Impacts of Veterans' Property Tax Exemptions

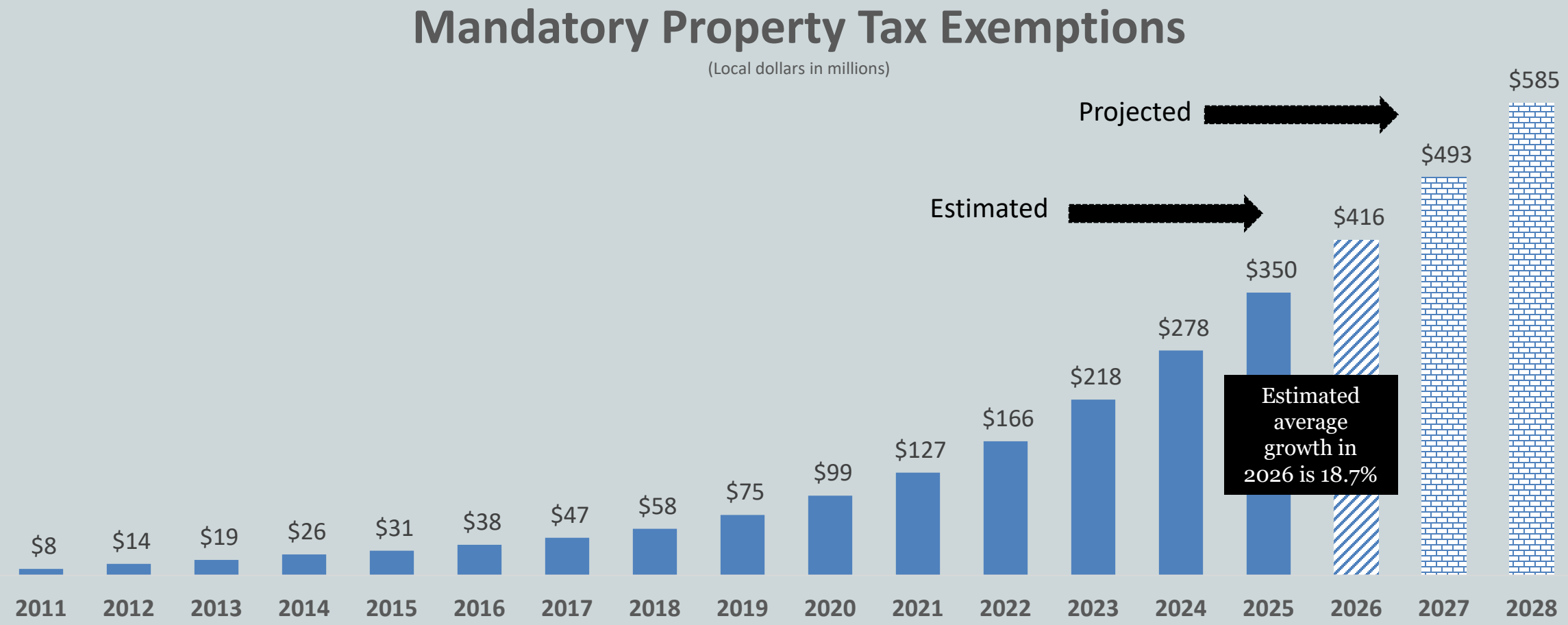
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BETTER COMMUNITIES THROUGH
SOUND GOVERNMENT

The Issue

- The property tax base of localities across the Commonwealth is eroding because of mandatory exemptions for disabled veterans and their spouses.
- That decision, enacted by lawmakers and approved by the voters, is forcing local elected officials to make difficult budget trade-offs.
- During the 2026 Session, lawmakers created a work group to examine the issue and report their findings.
- Local government officials provided valuable input that will likely be included in the final report.
- The report is likely to include financial and administrative options to ensure the sustainability of funding for the program.

