

SPECIAL REPORT

October 1997,
 No. 73

Impact of Virginia's Gubernatorial Personal Property Tax Relief Plans Vary Widely by Locality

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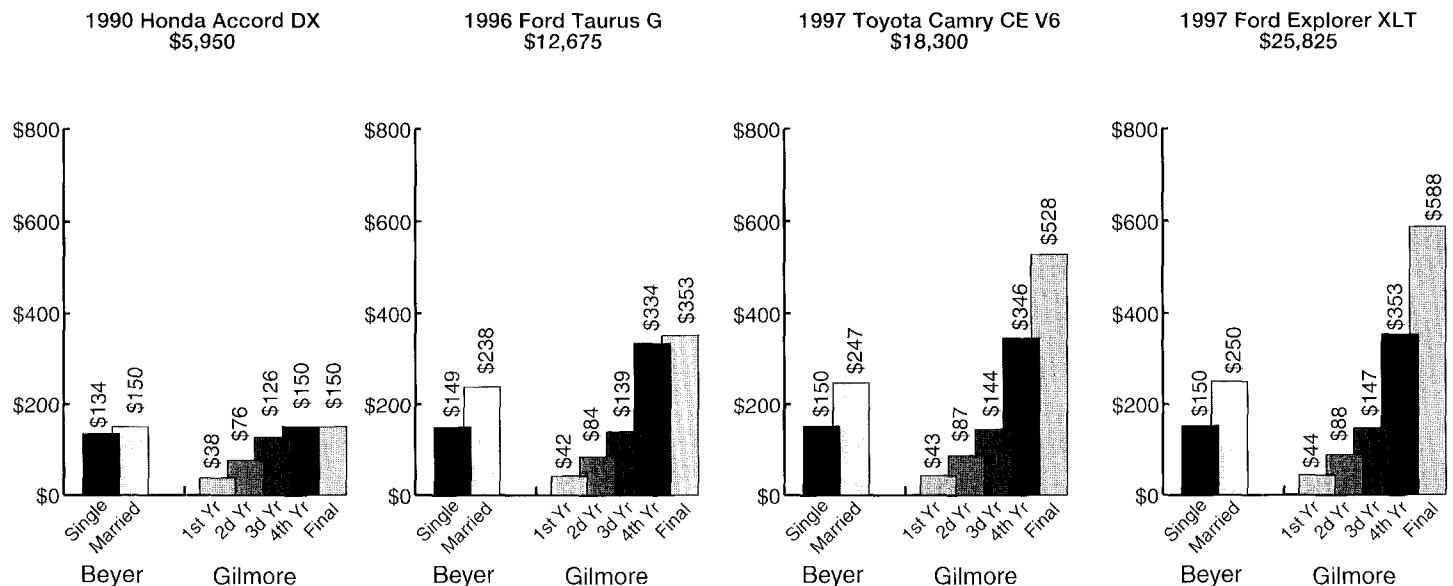
As part of their respective campaigns for governor, both Republican James Gilmore and Democrat Donald Beyer have promised Virginia's relief from their personal property taxes. Often lost in all of the talk of exemptions, tax credits, and phase-ins, however, is the actual size of the tax savings under each plan.

For the benefit of Virginia's voters the Tax Foundation has conducted an analysis of each of the proposals for owners of four popular vehicles. The results of this analysis are illustrated in *Figure 1*. The two bars on the left-hand side of each graph represent tax savings under

the Beyer plan for the typical owner of each of the vehicles. The first bar represents tax savings for single individuals with adjusted gross income of less than \$40,000. The second bar represents the tax savings for married couples with adjusted gross incomes of less than \$75,000. These are the income thresholds below which taxpayers are eligible for the tax credit in the Beyer plan.

Gilmore intends on gradually phasing in his plan during fiscal years 1999- 2003. The first four bars of the cluster on the right-hand side of each graph represent tax savings for

Figure 1
 Tax Savings Under Alternative Plans, Statewide Averages



Source: Tax Foundation.

Cities Table 1
Tax Savings Under the Alternate Plans
Example: 1990 Honda Accord DX, Valued at \$5,950

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	134	150	38	76	126	150	150
Alexandria	150	211	53	107	178	211	211
Bedford	67	67	17	34	56	67	67
Bristol	72	72	18	37	61	72	72
Buena Vista	150	189	48	95	159	189	189
Charlottesville	150	169	43	85	142	169	169
Chesapeake	150	161	41	81	135	161	161
Clifton Forge	135	135	34	68	113	135	135
Colonial Heights	141	141	36	71	118	141	141
Covington	150	150	38	76	126	150	150
Danville	134	134	34	67	112	134	134
Emporia	150	201	51	101	169	201	201
Fairfax	146	146	37	74	123	146	146
Falls Church	150	210	53	106	176	210	210
Franklin	150	200	50	101	168	200	200
Fredericksburg	150	160	40	81	135	160	160
Galax	63	63	16	32	53	63	63
Hampton	150	161	41	81	135	161	161
Harrisonburg	89	89	22	45	75	89	89
Hopewell	123	123	31	62	103	123	123
Lexington	150	176	44	89	148	176	176
Lynchburg	147	147	37	74	123	147	147
Manassas	136	136	34	68	114	136	136
Manassas Park	150	156	39	79	131	156	156
Martinsville	77	77	19	39	65	77	77
Newport News	150	167	42	84	140	167	167
Norfolk	150	161	41	81	135	161	161
Norton	82	82	21	42	69	82	82
Petersburg	150	173	44	87	145	173	173
Poquoson	150	181	46	91	152	181	181
Portsmouth	150	175	44	88	147	175	175
Radford	95	95	24	48	80	95	95
Richmond	150	165	42	83	138	165	165
Roanoke	142	142	36	71	119	142	142
Salem	129	129	32	65	108	129	129
Staunton	119	119	30	60	100	119	119
Suffolk	150	171	43	86	144	171	171
Virginia Beach	149	149	38	75	125	149	149
Waynesboro	149	149	38	75	125	149	149
Williamsburg	141	141	36	71	118	141	141
Winchester	150	156	39	79	131	156	156

Cities Table 2
Tax Savings Under the Alternate Plans
Example: 1996 Ford Taurus G, Valued at \$12,675

