



2022 Vehicle Valuations

Henrico County, Virginia



Many vehicle valuations have increased in 2022 compared to 2021:

WHY?

Decreases in new car production

- Production staff issues
- Parts unavailability

Decreases in used car inventory

- Reduced rental and fleet sales to dealers
- Natural disasters

Increased demand for vehicles

- Continued economic growth
- High trade-in allowances

Most vehicle values are based on recognized pricing guides

Required by state law

Henrico uses the NADA Guide produced by JD Power

According to
JD Power:



On average, used vehicle
wholesale prices increased over
38% in 2022 compared to 2021



This is unprecedented, as most
vehicles decrease in value as
they age

Not all
vehicle
models
were
impacted
the same.

JD Power valuation changes for Henrico-assessed vehicles ranged from -60% to 100+% compared to 2021

This is consistent with sales price increases reported to JD Power:

- Small cars 57%
- Midsize vans 46.8%
- Large cars 39.7%
- Midsize SUVs 35.7%
- Midsize pickup trucks 27.9%

Localities
have
limited
options to
address
increases

State law requires
localities to value vehicles
at fair market value

Tax rates and valuation
methods must be
uniformly applied

What Henrico County is doing:

1) Extended the deadline for personal property bills*

- ***Personal property bills due that were originally due on June 6, 2022 are now due August 5, 2022***
- Applies to all types of personal property, including business personal property
- Applies to the entire bill, including vehicle license fees, regardless of any changes in value
- ***Real estate tax payments continue to be due on June 6, 2022***

**Pending approval from the Board of Supervisors*

What Henrico County is doing:

2) Credits for Qualifying Vehicles*

- Credits will vary according to the value of the vehicle- \$0.52 per \$100 assessed value
- Cars, trucks, and motorcycles are eligible
- Credits will be applied on the second-half bills due December 5, 2022
- Credits will effectively reduce the 2022 personal property tax rate to \$2.98-down from \$3.50 per \$100 assessed value

**Pending approval from the Board of Supervisors*

Personal Property Tax Credit for Qualifying Vehicles


The General Assembly approved legislation allowing localities to provide a rebate on personal property taxes. The law takes effect on July 1.

Henrico will apply a one-time credit, equal to 52 cents on the tax rate, to bills to be issued for the second half of the year. In effect, this will result in a total billing for the year equivalent to a \$2.98 tax rate for 2022.

For taxpayers who have recently moved to Henrico or purchased a new vehicle mid-year, this credit will be prorated accordingly.

Those who have already paid their personal property tax for the whole year will have the credit applied to their account. A refund check will be processed in the fall.

How the Credit Works:

		Assessed Value	\$	25,000	
Total (Annual) Tax Due	\$	875.00			
Qualified Car Tax Relief		<u>(280.00)</u>			
Net Due from Taxpayer, before Credit		595.00			
1st Installment (now due August 5)		297.50			PP Tax Credit 130.00
2nd Installment (due December 5)		(130.00)		<u>167.50</u>	as % of Net Due
Net Due from Taxpayer, after Credit		465.00			22%

What we
can also
do:

Localities can consider
vehicle condition when
determining value

This includes high mileage
(as defined by JD Power) and
damage outside of normal
wear and tear

For further
information,
contact the
Finance
Department
Revenue
Division:



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