

**DEPARTMENT OF TAXATION  
2025 Fiscal Impact Statement**

1. **Patron** Bill DeSteph

2. **Bill Number** SB 900

3. **Committee** Senate Finance and Appropriations

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

4. **Title** Real Property Tax; Exemption for surviving spouses of a member of the armed forces who died in the line of duty

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill would allow any locality to provide, by ordinance, up to a total exemption from real property tax for the principal place of residence of a surviving spouse of a member of the armed forces who died in the line of duty, for dwellings assessed at any value and located within the locality, provided they are zoned as single family residential, beginning January 1, 2025.

The bill would also provide that no locality is responsible for any refund for taxes paid by a surviving spouse of a member of the armed forces of the United States who died in the line of duty, but was not killed in action, for any tax year before January 1, 2025.

Under current law, to qualify for the total exemption from real property taxes, the assessed value of the real property dwelling must be less than the average assessed value of all dwellings located within the locality that are zoned as single family residential.

If enacted during the regular session of the 2025 General Assembly, this bill would become effective July 1, 2025.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

This bill may have an unknown impact on local administrative costs. This bill would have no impact on state administrative costs.

Revenue Impact

To the extent that this bill expands the existing real property tax exemption, the bill may have a negative impact to local revenues. This bill would have no impact on state revenues.

**9. Specific agency or political subdivisions affected:**

All localities.

**10. Technical amendment necessary: No.**

**11. Other comments:**

Exemption for Surviving Spouses of Members of the Armed Forces Who Died in the Line of Duty

Article X, Section 6-A of the Virginia Constitution and the Virginia Code exempt, for years beginning on or after January 1, 2015, from taxation the real property of the surviving spouse (i) of any member of the armed forces of the United States who was killed in action as determined by the U.S. Department of Defense and (ii) who occupies the real property as his principal place of residence. The determination of "killed in action" includes a determination by the U.S. Department of Defense of "died of wounds received in action." If such member of the armed forces of the United States is killed in action after January 1, 2015, and the surviving spouse has a qualified principal residence on the date that such member of the armed forces is killed in action, then the exemption for the surviving spouse begins on the date that such member of the armed forces is killed in action.

Legislation enacted in the 2024 General Assembly Session, House Bill 558 and Senate Bill 4 (Acts of Assembly 2024, Chapters 394 and 395), provided the necessary statutory authorization required by the constitutional amendment to Article X, § 6 of the Constitution of Virginia, adopted by voters authorizing the General Assembly to change "was killed in action as determined by" to "died in the line of duty with a Line of Duty determination from". The constitutional amendment was adopted by voters and became effective January 1, 2025.

To qualify for the current exemption, the surviving spouse of a member of the Armed Forces who died in the line of duty must continue to occupy the same real property as a principal residence and does not remarry. The assessed value of the real property dwelling must be less than the average assessed value of all dwellings located within the locality that are zoned as single family residential. The land upon which the dwelling is situated, not to exceed one acre, is also exempt from taxation. This class of property may be taxed at a different rate than that imposed on the general class of real property, provided that the rate of tax is greater than zero and does not exceed the rate of tax on the general class of real property.

A Line of Duty determination includes service members who incurred an injury or disease while in a qualified military duty status, whether it was aggravated by military duty, which lead to their death.

Proposal

This bill would allow any locality to provide, by ordinance, up to a total exemption from real property tax for the principal place of residence of a surviving spouse of a member of the armed forces who died in the line of duty, for dwellings assessed at any value and located within the locality, provided they are zoned as single family residential, beginning January 1, 2025.

The bill would also provide that no locality is responsible for any refund for taxes paid by a surviving spouse of a member of the armed forces of the United States who died in the line of duty, but was not killed in action, for any tax year before January 1, 2025.

If enacted during the regular session of the 2025 General Assembly, this bill would become effective July 1, 2025.

#### Similar Legislation

**House Bill 2737** is identical to this bill.

**Senate Bill 895** would allow any locality to exempt the principal residence of a surviving spouse of an armed forces member who died in duty from real property tax, regardless of the dwelling's value, if zoned as single family residential.

cc : Secretary of Finance

Date: 01/20/2025 KS  
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