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	149	238	42	84	139	334	353
Alexandria	150	250	59	119	198	476	502
Bedford	150	159	19	38	63	150	159
Bristol	150	171	20	41	68	162	171
Buena Vista	150	250	53	106	177	426	449
Charlottesville	150	250	47	95	158	379	400
Chesapeake	150	250	45	90	150	361	381
Clifton Forge	150	250	38	76	126	302	319
Colonial Heights	150	250	39	79	132	316	333
Covington	150	250	38	76	126	302	319
Danville	150	250	38	75	125	300	317
Emporia	150	250	56	113	188	451	476
Fairfax	150	250	41	82	137	329	348
Falls Church	150	250	59	118	196	472	498
Franklin	150	250	56	113	188	451	476
Fredericksburg	150	250	40	81	135	323	341
Galax	134	134	16	32	53	127	134
Hampton	150	250	45	90	150	361	381
Harrisonburg	150	212	25	50	83	200	212
Hopewell	150	250	34	69	115	275	291
Lexington	150	250	49	99	165	395	418
Lynchburg	150	250	41	83	138	330	349
Manassas	150	250	38	76	127	305	323
Manassas Park	150	250	44	88	146	350	370
Martinsville	150	183	22	43	72	173	183
Newport News	150	250	47	94	156	374	395
Norfolk	150	250	45	90	150	361	381
Norton	150	196	23	46	77	185	196
Petersburg	150	250	48	97	162	388	410
Poquoson	150	250	51	101	169	406	429
Portsmouth	150	250	49	98	163	392	414
Radford	150	226	27	54	89	214	226
Richmond	150	250	46	93	154	370	391
Roanoke	150	250	40	79	132	317	335
Salem	150	250	36	72	120	289	305
Staunton	150	250	30	60	100	240	254
Suffolk	150	250	48	96	160	383	405
Virginia Beach	150	250	42	83	139	334	352
Waynesboro	150	250	38	75	125	300	317
Williamsburg	150	250	39	79	132	316	333
Winchester	150	250	44	88	146	350	370

the typical owner of each vehicle during each year of the phase-in period. The final bar represents tax savings when the plan is fully implemented.

The analysis generally shows that while the Beyer plan offers more up-front tax relief, the Gilmore plan offers at least as much savings, and in many cases considerably more, over the longer-term.

State and Local Taxes in Virginia

The revenue sources of state and local governments are segregated in Virginia. The state government exclusively taxes income, estates, corporate franchises, gasoline, cigarettes, sales and use, the gross earnings of utilities, insurance companies, and intangible personal property. Meanwhile, real estate, tangible personal property, machinery and tools

used in a manufacturing or mining business and merchant's capital are subject to taxation by local governments. Counties and independent cities are separate jurisdictions in Virginia, each levying their own personal property tax using different tax rates and methods of assessment. In addition, some smaller cities and towns levy a personal property tax on top of that levied by the county in which they are located.

Figure 2 shows that taxes on personal property are a relatively large source of revenue for local governments in Virginia. During fiscal year 1996 these types of taxes accounted for 9.6 percent of local government revenue. Virginia law exempts from taxation many types of property, such as that owned by religious and charitable organizations. In addition, most localities exempt household goods and personal effects. As a result, these taxes are primarily levied on motor

Cities Table 3

Tax Savings Under the Alternate Plans

Example: 1997 Toyota Camry CE V6, Valued at \$18,300

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	150	247	43	87	144	346	528
Alexandria	150	250	62	123	206	494	753
Bedford	150	238	19	39	65	156	238
Bristol	150	250	21	42	70	168	257
Buena Vista	150	250	55	110	184	442	674
Charlottesville	150	250	49	98	164	393	600
Chesapeake	150	250	47	94	156	374	571
Clifton Forge	150	250	39	78	131	314	478
Colonial Heights	150	250	41	82	137	328	500
Covington	150	250	38	76	126	302	461
Danville	150	250	39	78	130	312	476
Emporia	150	250	59	117	195	468	714
Fairfax	150	250	43	85	142	342	521
Falls Church	150	250	61	122	204	490	747
Franklin	150	250	58	117	195	468	713
Fredericksburg	150	250	40	81	135	323	492
Galax	150	194	16	32	53	127	194
Hampton	150	250	47	94	156	374	571
Harrisonburg	150	250	26	52	87	208	317
Hopewell	150	250	36	71	119	286	435
Lexington	150	250	51	103	171	411	626
Lynchburg	150	250	43	86	143	343	523
Manassas	150	250	40	79	132	317	483
Manassas Park	150	250	45	91	152	364	555
Martinsville	150	250	22	45	75	180	274
Newport News	150	250	49	97	162	388	592
Norfolk	150	250	47	94	156	374	571
Norton	150	250	24	48	80	192	293
Petersburg	150	250	50	101	168	403	614
Poquoson	150	250	53	105	176	421	642
Portsmouth	150	250	51	102	170	407	621
Radford	150	250	28	56	93	222	339
Richmond	150	250	48	96	160	385	586
Roanoke	150	250	41	82	137	329	502
Salem	150	250	37	75	125	300	457
Staunton	150	250	30	60	100	240	366
Suffolk	150	250	50	99	166	398	607
Virginia Beach	150	250	43	87	144	346	528
Waynesboro	150	250	38	75	125	300	458
Williamsburg	150	250	41	82	137	328	500
Winchester	150	250	45	91	152	364	555

Cities Table 4

Tax Savings Under the Alternate Plans

Example: 1997 Ford Explorer XLT, Valued at \$25,825

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	150	250	44	88	147	353	588
Alexandria	150	250	63	126	209	502	837
Bedford	150	250	20	40	66	159	264
Bristol	150	250	22	43	72	172	287
Buena Vista	150	250	56	112	187	449	749
Charlottesville	150	250	50	101	168	402	670
Chesapeake	150	250	48	96	160	383	638
Clifton Forge	150	250	40	80	134	321	534
Colonial Heights	150	250	42	84	140	335	558
Covington	150	250	38	76	126	302	504
Danville	150	250	40	79	132	317	529
Emporia	150	250	60	120	199	479	798
Fairfax	150	250	43	87	145	348	580
Falls Church	150	250	62	124	207	498	830
Franklin	150	250	59	119	198	476	793
Fredericksburg	150	250	40	81	135	323	538
Galax	150	250	16	32	53	127	212
Hampton	150	250	48	96	160	383	638
Harrisonburg	150	250	26	53	88	211	352
Hopewell	150	250	36	73	122	292	487
Lexington	150	250	52	104	174	418	696
Lynchburg	150	250	44	87	145	349	581
Manassas	150	250	40	81	134	322	537
Manassas Park	150	250	46	92	154	370	617
Martinsville	150	250	23	46	77	184	306
Newport News	150	250	50	99	166	397	662
Norfolk	150	250	48	96	160	383	638
Norton	150	250	24	49	81	196	326
Petersburg	150	250	51	103	172	412	686
Poquoson	150	250	54	108	179	431	718
Portsmouth	150	250	52	104	173	416	694
Radford	150	250	28	57	94	226	377
Richmond	150	250	49	98	163	391	652
Roanoke	150	250	42	84	140	337	561
Salem	150	250	38	77	128	306	511
Staunton	150	250	30	60	100	240	400
Suffolk	150	250	51	102	170	407	678
Virginia Beach	150	250	44	89	148	354	590
Waynesboro	150	250	38	75	125	300	500
Williamsburg	150	250	42	84	140	335	558
Winchester	150	250	46	92	154	370	617

vehicles, business furniture and fixtures, and farming equipment. Motor vehicles subject to tax include cars and trucks, boats and other watercraft, recreational vehicles, campers, and trailers. In 1996 approximately 75 percent of personal property taxes came from levies on motor vehicles.

