



COMMONWEALTH of VIRGINIA

Department of Taxation

October 23, 2025

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations Committee

The Honorable Vivian E. Watts
Chair, House Finance Committee

Dear Chair Lucas and Chair Watts:

During the 2025 Session, the General Assembly enacted House Bill 2245 (2025 Acts of Assembly, Chapter 456), which required the Department of Taxation ("the Department") to develop, in consultation with a stakeholder group, a uniform income and expense reporting form that may be provided by duly authorized assessors and completed by the owners of affordable rental housing properties prior to assessment of such properties.

The Department convened a stakeholder group composed of one representative of affordable rental housing owners, one representative of affordable rental housing advocates, one representative of local government, and one representative of local commissioners of the revenue. The attached Form ARH was developed with extensive input from that stakeholder group. It is available on the Virginia Tax website at www.tax.virginia.gov.

House Bill 2245 also required the Department to provide an update on the implementation of training for assessing officials and contracted assessors on the assessment of affordable rental housing. This training has been developed and is currently in the review process with stakeholders. We anticipate that the training will be completed and available by December 31, 2025.

If you have any questions or comments regarding the study or the enclosed form, please do not hesitate to contact me.

Sincerely,


James J. Alex
State Tax Commissioner
Commonwealth of Virginia

C: The Honorable Stephen E. Cummings, Secretary of Finance
Kristin Collins, Deputy Tax Commissioner

Form ARH

Affordable Rental Housing Uniform Income and Expenses Report

The information contained in this document is provided for the sole purpose of property assessment and is considered confidential. This information is exempt from disclosure under the Virginia Freedom of Information Act (FOIA) and shall not be released to any third party without the express written consent of the property owner or as otherwise required by law. Unauthorized use, dissemination, or duplication of this information is strictly prohibited. Visit www.tax.virginia.gov for more information.

Assessment Year		Fiscal or Calendar Ending Date	
Parcel ID	Name of Real Estate Owner(s)		
Owner(s) Personal Home Street Address			
Owner(s) City or Town		State	ZIP Code
Name of Affordable Housing			
Physical Address of Affordable Housing			
Physical City or Town		State	ZIP Code

PART I - PROPERTY INFORMATION

1. Current Use (e.g., Multifamily Affordable Housing, LIHTC Property, Market Rate, Mixed-Use). Attach a separate sheet if more room is necessary.
2. Total Number of Buildings on Property.
3. Total Square Footage (Gross Building Area).
4. Year Built or Renovated.
5. Total Number of Units in Property.
6. Amenities (Laundry, Parking, Community Rooms, etc.)

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7. Affordable Housing Participation (Yes/No)
8. Type of Affordable Program (LIHTC, HOME, Section 8, Other). Provide/attach an itemized list or explanation if more room is necessary.
9. Number of Units set aside for Affordable Housing
10. Compliance Period Start Date (mm/dd/yyyy)
11. Compliance Period End Date (mm/dd/yyyy)
12. Affordability Restrictions (e.g., income limits, rent limits, resale). Attach a separate sheet if more room is necessary.
13. Legal or contractual restrictions (limited sale or transfer rights on the property title). Attach a separate sheet if more room is necessary.

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Parcel ID	Name of Real Estate Owner(s)
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PART II - INCOME INFORMATION

14. Rental Information by Unit Type

	Unit Type (e.g. Studio, 1BR, 2BR, Etc.)	Total Number of Units Per Type	Sq. Feet (net)	Market Rent Per Unit	Restricted Rent Per Unit	Vacant Units	Total Actual Rent
(a)							
(b)							
(c)							
(d)							
(e)							

15. Potential Gross Income. To be completed by local assessment official

15

16. Current Collection Loss or Rate

16

17. Actual Rental Income Received

17

18. Other Income (Interest, parking, vending machines, etc.). Provide/attach an Itemized list or explanation if more room is necessary.

