

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 24, 2006
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: BUDGET MEMO # 22: ELDERLY AND DISABLED TAX RELIEF BENEFIT

This memorandum is in response to Councilman Krupicka's request for information on the effect of the City raising the asset restrictions on Alexandria's Elderly & Disabled Tax Relief Benefit from the current level of \$240,000 to the maximum level of \$340,000 set by the Commonwealth of Virginia.

In 2005, 966 seniors or disabled residents claimed the benefit. Based on current numbers and the rate of growth in the program, it is estimated that increasing the maximum asset limit on the Elderly and Disabled Tax Relief Benefit program to \$340,000 would increase the number of residents eligible for the program by up to about 200 households, increasing the level of tax relief by approximately \$350,000.

The table below shows the estimated number of participants and cost to the City of increasing the City's financial asset restrictions.

**Asset level restrictions and the elderly and disabled tax relief benefit**

	<b>Asset Limit</b>	<b>Projected Number of participants</b>	<b>\$ Projected Cost</b>
FY 2007 Proposed Budget	\$240,000	966	\$3,200,000 (base proposal)
Raise Asset Limit to	\$340,000	+200	+\$350,000
Raise Asset Limit	from \$340,000 to \$540,000	+200	+\$350,000