Both Candidates Gilmore and Beyer have targeted the personal property tax, specifically that on personally owned cars and trucks, as a source of tax relief. However, because the personal property tax is a local, and not a state, tax both have been forced to come up with roundabout methods of reducing its burden.

The Gilmore Plan

Under the plan put forward by Republican Gilmore local governments would continue to assess personal property

tax. However, when fully phased-in, the plan would exempt the first \$20,000 of assessed value on personally-owned cars, trucks, and motorcycles from local taxes. Assessed value in excess of \$20,000 would still be subject to tax as would business vehicles and other types of personal property.

The Gilmore plan would use State revenues to compensate local governments for monies lost as a result of implementing the plan. Gilmore argues that continued economic growth will create revenue surpluses at the state level which he will use to finance his plan. Gilmore claims that his plan will reduce taxes by approximately \$1.0 billion during the four-year phase-in period and by approximately \$620 million in every year thereafter.

Counties Table 1
Tax Savings Under the Alternate Plans
Example: 1990 Honda Accord DX, Valued at \$5,950

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	134	150	38	76	126	150	150
Accomack							
Chincoteague	126	126	32	64	106	126	126
Lee/Pungoteague	130	130	33	65	109	130	130
Atlantic	130	130	33	66	110	130	130
Metompkin	131	131	33	66	110	131	131
Albemarle	150	172	43	87	145	172	172
Alleghany	124	124	31	62	104	124	124
Amelia	131	131	33	66	110	131	131
Amherst	101	101	25	51	85	101	101
Appomattox	104	104	26	53	88	104	104
Arlington	150	177	45	89	149	177	177
Augusta	76	76	19	39	64	76	76
Bath	9	9	2	4	7	9	9
Bedford	77	77	20	39	65	77	77
Bland	64	64	16	32	54	64	64
Botetourt	107	107	27	54	90	107	107
Brunswick	137	137	35	69	115	137	137
Buchanan	78	78	20	40	66	78	78
Buckingham	133	133	33	67	112	133	133
Campbell	97	97	24	49	81	97	97
Caroline	149	149	38	75	125	149	149
Carroll	145	145	36	73	122	145	145
Charles City	137	137	35	69	115	137	137
Charlotte	118	118	30	59	99	118	118
Chesterfield	145	145	37	73	122	145	145
Clarke	150	178	45	90	150	178	178
Craig	101	101	25	51	85	101	101
Culpeper	111	111	28	56	93	111	111
Cumberland	125	125	31	63	105	125	125
Dickenson	64	64	16	32	54	64	64
Dinwiddie	150	197	50	99	166	197	197
Essex	141	141	36	71	118	141	141
Fairfax	150	203	51	103	171	203	203
Fauquier	150	189	48	95	159	189	189
Floyd	77	77	19	39	65	77	77
Fluvanna	150	165	42	83	138	165	165
Franklin	67	67	17	34	56	67	67
Frederick	150	189	48	95	159	189	189
Giles	104	104	26	53	88	104	104
Gloucester	104	104	26	53	88	104	104
Goochland	150	161	41	81	135	161	161
Grayson	40	40	10	20	34	40	40
Greene	150	198	50	100	166	198	198
Greensville	150	200	50	101	168	200	200
Halifax	75	75	19	38	63	75	75

Counties Table 2
Tax Savings Under the Alternate Plans
1996 Ford Taurus G, Valued at \$12,675

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	149	238	42	84	139	334	353
Accomack							
Chincoteague	150	250	35	71	118	282	298
Lee/Pungoteague	150	250	36	73	121	290	307
Atlantic	150	250	37	73	122	292	309
Metompkin	150	250	37	73	122	294	311
Albemarle	150	250	48	96	161	386	408
Alleghany	150	250	31	62	104	250	264
Amelia	150	250	37	73	122	293	310
Amherst	150	238	28	56	94	225	238
Appomattox	150	222	26	53	88	210	222
Arlington	150	250	50	99	165	397	419
Augusta	150	181	21	43	71	171	181
Bath	21	21	3	5	8	20	21
Bedford	150	165	20	39	65	156	165
Bland	150	152	18	36	60	144	152
Botetourt	150	228	27	54	90	216	228
Brunswick	150	250	38	77	128	307	324
Buchanan	150	186	22	44	73	176	186
Buckingham	150	250	37	74	124	298	314
Campbell	150	206	24	49	81	195	206
Caroline	150	250	38	75	125	300	317
Carroll	150	250	41	81	136	325	344
Charles City	150	250	38	77	128	307	324
Charlotte	150	250	30	59	99	238	251
Chesterfield	150	250	41	81	135	325	343
Clarke	150	250	50	100	167	400	423
Craig	150	238	28	56	94	225	238
Culpeper	150	250	31	63	104	250	264
Cumberland	150	250	35	70	117	280	296
Dickenson	150	151	18	36	60	143	151
Dinwiddie	150	250	55	110	184	442	467
Essex	150	250	39	79	132	316	333
Fairfax	150	250	57	114	191	458	483
Fauquier	150	250	53	106	177	424	448
Floyd	150	183	22	43	72	173	183
Fluvanna	150	250	46	93	154	370	391
Franklin	150	159	19	38	63	151	159
Frederick	150	250	53	106	177	426	449
Giles	150	222	26	53	88	210	222
Gloucester	150	222	26	53	88	210	222
Goochland	150	250	45	90	150	361	381
Grayson	95	95	11	23	38	90	95
Greene	150	250	56	111	186	446	471
Greensville	150	250	56	113	188	451	476
Halifax	150	160	19	38	63	151	160

