Rehabilitation Tax Exemption program

At its September 12, 2007 meeting the Hanover County Board of Supervisors revised and enhanced the tax exemption program for certain rehabilitated residential, industrial and commercial real estate. The purpose of the program is to encourage and provide incentives to Hanover County property owners to invest in improvements to existing structures. The tax exemption incentives are available for residential, commercial and industrial use properties. In order to qualify for the tax exemptions, the structure to be rehabilitated must be a minimum of twenty-five years of age. In addition, the assessed value of the rehabilitated structure must increase no less than 30% and any increase in total square footage must not exceed 35% for residential or 50% for industrial or commercial. Improvements such as freestanding, independent structures or those connected to an exiting structure by an atrium, breezeway or similar connecting element are not eligible.

Appropriate building permits shall be acquired prior to the filing of applications for exemption or the beginning of rehabilitation. Applications for exemptions must be filed with the Commissioner of Revenue at least six months prior to the first tax year in which the exemption will apply and prior to the beginning of the rehabilitation. A processing fee of $125 for residential use and $250 for commercial and industrial uses shall be paid to the county with each application.

The exemption shall commence on January 1 of the year following completion of the rehabilitation and shall run with the real estate for a period of ten years from the year of completion in accordance with the following schedule:

Year	Amount of Exemption Percentage
First through fifth	100
Sixth	85
Seventh	70
Eighth	50
Ninth	35
Tenth	20

Please contact our office at (804) 365-6128 if you have any questions or need additional information about this tax exemption program.

Sincerely,
T. Scott Harris
Commissioner of the Revenue