



Joseph T Taylor
Commissioner

Mecklenburg County, Virginia

Office of
Commissioner of the Revenue
Post Office Box 360
Boydton, Virginia 23917

Boydton: 434-738-6191
Chase City: 434-738-6191
Clarksville: 434-738-6191
South Hill: 434-447-7636

September 24, 2021

Dear Fellow Mecklenburg Citizen,

I write to inform you about a financial situation that has never happened in my 45 year business career. As your Commissioner of the Revenue, we are seeing Car and Truck assessment values go up at a percentage unlike anything in history. These increases are being driven by problems associated with COVID. Depending on the Make and Model, we are seeing car and truck values go up an average of 10% to 40%. Car and Truck manufacturers cannot build adequate numbers of vehicles to keep up with demand due to supply chain issues. Worker shortages have also created a situation where vehicles cannot be built fast enough to satisfy public demand. Car dealers are struggling to get adequate numbers of new cars and the inventory of used cars is extremely low thus, values have risen dramatically.

Mecklenburg as well as all Counties in Virginia use the NADA Used Card Guide to value all vehicles for taxation purposes. NADA is the oldest, most respected and widely used valuation service in the United States. The Code of Virginia (Law) requires that we use a valuation service and thus the reason for NADA.

There are numerous reasons for this increase in values. Car assembly lines were converted back in 2020 to build respirators and ventilators due to the shortage of machines when COVID first exploded. Rental companies did not sell their inventories as usual thus creating a shortage of used cars and trucks, stimulus checks from the Federal Government created an artificial boon for auto and appliance sales further creating a shortage of vehicles. We are now dealing with a chip shortage that runs everything in Cars and Trucks from ignition, electrical systems, engine operation, braking and other systems in vehicles. Most of these chips are manufactured in Taiwan and China, and thus we have a shortage here in the U.S. Auto and Truck manufacturers have had to shut down assembly plants because they can't get chips for these new vehicles, thus creating shortages. So, prices have risen dramatically because used cars are in short supply because people are holding on to their cars longer.

Tax bills will go up this fall as a result of these higher assessments. Like you, I don't like it either as my personal vehicles assessments have also gone up. But, I am hopeful that this anomaly will straighten out this year and that things will gradually come back to normal within the next year to 18 months.

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Once again, I don't like it, but I wanted to drop you a note to explain why these assessments are going up. Please know that your local car dealers are not to blame for this increase in assessments. They are doing the best they can to serve their customers and support their communities. They have no control over these shortages and are not gouging the public on car prices.

I wish I had better news, but I just wanted to give you some explanation on why this is happening. Please know that we value you as a citizen of Mecklenburg County and stand ready to answer any questions you may have. Mecklenburg County's Personal Property tax rates are some of the lowest in the State of Virginia and the Board of Supervisors is committed to trying everything in their power to keep them at that level. Our Personal Property tax rates are 12% to 33% lower than any County in Southern Virginia and Northern North Carolina.

Sincerely,



Joseph E. (Ed) Taylor
Master Commissioner of the Revenue