Hanover	147	147	37	74	123	147	147	Hanover	150	250	41	82	137	328	347
Henrico	141	141	36	71	118	141	141	Henrico	150	250	39	79	132	316	333
Henry	48	48	12	24	40	48	48	Henry	113	113	13	27	45	107	113
Highland	92	92	23	46	77	92	92	Highland	150	196	23	46	77	185	196
Isle of Wight	150	177	45	89	149	177	177	Isle of Wight	150	250	50	99	165	397	419
James City	150	161	41	81	135	161	161	James City	150	250	45	90	150	361	381
King George	138	138	35	70	116	138	138	King George	150	250	39	78	129	310	328
King and Queen	150	157	39	79	132	157	157	King and Queen	150	250	44	88	146	351	371
King William	150	169	43	85	142	169	169	King William	150	250	47	95	158	379	400
Lancaster	90	90	23	46	76	90	90	Lancaster	150	193	23	46	76	182	193
Lee	56	56	14	28	47	56	56	Lee	132	132	16	31	52	125	132
Loudoun	150	169	43	85	142	169	169	Loudoun	150	250	47	95	158	379	400
Louisa	76	76	19	38	64	76	76	Louisa	150	180	21	43	71	170	180
Lundenburg	150	156	39	79	131	156	156	Lundenburg	150	250	44	88	146	350	370
Madison	104	104	26	52	87	104	104	Madison	150	221	26	52	87	209	221
Mathews	115	115	29	58	97	115	115	Mathews	150	246	29	58	97	233	246
Mecklenburg	66	66	17	33	55	66	66	Mecklenburg	150	155	18	37	61	147	155
Middlesex	73	73	18	37	61	73	73	Middlesex	150	155	18	37	61	147	155
Montgomery	99	99	25	50	83	99	99	Montgomery	150	233	28	55	92	221	233
Nelson	131	131	33	66	110	131	131	Nelson	150	250	37	74	123	295	312
New Kent	150	151	38	76	127	151	151	New Kent	150	250	42	85	141	338	357
Northampton	150	173	44	87	145	173	173	Northampton	150	250	48	97	162	388	410
Northumberland	86	86	22	43	72	86	86	Northumberland	150	183	22	43	72	173	183
Nottoway	127	127	32	64	107	127	127	Nottoway	150	250	36	71	118	284	300
Orange	131	131	33	66	110	131	131	Orange	150	250	33	66	110	264	279
Page	91	91	23	46	76	91	91	Page	150	214	25	51	85	203	214
Patrick	56	56	14	28	47	56	56	Patrick	133	133	16	32	53	126	133
Pittsylvania	97	97	24	49	81	97	97	Pittsylvania	150	230	27	54	91	218	230
Powhatan	145	145	37	73	122	145	145	Powhatan	150	250	41	81	135	325	343
Prince Edward	129	129	32	65	108	129	129	Prince Edward	150	250	36	72	120	289	305
Prince George	150	161	41	81	135	161	161	Prince George	150	250	45	90	150	361	381
Prince William	150	165	42	83	138	165	165	Prince William	150	250	46	93	154	370	391
Pulaski	67	67	17	34	56	67	67	Pulaski	150	159	19	38	63	150	159
Rappahannock	117	117	29	59	98	117	117	Rappahannock	150	250	33	65	109	262	276
Richmond	141	141	36	71	118	141	141	Richmond	150	250	39	79	132	316	333
Roanoke	141	141	36	71	118	141	141	Roanoke	150	250	39	79	132	316	333
Rockbridge	141	141	36	71	118	141	141	Rockbridge	150	250	39	79	132	316	333
Rockingham	113	113	28	57	95	113	113	Rockingham	150	250	32	63	105	252	267
Russell	58	58	15	29	49	58	58	Russell	138	138	16	33	54	131	138
Scott	48	48	12	24	41	48	48	Scott	114	114	14	27	45	108	114
Shenandoah	127	127	32	64	107	127	127	Shenandoah	150	250	36	72	119	286	302
Smyth	81	81	20	41	68	81	81	Smyth	150	191	23	45	75	180	191
Southampton	150	161	41	81	135	161	161	Southampton	150	250	45	90	150	361	381
Spotsylvania	149	149	38	75	125	149	149	Spotsylvania	150	250	38	75	125	300	317
Stafford	131	131	33	66	110	131	131	Stafford	150	250	33	66	110	264	278
Surry	141	141	36	71	118	141	141	Surry	150	250	39	79	132	316	333
Sussex	150	191	48	96	161	191	191	Sussex	150	250	54	107	178	428	452
Tazewell	81	81	20	41	68	81	81	Tazewell	150	191	23	45	75	180	191
Warren	145	145	36	73	122	145	145	Warren	150	250	41	81	136	325	344
Washington	62	62	16	31	52	62	62	Washington	148	148	17	35	58	140	148
Westmoreland	101	101	25	51	85	101	101	Westmoreland	150	238	28	56	94	225	238
Wise	46	46	12	23	39	46	46	Wise	110	110	13	26	43	104	110
Wythe	74	74	19	38	63	74	74	Wythe	150	176	21	42	70	167	176
York	150	161	41	81	135	161	161	York	150	250	45	90	150	361	381

Counties Table 3
Tax Savings Under the Alternate Plans
Example: 1997 Toyota Camry CE V6, Valued at \$18,300

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	150	247	43	87	144	346	528
Accomack							
Chincoteague	150	250	37	73	122	293	447
Lee/Pungoteague	150	250	38	75	126	301	460
Atlantic	150	250	38	76	126	303	463
Metompkin	150	250	38	76	127	305	465
Albemarle	150	250	50	100	167	401	611
Alleghany	150	250	31	62	104	250	381
Amelia	150	250	38	76	127	304	464
Amherst	150	250	29	59	98	234	357
Appomattox	150	250	26	53	88	210	320
Arlington	150	250	51	103	172	412	628
Augusta	150	250	22	44	74	178	271
Bath	32	32	3	5	9	21	32
Bedford	150	238	20	39	65	156	238
Bland	150	228	19	37	62	150	228
Botetourt	150	250	27	54	90	216	329
Brunswick	150	250	40	80	133	318	485
Buchanan	150	250	23	46	76	183	278
Buckingham	150	250	39	77	129	309	471
Campbell	150	250	24	49	81	195	297
Caroline	150	250	38	75	125	300	458
Carroll	150	250	42	84	141	338	515
Charles City	150	250	40	80	133	318	485
Charlotte	150	250	30	59	99	238	362
Chesterfield	150	250	42	84	140	337	514
Clarke	150	250	52	104	173	416	634
Craig	150	250	29	59	98	234	357
Culpeper	150	250	32	65	108	260	396
Cumberland	150	250	36	73	121	291	444
Dickenson	150	227	19	37	62	149	227
Dinwiddie	150	250	57	115	191	459	699
Essex	150	250	41	82	137	328	500
Fairfax	150	250	59	119	198	475	724
Fauquier	150	250	55	110	183	440	671
Floyd	150	250	22	45	75	180	274
Fluvanna	150	250	48	96	160	385	586
Franklin	150	238	20	39	65	156	238
Frederick	150	250	55	110	184	442	674
Giles	150	250	26	53	88	210	320
Gloucester	150	250	26	53	88	210	320
Goochland	150	250	47	94	156	374	571
Grayson	143	143	12	23	39	94	143
Greene	150	250	58	116	193	463	705
Greensville	150	250	58	117	195	468	713
Halifax	150	231	19	38	63	151	231

