary by town.
- ▶ Taxes are collected by the county. Tax is computed by dividing the assessment by 100 and multiplying the result by the appropriate tax rate. The tax is then prorated, if necessary, based on the number of months that the vehicle has taxable situs in the county.

Personal Property Tax Relief

“No Car Tax”



For qualified personal use vehicles, the tax bill is reduced by the fixed amount of the Commonwealth’s Personal Property Tax Relief, the percentage of which is also set by the Loudoun County Board of Supervisors annually. The 2023 personal property tax relief percentage is 33% and is provided only on the first \$20,000 of a vehicle’s value.

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Personal Use trailers, campers, motorcycles, and boats are assessed at a percentage of original cost as follows:



PURCHASE YEAR	PERCENTAGE OF COST
▶ Current year	70
▶ Immediate prior year	60
▶ 2 nd	50
▶ 3 rd	40
▶ 4 th	30
▶ 5 th and subsequent	20

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Business Use trailers, campers, motorcycles, boats, assessed at a percentage of original cost as follows:

PURCHASE YEAR	PERCENTAGE OF COST
▶ current year	60
▶ 1 st yr. prior	50
▶ 2 nd	40
▶ 3 rd	30
▶ 4 th	20
▶ 5 th and subsequent	10

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Registration Requirements and Penalties

- ▶ Owners of personal or business use vehicles are required to:
 - Register with the **Virginia Department of Motor Vehicles (DMV)** and display Virginia license plates within 30 days of purchasing a vehicle or locating a vehicle in Virginia.
 - **Declare vehicles to the Office of the Commissioner of the Revenue within 60 days** of locating a vehicle in Loudoun County or one of Loudoun's incorporated towns. This is required whether the vehicle is registered, titled or tagged in Virginia or in another state or country.

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Penalties

- ▶ Failure to report a vehicle within 60 days results in a 10% late filing penalty that is added to the personal property tax bill.
- ▶ Owners of vehicles displaying out-of-state license plates who are not otherwise exempt from obtaining Virginia license plates are charged an additional annual license fee of \$100.
- ▶ A \$250 penalty may be imposed on owners of vehicles that are not registered within 60 days of the owner's having established residency in Virginia.

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Appealing the Assessment

- ▶ Loudoun County assesses personal property on the assumption that it is in fair condition for its age. A vehicle owner can request a review of the assessment if a vehicle is not in average condition as of January 1 of the tax year being appealed because of unusually high mileage, extensive unrepaired body damage or serious mechanical defect.
- ▶ Appealing an assessment does not guarantee that it will be reduced nor does the filing of an appeal relieve the taxpayer of the obligation to pay the tax bill by the respective due date. If an assessment is later reduced as a result of an appeal and the original bill was paid, the county may issue a tax refund if all other taxes are current.

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Appealing the Assessment

Other Perceived Assessment Errors

- ▶ All other perceived assessment errors resulting from incorrect or incomplete vehicle information (e.g., wrong make, model, year, location, ownership) are handled through the regular administrative correction process, not the official appeal. Therefore, if the vehicle description, owner, period of tax, mailing address or location of the vehicle is incorrect, or the vehicle has been sold or moved from Loudoun County, please contact the Commissioner's office at 703-777-0260 or cartax@loudoun.gov and provide the updated information so the assessment may be corrected.

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Appealing the Assessment

Appeal Deadlines

- ▶ All personal property assessment appeals must be made within three years from the last day of the tax year for which the assessment is made, or within one year from the date of the assessment, whichever is later. We endeavor to respond to vehicle assessment appeals within 60 days. Additional time may be necessary due to the number and complexity of appeals submitted to the office at any given time.