18

19. Effective Gross Income. To be completed by local assessment official

19

PART III - ANNUAL OPERATING EXPENSES

20. Utilities

(a) Water and Sewer 20(a)

(b) Electricity 20(b)

(c) Other. Provide/attach an itemized list or explanation. 20(c)

21. Management and Administration

(a) Salaries, wages, labor 21(a)

(b) Management fees 21(b)

(c) Advertising 21(c)

(d) Maintenance and repair 21(d)

(e) Maintenance payroll and labor costs 21(e)

(f) HVAC repairs 21(f)

(g) Electric/plumbing repairs 21(g)

(h) Elevator repairs 21(h)

(i) Roof repairs 21(i)

(j) Pool/recreational maintenance and repairs 21(j)

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Parcel ID	Name of Real Estate Owner(s)
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- (k) Common area/exterior repairs. 21(k)
- (l) Decorating (painting, carpet, etc.) 21(l)
- (m) Other maintenance and repairs. Provide/attach an itemized list or explanation. 21(m)

22. Contract Services

- (a) Janitorial/cleaning 22(a)
- (b) Landscaping 22(b)
- (c) Trash 22(c)
- (d) Security 22(d)
- (e) Snow removal 22(e)
- (f) Other services. Provide/attach an itemized list or explanation. 22(f)

23. Insurance and Taxes

- (a) Fire, casualty insurance (1 year). 23(a)
- (b) Real Estate Taxes 23(b)
- (c) Business license 23(c)
- (d) Other. Provide/attach an itemized list or explanation. 23(d)

24. Annual reserve for replacements. 24

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25. Other expenses related to property operation. Provide/attach an itemized list or explanation. 25

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I, the undersigned, declare under the penalties provided by law that this form (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than the taxpayer, this declaration is based on all information of which he or she has any knowledge.

By checking the box to the right, I (we) authorize the Local Assessing Officer and the Department of Taxation to discuss this return with the undersigned preparer. ☐

Date	Signature of Officer		
Printed Name of Officer		Title	
Officer's Email Address		Phone Number	
Print Preparer's Name and Firm Name		Preparer Phone Number	
Preparer's Email Address		Address of Preparer	
Date	Individual or Firm, Signature of Preparer		
Preparer's FEIN, PTIN, or SSN		Approved Vendor Code	

Any additional information provided on a separate sheet should be in a minimum 11 point font.

Instructions for Virginia Form ARH

Affordable Rental Housing Uniform Income and Expense Report

Overview

Owners of affordable rental housing must submit full and accurate financial data to their local real estate assessor for assessment of the property using the income approach, unless otherwise specified.

Confidentiality

All information provided on Form ARH is considered confidential and may not be disclosed without the owner's written consent, unless required by law. This information is not subject to the Virginia Freedom of Information Act (FOIA).

How to Complete Form ARH

This form is in a fillable PDF format. If you provide handwritten answers, please use clear, legible entries. If additional space is required, attach separate sheets (minimum 11-point font) indicating clearly the related line number in the form.

- Report actual figures from your accounting system or audited financials. Do not estimate unless clearly labeled as such.
- If you have detailed financial statements for your property, you may attach them in place of completing certain sections required by *Virginia Code* § 58.1-3295.
- The Virginia Department of Taxation developed Form ARH for uniform income and expense reporting, for use by property owners and local assessment officials to comply with *Virginia Code* § 58.1-3295. You may call the **Virginia Property Tax Unit** at (804) 786-4091 with questions regarding Form ARH.
- Please contact your local real estate assessor's office for assistance with specific due dates relevant to the local assessment cycle, or instructions that may assist you during this process.

Please file this form with your local real estate assessment office. Do not send your completed form to the Virginia Department of Taxation.

Instructions

Header Section

- **Assessment Year** – Enter the year of assessment that corresponds to the data provided on the form.
- **Fiscal or Calendar Ending Date** – Indicate whether reporting on a fiscal or calendar year basis and provide the closing date (Either 12/31 for calendar year or the ending date for the fiscal year).
- **Parcel ID** – Enter the local parcel identification number.
- **Owner Information** – Include full legal name(s), home or office address, city, state, and ZIP code.

- **Property Name & Address** – List the official name and physical address of the affordable housing property.