Counties Table 4
Tax Savings Under the Alternate Plans
Example: 1997 Ford Explorer XLT, Valued at \$25,825

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	150	250	44	88	147	353	588
Accomack							
Chincoteague	150	250	37	75	125	300	499
Lee/Pungoteague	150	250	39	77	128	308	514
Atlantic	150	250	39	78	129	310	517
Metompkin	150	250	39	78	130	312	520
Albemarle	150	250	51	102	171	410	683
Alleghany	150	250	31	62	104	250	417
Amelia	150	250	39	78	130	311	518
Amherst	150	250	30	60	100	239	399
Appomattox	150	250	26	53	88	210	350
Arlington	150	250	53	105	175	421	702
Augusta	150	250	23	45	76	182	303
Bath	46	46	3	5	9	21	35
Bedford	150	250	20	39	65	156	260
Bland	150	250	19	38	64	153	255
Botetourt	150	250	27	54	90	216	360
Brunswick	150	250	41	81	136	325	542
Buchanan	150	250	23	47	78	187	311
Buckingham	150	250	39	79	132	316	526
Campbell	150	250	24	49	81	195	325
Caroline	150	250	38	75	125	300	500
Carroll	150	250	43	86	143	344	573
Charles City	150	250	41	81	136	325	542
Charlotte	150	250	30	59	99	238	396
Chesterfield	150	250	43	86	144	345	574
Clarke	150	250	53	106	176	423	705
Craig	150	250	30	60	100	239	399
Culpeper	150	250	33	66	110	264	440
Cumberland	150	250	37	74	123	296	493
Dickenson	150	250	19	38	63	152	254
Dinwiddie	150	250	59	117	195	469	782
Essex	150	250	42	84	140	335	558
Fairfax	150	250	60	121	201	483	805
Fauquier	150	250	56	112	187	450	750
Floyd	150	250	23	46	77	184	306
Fluvanna	150	250	49	98	163	391	652
Franklin	150	250	20	40	67	160	266
Frederick	150	250	56	112	187	449	749
Giles	150	250	26	53	88	210	350
Gloucester	150	250	26	53	88	210	350
Goochland	150	250	48	96	160	383	638
Grayson	150	206	12	24	40	96	160
Greene	150	250	59	118	196	470	784
Greensville	150	250	59	119	198	476	793
Halifax	150	250	19	38	63	151	252

Hanover	150	250	43	85	142	341	520	Hanover	150	250	44	87	145	348	581
Henrico	150	250	41	82	137	328	500	Henrico	150	250	42	84	140	335	558
Henry	150	170	14	28	46	111	170	Henry	150	245	14	28	47	114	190
Highland	150	250	23	46	77	185	282	Highland	150	250	23	46	77	185	309
Isle of Wight	150	250	51	103	172	412	628	Isle of Wight	150	250	53	105	175	421	702
James City	150	250	47	94	156	374	571	James City	150	250	48	96	160	383	638
King George	150	250	40	81	134	322	491	King George	150	250	41	82	137	328	546
King and Queen	150	250	46	91	152	364	555	King and Queen	150	250	47	93	155	372	621
King William	150	250	49	98	164	393	600	King William	150	250	50	101	168	402	670
Lancaster	150	250	23	46	76	182	278	Lancaster	150	250	23	46	76	182	304
Lee	150	198	16	32	54	130	198	Lee	150	250	17	33	55	132	220
Loudoun	150	250	49	98	164	393	600	Loudoun	150	250	50	101	168	402	670
Louisa	150	250	22	44	74	177	269	Louisa	150	250	22	45	75	180	300
Lundenburg	150	250	45	91	152	364	555	Lundenburg	150	250	46	92	154	370	617
Madison	150	250	26	52	87	209	318	Madison	150	250	26	52	87	209	348
Mathews	150	250	29	58	97	233	355	Mathews	150	250	29	58	97	233	388
Mecklenburg	150	232	19	38	63	152	232	Mecklenburg	150	250	19	39	65	156	260
Middlesex	150	224	18	37	61	147	224	Middlesex	150	250	18	37	61	147	245
Montgomery	150	250	29	57	96	229	350	Montgomery	150	250	29	59	98	235	391
Nelson	150	250	38	77	128	307	468	Nelson	150	250	39	78	130	312	520
New Kent	150	250	44	88	146	351	535	New Kent	150	250	45	90	150	359	598
Northampton	150	250	50	101	168	403	614	Northampton	150	250	51	103	172	412	686
Northumberland	150	250	22	43	72	173	264	Northumberland	150	250	22	43	72	173	288
Nottoway	150	250	37	74	123	295	450	Nottoway	150	250	38	75	126	302	503
Orange	150	250	33	66	110	264	403	Orange	150	250	33	66	110	264	440
Page	150	250	26	53	88	211	321	Page	150	250	27	54	90	215	359
Patrick	150	200	16	33	55	131	200	Patrick	150	250	17	33	55	133	222
Pittsylvania	150	250	28	57	94	226	345	Pittsylvania	150	250	29	57	96	230	383
Powhatan	150	250	42	84	140	337	514	Powhatan	150	250	43	86	144	345	574
Prince Edward	150	250	37	75	125	300	457	Prince Edward	150	250	38	77	128	306	511
Prince George	150	250	47	94	156	374	571	Prince George	150	250	48	96	160	383	638
Prince William	150	250	48	96	160	385	586	Prince William	150	250	49	98	163	391	652
Pulaski	150	238	19	39	65	156	238	Pulaski	150	250	20	40	66	159	264
Rappahannock	150	250	34	68	113	271	414	Rappahannock	150	250	35	69	116	278	463
Richmond	150	250	41	82	137	328	500	Richmond	150	250	42	84	140	335	558
Roanoke	150	250	41	82	137	328	500	Roanoke	150	250	42	84	140	335	558
Rockbridge	150	250	41	82	137	328	500	Rockbridge	150	250	42	84	140	335	558
Rockingham	150	250	33	66	109	262	400	Rockingham	150	250	34	67	112	268	447
Russell	150	207	17	34	57	136	207	Russell	150	250	17	35	58	139	231
Scott	150	171	14	28	47	112	171	Scott	150	247	14	29	48	115	191
Shenandoah	150	250	37	74	124	297	453	Shenandoah	150	250	38	76	126	302	504
Smyth	150	250	23	47	78	187	286	Smyth	150	250	24	48	80	191	319
Southampton	150	250	47	94	156	374	571	Southampton	150	250	48	96	160	383	638
Spotsylvania	150	250	38	75	125	300	458	Spotsylvania	150	250	38	75	125	300	500
Stafford	150	250	33	66	110	264	402	Stafford	150	250	33	66	110	264	439
Surry	150	250	41	82	137	328	500	Surry	150	250	42	84	140	335	558
Sussex	150	250	56	111	185	445	678	Sussex	150	250	57	114	189	455	758
Tazewell	150	250	23	47	78	187	286	Tazewell	150	250	24	48	80	191	319
Warren	150	250	42	84	141	338	515	Warren	150	250	43	86	143	344	573
Washington	150	221	18	36	60	145	221	Washington	150	250	19	37	62	148	247
Westmoreland	150	250	29	59	98	234	357	Westmoreland	150	250	30	60	100	239	399
Wise	150	164	13	27	45	108	164	Wise	150	237	14	28	46	110	183
Wythe	150	250	22	43	72	173	264	Wythe	150	250	22	44	74	177	295
York	150	250	47	94	156	374	571	York	150	250	48	96	160	383	638

