

Tax Relief Program

There is a tax relief program for real estate, beginning every March 1st and going through May 31st. The requirements for this program are:

- Income of \$25,000 or less (counting all income of everyone in the household)
- Assets valued at \$65,000 or less (not counting the house you live in and up to 1 acre of land it may be sited on)

We also have a land use program for agricultural land. There must be 5 acres or more to qualify.

Personal Property Tax Relief Act of 1998

What is the Personal Property Tax Relief Act?

The Personal Property Tax Relief Act of 1998 provides tax relief for passenger cars, motorcycles, and pickup or panel trucks.

A vehicle must meet all three of the requirements below to qualify for tax relief. The vehicle must:

- Be a passenger car, pickup or panel truck weighing less than 7,501 pounds, or motorcycle; and
- Be owned by an individual or leased by an individual under a contract requiring such person to pay the tangible personal property tax; and
- Be used 50% or less for business purposes.

Motor homes, boats, and farm use vehicles DO NOT qualify for tax relief.

Does your vehicle qualify for Car Tax Relief?

If you can answer yes to any of the following criteria, your vehicle is considered predominantly used for business purposes and does not qualify for Personal Property Tax Relief. Therefore the taxpayer would be responsible for full payment of the tax.

- Is more than 50% of the mileage for the year is used as a business expense for Federal Income Tax purposes OR reimbursed by an employer?
- Is more than 50% of the depreciation associated with the vehicle is deducted as a business expense for Federal Income Tax?
- Is the cost of the vehicle is expensed pursuant to Section 179 of the Internal Revenue Service Code?

Vehicles qualified for tax relief are noted on your tax bill and show a reduction for the portion of the tax the Commonwealth will pay. For qualified vehicles, your tax bill is reduced by the applicable tax relief percentage for the tax year on the first \$20,000 of value. If your qualifying vehicle's assessed value is \$1,000 or less, your tax has been eliminated and the Commonwealth's share is 100%. Tax relief is calculated using the Smyth County's effective tax rate in effect on August 1, 1997.

You are required to certify annually to Smyth County that your vehicle remains qualified to receive car tax relief. Tax Form 762 (personal property) must be completed and submitted by May 1 of each year. You must list all items you owned on January 1 and indicate business or personal use for all vehicles listed. If your vehicle is improperly qualified or you are uncertain whether your vehicle would be eligible for car tax relief because it is used part of the time for business purposes, contact the Commissioner of Revenue at 276-782-4040. When you display your Smyth County decal and pay your taxes on qualified vehicles, you are certifying to the Smyth County that your vehicle has been qualified correctly.

PPTRA UPDATE 2006

Personal Property Tax Relief Act (PPTRA) Update for 2006

Significant changes in the Personal Property Tax Relief Act were adopted by the 2004 General Assembly, effective in the 2006 tax year. Originally, the car tax credit was to be phased in over a five-year period. Because of the current budget restraints, the General Assembly will determine the percentage of tax relief each year beginning in 2006.

Those with delinquent taxes for 2005 and prior years may be subject to paying the full tax amount, plus penalty and interest. Therefore, it is important for those with

delinquent taxes outstanding on qualifying vehicles to remit those taxes as soon as possible.

PPTRA LINKS

- [The Personal Property Tax Relief Act of 1998](#)
- [State and Local Value-Based Taxes on Motor Vehicles](#)
- [DMV Personal Property Relief Tax \(PPTRA\) Summary](#)

CONTACT INFORMATION

If you have any questions or need additional information about the Personal Property Tax Relief Act, please contact our office at (276) 782-4040.