

Arlington Continues Tax Incentive for Clean Fuel Vehicles

For the third straight year, Arlington is providing special tax relief to owners of “clean fuel” vehicles, a category that includes most hybrid vehicles.

How much in tax relief is being provided?

In 2009, qualifying clean fuel vehicles will receive 100% tax relief on the first \$3,000 of the vehicle's assessed value and 90% on the portion of vehicle value between \$3,000 and \$20,000. The portion of a qualifying vehicle's assessed value over \$20,000 is not tax exempt. The County's personal property tax rate is 5%.

Qualifying conventional fuel vehicles—a category that generally includes non-hybrid vehicles—will also receive 100% tax relief on the first \$3,000 of the vehicle's assessed value. However, the portion of conventional fuel vehicle's assessed value between \$3,000 and \$20,000 will be exempt from approximately 37% of the County's 5% personal property tax rate. The portion of assessed value over \$20,000 is fully taxed at the County's 5% personal property tax rate.

Examples: The owner of a clean fuel vehicle assessed at \$20,000 would pay \$0 on the first \$3,000 and \$85 on the remaining \$17,000, which equals the 5% tax rate * the 90% exemption * \$17,000.

By contrast, the owner of a conventional fuel vehicle assessed at \$20,000 would therefore pay \$0 for the first \$3,000 of the vehicle's value and would pay approximately \$536 for the next \$17,000 of assessed value, which equals the 5% tax rate * the 63% taxpayer's share of the liability * \$17,000. The tables on the following page compare the tax liability owed on both clean and conventional fuel vehicles at various assessment levels.

Thus, the owner of a clean fuel vehicle assessed at \$20,000 would save roughly \$451 compared to the owner of a similarly-valued conventional fuel vehicle!

What do I need to do to qualify for this tax relief?

Nothing. The Commissioner of Revenue and Treasurer will automatically apply the additional relief to qualifying clean fuel vehicles.

Will this tax incentive/relief continue next year?

Yes, but at a lower rate of relief. The tax relief will continue to be gradually stepped down between 2010 and 2013 until the amount of relief on the portion of clean fuel vehicle value between \$3,000 and \$20,000 reaches 50%.

How does Arlington determine if a vehicle is “clean fuel”?

The [Virginia Department of Motor Vehicles](#) designates vehicles as clean fuel. Not all hybrids qualify for the additional relief, but the following do:

Ford:	2005 -2009 Escape; 2010 Ford Fusion 2.5L
Honda:	2003 and earlier – 2006 Insight; 2010 Insight 1.3L; 2003 and earlier – 2009 Civic; 2006 – 2007 Accord
Lexus:	2006 – 2008 RX400; 2007 – 2009 GS450h; 2010 GS450h 3.5L; 2008-2009 LS600h
Mazda:	2006 & 2008 - 2009 Tribute
Mercury:	2006 – 2009 Mariner; 2010 Mercury Milan 2.5L
Nissan:	2007 – 2009 Altima 2.5
Toyota:	2003 and earlier – 2009 Prius; 2010 Prius 1.8L; 2006-2009 Highlander; 2007-2009 Camry; 2009-2010 Camry Hybrid 2.4L

As new automobiles qualify, this information will be updated. Vehicles that qualify for the Virginia Department of Motor Vehicles Clean Special Fuel license plates will qualify under Arlington's program. For more information, please contact Jon Altshul on 703-228-3421.

CY 2009 State Block Grant Funding Distribution

(tax examples at various assessment levels)

REGULAR (non-clean fuel) VEHICLES

VEHICLE ASSESSMENT	CUMULATIVE % OF CARS AFFECTED	TOTAL TAX	PORTION PAID BY STATE	PORTION PAID BY TAXPAYER	% OF TAX BILL PAID BY TAXPAYER
\$1,000	10%	\$50	\$50	\$0	0%
\$2,000	20%	\$100	\$100	\$0	0%
\$3,000	30%	\$150	\$150	\$0	0%
\$4,000	38%	\$200	\$169	\$32	16%
\$5,000	45%	\$250	\$187	\$63	25%
\$6,000	50%	\$300	\$206	\$95	32%
\$7,000	55%	\$350	\$224	\$126	36%
\$8,000	59%	\$400	\$243	\$158	39%
\$9,000	63%	\$450	\$261	\$189	42%
\$10,000	67%	\$500	\$280	\$221	44%
\$11,000	71%	\$550	\$298	\$252	46%
\$12,000	74%	\$600	\$317	\$284	47%
\$13,000	78%	\$650	\$335	\$315	48%
\$14,000	81%	\$700	\$354	\$347	50%
\$15,000	83%	\$750	\$372	\$378	50%
\$16,000	85%	\$800	\$391	\$410	51%
\$17,000	87%	\$850	\$409	\$441	52%
\$18,000	89%	\$900	\$428	\$473	53%
\$19,000	90%	\$950	\$446	\$504	53%
\$20,000	92%	\$1,000	\$465	\$536	54%
\$21,000	93%	\$1,050	\$516	\$567	54%

CLEAN FUEL VEHICLES

VEHICLE ASSESSMENT	TOTAL TAX	PORTION PAID BY STATE	PORTION PAID BY TAXPAYER	% OF TAX BILL PAID BY TAXPAYER
\$1,000	\$50	\$50	\$0	0%
\$2,000	\$100	\$100	\$0	0%
\$3,000	\$150	\$150	\$0	0%
\$4,000	\$200	\$195	\$5	3%
\$5,000	\$250	\$240	\$10	4%
\$6,000	\$300	\$285	\$15	5%
\$7,000	\$350	\$330	\$20	6%
\$8,000	\$400	\$375	\$25	6%
\$9,000	\$450	\$420	\$30	7%
\$10,000	\$500	\$465	\$35	7%
\$11,000	\$550	\$510	\$40	7%
\$12,000	\$600	\$555	\$45	8%
\$13,000	\$650	\$600	\$50	8%
\$14,000	\$700	\$645	\$55	8%
\$15,000	\$750	\$690	\$60	8%
\$16,000	\$800	\$735	\$65	8%
\$17,000	\$850	\$780	\$70	8%
\$18,000	\$900	\$825	\$75	8%
\$19,000	\$950	\$870	\$80	8%
\$20,000	\$1,000	\$915	\$85	9%
\$21,000	\$1,050	\$915	\$135	13%