Towns Table 1

Tax Savings Under the Alternate Plans

Example: 1990 Honda Accord DX, Valued at \$5,950

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	134	150	38	76	126	150	150
Abington	85	85	21	43	71	85	85
Accomac	134	134	34	67	112	134	134
Altavista	150	156	39	79	131	156	156
Amherst	115	115	29	58	96	115	115
Appomattox	120	120	30	61	101	120	120
Ashland	150	183	46	92	154	183	183
Berryville	150	223	56	112	187	223	223
Big Stone Gap	71	71	18	36	60	71	71
Blackstone	150	153	39	77	129	153	153
Bloxom	137	137	35	69	115	137	137
Bluefield	105	105	26	53	88	105	105
Boones Mill	91	91	23	46	76	91	91
Bowling Green	150	177	45	89	149	177	177
Boyce	150	205	52	103	172	205	205
Boydton	101	101	25	51	85	101	101
Boykins	150	209	53	106	176	209	209
Branchville	150	186	47	94	156	186	186
Bridgewater	143	143	36	72	120	143	143
Broadway	133	133	34	67	112	133	133
Brodnax	150	177	45	89	149	177	177
Brookneal	147	147	37	74	124	147	147
Burkeville	150	153	39	77	129	153	153
Capron	150	201	51	101	169	201	201
Cedar Bluff	95	95	24	48	79	95	95
Chase City	111	111	28	56	94	111	111
Chatham	142	142	36	71	119	142	142
Chilhowie	89	89	22	45	74	89	89
Chincoteague	150	160	40	81	135	160	160
Christiansburg	117	117	29	59	98	117	117
Claremont	150	165	42	83	139	165	165
Clarksville	118	118	30	60	99	118	118
Cleveland	78	78	20	40	66	78	78
Clintwood	65	65	16	33	55	65	65
Coebum	62	62	16	31	52	62	62
Colonial Beach	150	181	46	91	152	181	181
Crewe	150	167	42	84	140	167	167
Culpeper	147	147	37	74	123	147	147
Damascus	89	89	22	45	74	89	89
Dillwyn	144	144	36	73	121	144	144
Drakes Branch	139	139	35	70	117	139	139
Dublin	89	89	22	45	75	89	89
Eastville	150	183	46	92	154	183	183
Edinburg	150	161	40	81	135	161	161
Elkton	131	131	33	66	110	131	131
Floyd	87	87	22	44	73	87	87
Fries	97	97	24	49	81	97	97
Front Royal	150	171	43	86	144	171	171
Glade Spring	70	70	18	36	59	70	70
Glasgow	150	171	43	86	144	171	171
Glen Lyn	119	119	30	60	100	119	119
Gordonsville	150	179	45	90	150	179	179
Gretna	117	117	29	59	98	117	117
Grottoes	92	92	23	46	77	92	92
Grundy	99	99	25	50	83	99	99
Halifax	123	123	31	62	103	123	123
Hallwood	149	149	38	75	125	149	149
Hamilton	150	213	54	108	179	213	213
Haymarket	150	191	48	96	161	191	191
Haysi	73	73	18	37	61	73	73
Hillsville	150	173	44	87	145	173	173

Towns Table 2

Tax Savings Under the Alternate Plans

1996 Ford Taurus G, Valued at \$12,675

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	149	238	42	84	139	334	353
Abington	150	200	24	47	79	189	200
Accomac	150	250	37	75	125	299	316
Altavista	150	250	39	79	131	315	333
Amherst	150	250	32	64	107	257	271
Appomattox	150	250	30	61	101	243	257
Ashland	150	250	51	102	171	409	432
Berryville	150	250	63	125	209	501	529
Big Stone Gap	150	169	20	40	67	160	169
Blackstone	150	250	43	86	143	343	362
Bloxom	150	250	38	77	128	308	325
Bluefield	150	248	29	59	98	234	248
Boones Mill	150	210	25	50	83	199	210
Bowling Green	150	250	45	89	149	358	378
Boyce	150	250	58	115	192	461	486
Boydton	150	238	28	56	94	226	238
Boykins	150	250	59	117	195	469	495
Branchville	150	250	52	104	173	416	439
Bridgewater	150	250	40	80	133	320	338
Broadway	150	250	37	75	124	298	315
Brodnax	150	250	50	99	165	397	419
Brookneal	150	250	37	74	124	297	314
Burkeville	150	250	43	86	143	344	363
Capron	150	250	56	113	188	451	476
Cedar Bluff	150	224	26	53	88	212	224
Chase City	150	250	31	62	104	249	263
Chatham	150	250	40	80	133	319	337
Chilhowie	150	210	25	50	83	198	210
Chincoteague	150	250	45	90	150	359	379
Christiansburg	150	250	33	65	109	262	276
Claremont	150	250	46	92	154	370	391
Clarksville	150	250	33	66	110	265	280
Cleveland	150	186	22	44	73	176	186
Clintwood	150	154	18	37	61	146	154
Coebum	148	148	17	35	58	140	148
Colonial Beach	150	250	51	101	169	406	429
Crewe	150	250	47	94	156	374	395
Culpeper	150	250	41	83	138	330	349
Damascus	150	210	25	50	83	198	210
Dillwyn	150	250	40	81	135	323	341
Drakes Branch	150	250	35	70	117	281	297
Dublin	150	212	25	50	83	200	212
Eastville	150	250	51	103	171	410	433
Edinburg	150	250	45	90	151	361	382
Elkton	150	250	37	73	122	294	311
Floyd	150	207	24	49	82	196	207
Fries	150	229	27	54	90	216	229
Front Royal	150	250	48	96	161	385	407
Glade Spring	150	167	20	39	66	158	167
Glasgow	150	250	48	96	160	383	405
Glen Lyn	150	250	30	60	100	240	254
Gordonsville	150	250	45	90	150	360	380
Gretna	150	250	33	66	110	263	278
Grottoes	150	218	26	52	86	206	218
Grundy	150	233	28	55	92	221	233
Halifax	150	250	31	62	103	247	261
Hallwood	150	250	42	83	139	334	352
Hamilton	150	250	60	119	199	478	505
Haymarket	150	250	54	108	179	431	455
Haysi	150	170	20	40	67	161	170
Hillsville	150	250	49	97	162	389	410

