


City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 22, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: BUDGET MEMO #96: MAXIMUM RECORDATION TAX RATE

This memo is in response to Mayor Euille's question regarding what maximum rate the City can access for the Recordation Tax. The Commonwealth of Virginia levies a tax on the recordation of deeds, deeds of trust, mortgages, leases and contracts for the sale, assignment, transfer, conveyance or vestment of lands, tenements or realty. The amount of the State tax on every deed, contract or other legal instrument is determined and collected by the Clerk of the Circuit Court in the locality. The current rate that the State levies on real estate conveyance and certain other real estate transactions, which took effect on September 1, 2004, is \$0.25 per \$100 of the purchase price or fair market value of the property, whichever is greater.

Currently, localities are permitted to collect a piggy back recordation tax of one-third of the state's rate, or \$0.083 per \$100 of value. The City's rate automatically increased on September 1, in conjunction with the State's increase, and is currently at the maximum allowable rate.