

# COMMERCIAL REAL ESTATE TAX ABATEMENT PROGRAM

RICHMOND, VIRGINIA

The Commercial Real Estate Tax Abatement Program provides a partial real estate tax abatement to incentivize structural improvements to existing commercial and industrial buildings that are at least 20 years old.

The program offers property owners an opportunity to improve commercial and industrial structures and not pay full taxes on the value of those improvements for either seven or 10 years, depending on the property's location.

## PROGRAM DETAILS

- The existing structure must be at least 20 years old
- Renovations must increase the assessed Improvement Value by at least 40%
- The project must have an active permit on file with Planning and Development Review
- The project must meet zoning requirements
- You must apply, be accepted, and have the base assessed value established before beginning rehabilitation. The abated value will not include rehabilitation work performed before receiving the approval letter from the Department of Economic Development (DED)
- Qualifying work must be completed no later than 36 months from the date of application
- Once the rehabilitation is complete, contact DED in writing for a Final Value Request
- Additional program details are included on the application

## PROGRAM BENEFITS

For the tax year **following** the Final Value Request, the property owner receives a tax credit equal to 100% of the increase in property taxes attributable to the structural improvements. The tax credit incrementally decreases over the course of the program per the tables below.

Properties in an Enterprise Zone – Partial Tax Abatement Percentage	
Years 1 – 7	Tax credit of 100%
Year 8	Tax credit of 75%
Year 9	Tax credit of 50%
Year 10	Tax credit of 25%

Properties <b>NOT</b> Located in an Enterprise Zone – Partial Tax Abatement Percentage	
Years 1 – 5	Tax credit of 100%
Year 6	Tax credit of 66%
Year 7	Tax credit of 33%



## HOW TO APPLY

- If you are interested in the program, contact Rick Winston at [Rick.Winston@rva.gov](mailto:Rick.Winston@rva.gov) or 804.646.5036 for additional details.
- Applications are available on [richmondeda.com](http://richmondeda.com).
- Completed applications must be mailed to the Department of Economic Development Office (address provided below and on application) with a \$250.00 application fee in the form of a check or money order and a copy of the building permit.
- All documents and fees must be received with the application to process. Incomplete applications will not be processed.



### Rick Winston

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