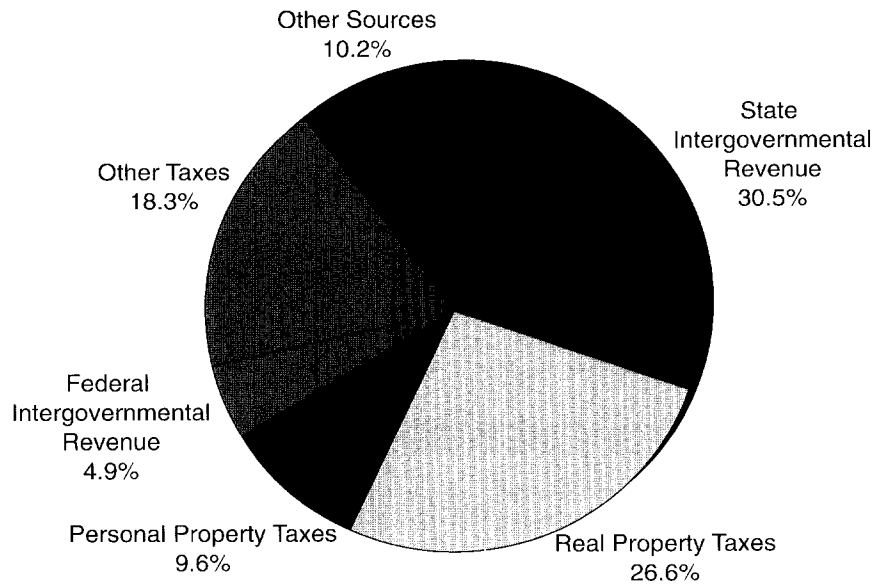
Towns Table 3
Tax Savings Under the Alternate Plans
Example: 1997 Toyota Camry CE V6, Valued at \$18,300

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	150	247	43	87	144	346	528
Abington	150	250	25	49	82	197	300
Accomac	150	250	39	78	129	311	474
Altavista	150	250	39	79	131	315	480
Amherst	150	250	33	67	111	267	407
Appomattox	150	250	30	61	101	243	371
Ashland	150	250	53	106	177	425	648
Berryville	150	250	65	130	217	520	793
Big Stone Gap	150	250	21	41	69	166	253
Blackstone	150	250	44	89	148	356	542
Bloxom	150	250	40	80	133	319	487
Bluefield	150	250	30	61	101	243	371
Boones Mill	150	250	26	51	85	204	312
Bowling Green	150	250	45	89	149	358	545
Boyce	150	250	60	120	199	478	729
Boydton	150	250	29	59	98	234	357
Boykins	150	250	61	122	205	487	742
Branchville	150	250	54	108	180	432	658
Bridgewater	150	250	42	83	138	332	507
Broadway	150	250	39	77	129	310	473
Brodnax	150	250	51	103	172	412	628
Brookneal	150	250	37	74	124	297	453
Burkeville	150	250	45	89	149	357	544
Capron	150	250	59	117	195	468	714
Cedar Bluff	150	250	27	55	92	220	335
Chase City	150	250	32	65	108	259	395
Chatham	150	250	41	83	138	331	505
Chilhowie	150	250	26	51	86	206	314
Chincoteague	150	250	47	93	155	373	568
Christiansburg	150	250	34	68	113	271	414
Claremont	150	250	48	96	160	384	585
Clarksville	150	250	34	69	115	275	420
Cleveland	150	250	23	46	76	183	278
Clintwood	150	231	19	38	63	152	231
Coebum	150	221	18	36	60	145	221
Colonial Beach	150	250	53	105	176	421	642
Crewe	150	250	49	97	162	388	592
Culpeper	150	250	43	86	143	343	523
Damascus	150	250	26	51	86	206	314
Dillwyn	150	250	42	84	140	335	511
Drakes Branch	150	250	35	70	117	281	429
Dublin	150	250	26	52	87	208	317
Eastville	150	250	53	106	177	426	650
Edinburg	150	250	47	94	156	375	572
Elkton	150	250	38	76	127	305	465
Floyd	150	250	25	51	85	203	310
Fries	150	250	28	56	94	225	343
Front Royal	150	250	50	100	167	400	610
Glade Spring	150	250	20	41	68	164	250
Glasgow	150	250	50	99	166	398	607
Glen Lyn	150	250	30	60	100	240	366
Gordonsville	150	250	45	90	150	360	549
Gretna	150	250	34	68	114	273	416
Grottoes	55	250	27	53	89	214	326
Grundy	150	250	29	57	96	229	350
Halifax	150	250	31	62	103	247	377
Hallwood	150	250	43	87	144	346	528
Hamilton	150	250	62	124	207	496	757
Haymarket	150	250	56	112	186	447	682
Haysi	150	250	21	42	70	167	254
Hillsville	150	250	50	101	168	403	615

Towns Table 4
Tax Savings Under the Alternate Plans
Example: 1997 Ford Explorer XLT, Valued at \$25,825

