

Policy Briefing Summary

City Council



Regarding:	Adoption of the Resolution Establishing the Personal Property Tax Relief Percentage for Tax Year 2026
Staff Contact(s):	Rosalind Collins, Lisa Newman, Personal Property Supervisor
Presenter:	Todd Divers, Commissioner of the Revenue
Date of Proposed Action:	April 9, 2026

Issue

The City of Charlottesville, Virginia (“City”), receives a fixed annual grant from the Commonwealth of Virginia (“Commonwealth”) to be used to apply Personal Property Tax Relief (“PPTR”). The PPTR Program is governed by the Code of Virginia (58.1 Chapter 35.1), and gives the locality a pool of funds, the proceeds of which must be used to provide relief to the owners of qualifying vehicles. The Commonwealth’s obligation is capped and made certain; localities distribute the relief amount as determined by Local Ordinance.

Background / Rule

The method for computing the PPTR percentage is to subtract the tax year’s total tax on eligible vehicles valued \$1,500 or less (that receive 100% relief) from the total PPTR grant amount (\$3,498,256) and divide the result by the total tax on the rest of the eligible vehicles’ portion of value that is \$20,000 or less.

Analysis

Based on 2026 Tax Year Early Book and projections for said tax year, the COR recommends setting the PPTR percentage of tax on up to \$20,000 value for vehicles valued over \$1,500, by using the formula specified below:

1. Tax Levy on all Qualifying Vehicles	= \$12,900,000
2. PPTR Used on 100% Relief Vehicles (Vehicles Valued \$1,500 and Under)	= \$160,000
3. PPTR Total (\$3,498,256) Minus Line 2, Leaves Remaining	= \$3,338,256
4. Levy on up to \$20,000 Value (of Qualifying Vehicles Valued Over \$1,500)	= \$10,650,000
5. Divide 3 by 4	= 31%

Financial Impact

None anticipated, based on forecast of vehicle levy and relief to be received from the Commonwealth.

Recommendation

The COR recommends City Council adopt the attached Resolution establishing the PPTR percentage for Tax Year 2026.

Recommended Motion (if Applicable)

“I move for the adoption of the attached Resolution establishing the PPTR percentage for Tax Year 2026.”

Attachments

1. Resolution Establishing the Personal Property Tax Relief Percentage for Tax Year 2026