Part I – Property Information

1. **Current Use** – State property use (e.g., LIHTC multifamily, mixed-use).
2. **Total Number of Buildings** – Provide count for all buildings on parcel.
3. **Total Square Footage** – Gross building area (GBA).
4. **Year Built or Renovated** – Provide original construction year or most recent major renovation year.
5. **Total Units** – Total number of dwelling units on property.
6. **Amenities** – List all amenities (e.g., laundry, parking, playground, community rooms).
7. **Affordable Rental Housing Participation (Yes/No)** – Enter "yes" or "no" to indicate if the property is part of an affordable housing program.
8. **Type of Affordable Housing Program** – Indicate the affordable housing program (LIHTC, HOME, Section 8, other). Attach supporting documentation if needed.
9. **Number of Units Set Aside for Affordable Housing** – Number of units on property that are subject to affordable-housing restrictions.
10. **Compliance Period Start Date** – Enter the date units on your property first participated in an affordable housing program, (mm/dd/yyyy).
11. **Compliance Period End Date** – Enter end date (mm/dd/yyyy).
12. **Affordability Restrictions** – State rent/income/resale restrictions.
13. **Legal/Contractual Restrictions** – Note deed restrictions, transfer limits, etc.

Part II – Income Information

14. **Rental Information by Unit Type** – Complete the table:
 - (a) Unit Type (Studio, 1BR, etc.)
 - (b) Number of Units by Type
 - (c) Average Net Square Feet per Unit
 - (d) Market Rent (unrestricted rent for units)
 - (e) Restricted Rent (if under LIHTC/Section 8)
 - (f) Vacant Units (count for reporting period)
 - (g) Total Actual Rent Collected
15. **Potential Gross Income** – For assessor use only.

16. **Collection Loss/Rate** – Report actual collection loss amount or collection loss percent for the assessment year indicated on the top of Form ARH.
17. **Actual Rental Income** – Net rent received (after losses).
18. **Other Income** – List and itemize (parking, laundry, vending, interest, fees).
19. **Effective Gross Income** – *For assessor use only.*

- (k) Common/exterior repairs
- (l) Decorating (paint, carpet, etc.)
- (m) Itemized list of other repairs

22. Contract Services

- Janitorial/cleaning, landscaping, trash, security, snow removal, other.

23. Insurance & Taxes

- Fire/casualty insurance, real estate taxes, business license, other.

24. Reserve for Replacements

- Annual reserve contributions.

25. Other Expenses

- Itemize anything not listed above.

Part III – Annual Operating Expenses

20. Utilities

- (a) Water/Sewer
- (b) Electricity
- (c) Other (itemize if gas, oil, etc.)

21. Management & Administration

- (a) Salaries/wages/labor
- (b) Management fees
- (c) Advertising
- (d) Maintenance/repairs (general)
- (e) Maintenance payroll and labor costs
- (f) HVAC repairs
- (g) Electrical/plumbing repairs
- (h) Elevator repairs
- (i) Roof repairs
- (j) Pool/recreational maintenance and repairs

Certification & Signatures

- **Owner/Officer Declaration** – Must sign, date, and certify accuracy under penalty of law.
- **Preparer Information** – If prepared by third party, provide name, firm, contact, FEIN/PTIN/SSN, and signature.
- **Authorization Box** – Check if owner authorizes local assessor and Virginia Department of Taxation to discuss return with preparer.

NOTE: The applicant is required to sign Form ARH, Page 3. Review the declaration carefully before signing.

Common documents that may assist you in completing Virginia Form ARH

1. Land Use Restriction Agreement (LURA)

- Recorded document outlining the affordable use restrictions on the property.
- Specifies affordability periods and income limits.

2. Rent Roll with Subsidy Information

- Detailed list of units showing rents charged and any subsidy applied.

3. Operating Agreement

- Agreement that governs property management and subsidy usage.
- Sometimes required to verify how subsidies are applied.

4. IRS Form 8609 (Low-Income Housing Credit Allocation and Certification)

- Certifies the amount of tax credits allocated to the property.
- Confirms compliance with LIHTC requirements.

5. Subsidy Agreements

- Official agreement between the property owner and the subsidy provider (HUD, state housing agency).
- Terms of funding, restrictions, and compliance obligations.