Rising Cost of Veterans' Property Tax Exemptions



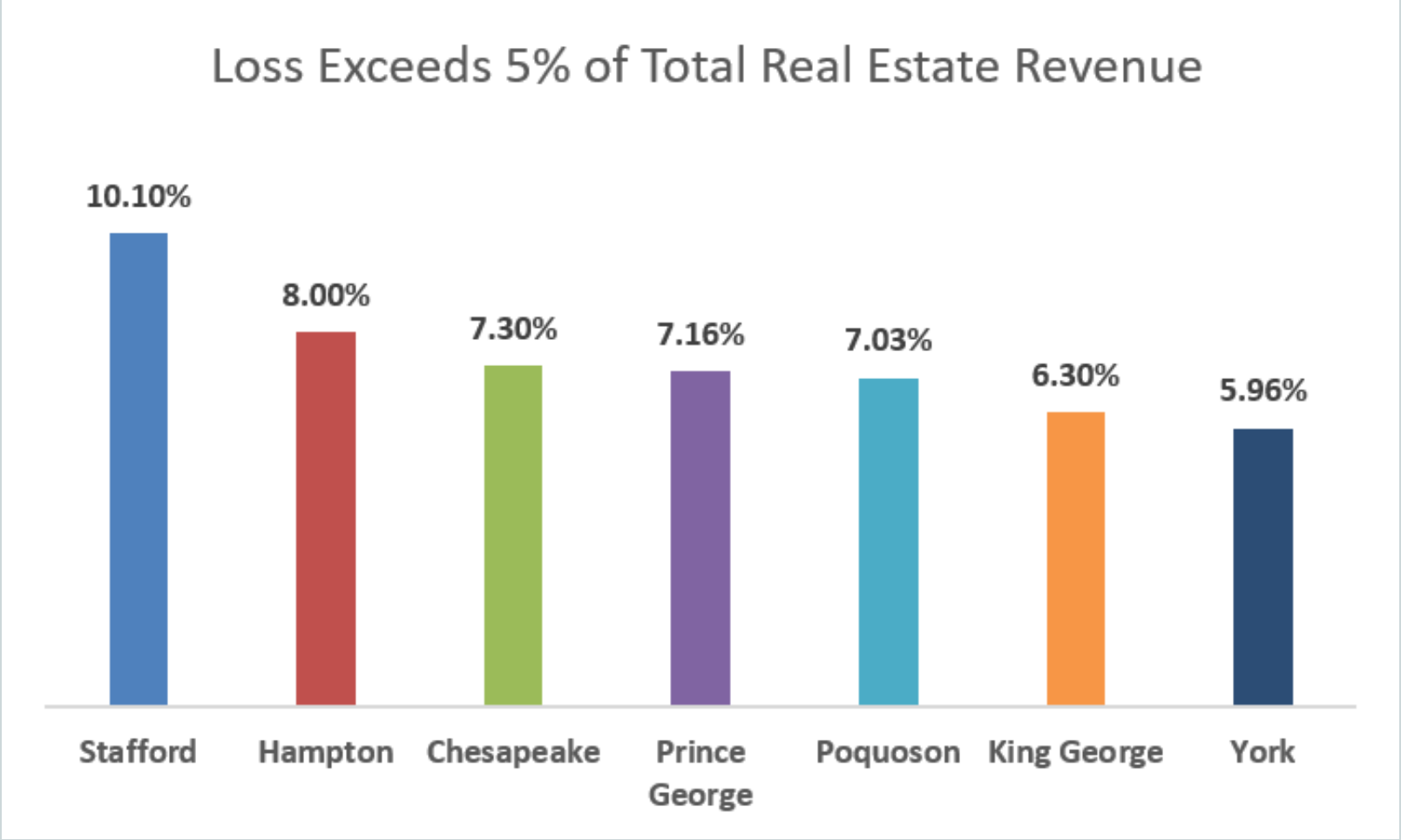
Source: VML analysis of data reported to the Commissioners of the Revenue.

Localities Experiencing Exponential Cost Growth

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Locality	2026 Amount	% Growth from Prior Year
Amherst County	$281,000	100.8%
Appomattox County	$127,000	42.4%
Buckingham County	$196,000	78.5%
Caroline County	$925,000	45.9%
City of Emporia	$49,000	57.1%
Frederick County	$2,018,000	88.2%
Goochland County	$409,000	42.2%
King George County	$1,877,000	48.3%
City of Manassas Park	$543,000	46.7%
Smyth County	$442,000	189.7%
Westmoreland County	$353,000	49.8%
Wise County	$252,000	50.9%

Localities with Significant Revenue Loss



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Next Steps

- The decision to exempt the property of disabled veterans and their spouses from local property taxes was approved.
- The cost to localities has exceeded expectations.
- What can the Commonwealth do to alleviate the fiscal pressure on localities that are forced to pay for this unfunded mandate?