

Example CHIP Education Property Tax Increment and Retention at Full Program Utilization - Does Not Reflect Official JFO Estimates, For Illustration Purposes Only																				
Note: This spreadsheet was developed using the assumptions listed below to illustrate one example of how annual increment retention caps in the CHIP program might operate if the program were utilized at full capacity - it does not represent official JFO estimates of the program's impact on the Education Fund. Please see the disclaimer below and the JFO S.127 Fiscal Note for more information.																				
Key Spreadsheet Assumptions:																				
1. Full utilization of the \$200 million annual aggregate lifetime education property tax increment retention cap																				
2. 75% education tax increment retention by municipalities for all projects																				
3. Only reflects education property tax increment																				
4. All development occurs in the same year for each year's set of approved projects																				
Year	2026 Approvals		2027 Approvals		2028 Approvals		2029 Approvals		2030 Approvals		2031 Approvals		2032 Approvals		2033 Approvals		2034 Approvals		2035 Approvals	
	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained	Education Tax Increment	Single Year Education Tax Increment Retained
2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	9,924,190	7,443,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	10,221,916	7,666,437	9,924,190	7,443,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143	-	-	-	-	-	-	-	-	-	-	-	-
2035	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143	-	-	-	-	-	-	-	-	-	-
2036	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143	-	-	-	-	-	-	-	-
2037	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143	-	-	-	-	-	-
2038	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143	-	-	-	-
2039	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143	-	-
2040	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437	9,924,190	7,443,143
2041	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430	10,221,916	7,666,437
2042	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323	10,528,573	7,896,430
2043	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322	10,844,430	8,133,323
2044	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642	11,169,763	8,377,322
2045	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501	11,504,856	8,628,642
2046	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126	11,850,002	8,887,501
2047	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750	12,205,502	9,154,126
2048	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613	12,571,667	9,428,750
2049	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961	12,948,817	9,711,613
2050	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050	13,337,281	10,002,961
2051	-	-	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141	13,737,400	10,303,050
2052	-	-	-	-	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506	14,149,522	10,612,141
2053	-	-	-	-	-	-	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421	14,574,008	10,930,506
2054	-	-	-	-	-	-	-	-	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173	15,011,228	11,258,421
2055	-	-	-	-	-	-	-	-	-	-	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059	15,461,565	11,596,173
2056	-	-	-	-	-	-	-	-	-	-	-	-	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380	15,925,412	11,944,059
2057	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,402,127	13,051,595	16,895,269	12,671,452	16,403,174	12,302,380
2058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,402,127	13,051,595	16,895,269	12,671,452
2059	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,402,127	13,051,595
2060	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026	266,666,702	200,000,026
The increment retention figures on this spreadsheet do not reflect the impact of the program to the Education Fund for a variety of reasons. The most important is the application and construction of the but-for test contained in the bill. New developments that would not have happened without CHIP would benefit the Education Fund. However, as passed by the General Assembly, the but-for test would not apply to affordable housing developments, defined as developments where at least 15% of the units are affordable. This exemption means that incremental property tax revenues could be awarded to projects that would have happened anyway, creating forgone revenue equal to the difference between the full incremental tax revenue of the project and the amount of increment (15%) that is remitted to the Education Fund with CHIP. The language of the but-for test also allows VEPC to approve projects that would have occurred in “a substantially different or less desirable manner” absent use of tax increment financing. The impact of these projects depends on the difference between the incremental value of project incentivized through CHIP compared to the incremental value of development that would have occurred without it.																				
In addition to the but-for test, the spreadsheet contains many different assumptions that were used to present a general picture of potential program mechanics. First, these numbers represent the maximum amount of tax increment retention that could be approved by VEPC, so actual increment generated by CHIP projects could be lower than presented here. Calculations of increment also depend on the location and type of development, which determine the tax rates that will apply to incremental property value growth. Finally, this assumes that all projects will be market rate, and municipalities will retain 75% of incremental tax revenues. Approved affordable housing developments would decrease the amount of tax increment that could be generated through the program through their higher increment retention percentage.																				

Year	Total Education Tax Increment	Total Education Tax Increment Retained	Total Education Tax Increment to Education Fund
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	9,924,190	7,443,143	2,481,048
2032	20,146,106	15,109,579	5,036,526
2033	30,674,679	23,006,009	7,668,670
2034	41,519,109	31,139,332	10,379,777
2035	52,688,873	39,516,654	13,172,218
2036	64,193,729	48,145,297	16,048,432
2037	76,043,731	57,032,798	19,010,933
2038	88,249,232	66,186,924	22,062,308
2039	100,820,899	75,615,675	25,205,225
2040	113,769,716	85,327,287	28,442,429
2041	117,182,808	87,887,106	29,295,702
2042	120,698,292	90,523,719	30,174,573
2043	124,319,241	93,239,431	31,079,810
2044	128,048,818	96,036,614	32,012,205
2045	131,890,283	98,917,712	32,972,571