	Beyer Plan		Gilmore Plan				
	Single	Married	1st Year	2nd Year	3rd Year	4th Year	Full Impl.
Virginia	150	250	44	88	147	353	588
Abington	150	250	25	50	84	201	335
Accomac	150	250	40	79	132	318	530
Altavista	150	250	39	79	131	315	525
Amherst	150	250	34	68	114	273	455
Appomattox	150	250	30	61	101	243	405
Ashland	150	250	54	109	181	435	724
Berryville	150	250	66	132	220	529	881
Big Stone Gap	150	250	21	42	71	169	282
Blackstone	150	250	45	91	152	364	606
Bloxom	150	250	41	82	136	326	544
Bluefield	150	250	31	62	104	249	415
Boones Mill	150	250	26	52	87	208	346
Bowling Green	150	250	45	89	149	358	596
Boyce	150	250	61	122	203	486	810
Boydton	150	250	30	60	100	240	399
Boykins	150	250	62	124	207	498	830
Branchville	150	250	55	110	184	441	735
Bridgewater	150	250	42	85	142	340	566
Broadway	150	250	40	79	132	317	528
Brodnax	150	250	53	105	175	421	702
Brookneal	150	250	37	74	124	297	495
Burkeville	150	250	46	91	152	365	608
Capron	150	250	60	120	199	479	798
Cedar Bluff	150	250	28	56	94	225	375
Chase City	150	250	33	66	110	265	441
Chatham	150	250	42	84	140	336	561
Chilhowie	150	250	26	53	88	211	351
Chincoteague	150	250	48	95	159	381	635
Christiansburg	150	250	35	69	116	278	463
Claremont	150	250	49	98	164	392	654
Clarksville	150	250	35	70	117	281	469
Cleveland	150	250	23	47	78	187	311
Clintwood	150	250	19	39	65	155	258
Coebum	150	250	19	37	62	148	247
Colonial Beach	150	250	54	108	179	431	718
Crewe	150	250	50	99	166	397	662
Culpeper	150	250	44	87	145	349	581
Damascus	150	250	26	53	88	211	351
Dillwyn	150	250	43	86	143	343	571
Drakes Branch	150	250	35	70	117	281	469
Dublin	150	250	26	53	88	211	352
Eastville	150	250	54	109	181	436	726
Edinburg	150	250	48	95	159	382	636
Elkton	150	250	39	78	130	312	520
Floyd	150	250	26	52	87	208	346
Fries	150	250	29	57	96	230	383
Front Royal	150	250	51	102	170	407	678
Glade Spring	150	250	21	42	70	168	279
Glasgow	150	250	51	102	170	407	678
Glen Lyn	150	250	30	60	100	240	400
Gordonsville	150	250	45	90	150	360	600
Gretna	150	250	35	69	116	277	462
Grottoes	150	250	27	55	91	219	365
Grundy	150	250	29	59	98	235	391
Halifax	150	250	31	62	103	247	412
Hallwood	150	250	44	89	148	354	590
Hamilton	150	250	63	127	211	507	846
Haymarket	150	250	57	114	189	455	758
Haysi	150	250	21	43	71	170	284
Hillsville	150	250	51	103	171	411	684

Figure 2
Virginia Local Government Revenue by Source, FY 1996



Source: Tax Foundation.

A Comparison of the Two Plans

The tables contained within this report present the results of an analysis comparing tax savings by city, county, and town under the two plans for owners of four popular automobiles: 1) a 1990 Honda Accord DX valued at \$5,950; 2) a 1996 Ford Taurus G valued at \$12,675; 3) a 1997 Toyota Camry CE valued at \$18,300; and 4) a 1997 Ford Explorer XLT valued at \$25,825.¹ Generally the analysis shows that while the Beyer plan offers such taxpayers more savings in the short-run, over the longer term taxpayers will always save at least as much under the Gilmore plan, and in many cases considerably more.

In the case of the Honda Accord, for example, single individuals with an AGI of less than \$40,000 will typically save \$131 each year under the Beyer plan while married couples with an AGI of less than \$75,000 will typically save \$150. Under the Gilmore plan owners of this vehicle, regardless of marital status and income, would save \$38 during the first year of the phase-in and \$150 when the plan is fully implemented.

In the case of the Toyota Camry, typical per year tax savings under the Beyer plan are \$148 for a single individual with an AGI of less than \$40,000 and \$247 for a married couple with an AGI of less than \$70,000. Under the Gilmore plan tax savings are \$43 during the first year of the phase in and \$528 when the plan is fully implemented.

The short-run effect favoring the Beyer plan is due solely to the fact that it assumes more revenue will be available to the state due to economic growth than does the Gilmore plan. If this revenue assumption is equalized between the two plans, they will yield the same tax results in the short run, and the Gilmore plan will yield more relief in the long run. Neither Beyer nor Gilmore has attempted to justify his incoming revenue assumptions.

¹ Values given are retail values from the National Automobile Dealers Association's Official Used Car Guide, Eastern Edition, October 1997. The analysis was conducted by calculating a standardized effective tax rate for each of the aforementioned makes of automobiles for each city, county, and town in Virginia. This was necessary because jurisdictions use different assessment guides, concepts of value, and assessment ratios when calculating personal property taxes. Because of the need to keep all of the factors affecting these standardized effective tax rates constant and due to the inherent difficulties associated with forecasting the value of these variables overtime, the analysis holds all variables, except those affected by the candidate's proposals, constant at 1997 levels. Figures for towns include applicable county tax. The analysis assumes that these were the only taxable vehicles owned by the individuals.

Gilmore plans to phase in the plan by gradually raising the exemption level over approximately five years. The rate at which this would be done depends on the growth of state revenues resulting from economic growth in the state. Gilmore claims that a realistic time line for raising the exemption levels would be the following: \$1,500 in fiscal year 1999, \$3,000 in FY 2000, \$5,000 in FY 2001, \$12,000 in FY 2002, and finally to \$20,000 in FY 2003.

The Beyer Plan

Under the plan proposed by Democrat Beyer local governments would continue to tax personal property. The Beyer plan would wholly or partially offset this tax using a state income tax credit. Married couples with adjusted gross incomes of up to \$75,000 would receive a credit of up to \$250 to offset the personal property tax paid on up to two motor vehicles. Single individuals with adjusted gross income of up to \$40,000 would be eligible for a credit of up to \$150 to offset the personal property tax paid on one motor vehicle.

Beyer estimates that his plan will reduce state revenues by approximately \$202 million each fiscal year during FY 1999 - 2002. Like Gilmore, Beyer claims that revenues to finance this tax cut will come from continued economic growth in the state.

SPECIAL REPORT
(ISSN 1068-0306) is
published at least 10 times
yearly by the Tax
Foundation, an independent
501(c)(3) organization
chartered in the District of
Columbia.

4-12 pp.
Annual subscription: \$25.00
Individual issues \$5.

*The Tax Foundation, a
nonprofit, nonpartisan
research and public
education organization, has
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activities at all levels of
government since 1937.*

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