

Local Government's Presentation
to the
BPOL Subcommittee of SJR 347,
The Commission on the Revision of
Virginia's State Tax Code
and the
Streamlined Sales Tax Project Agreement

September 25, 2003

The Honorable Charles D. Crowson, Jr., Commissioner of
the Revenue, the City of Newport News

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League

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A brief history of BPOL in Virginia
September 25, 2003

The Business License tax in Virginia has been in place in varying forms for nearly 200 years. It has been a key local tax revenue raising instrument for nearly all of that time. The tax was enacted as a way for cities and towns to finance the cost of the municipal services and infrastructure that businesses desired. The tax initially was a flat fee; consequently, different types of businesses paid different flat fees. The flat fee often was based on a proxy of gross receipts (such as a flat fee per barber chair).

Because the same flat fee could be paid by two businesses with very different revenue totals, the flat nature of the license was changed during the 20th Century to the current gross receipts basis model. In the late 1940's counties were authorized to levy the tax.

In 1978 the State set rate caps based upon business classification. This was done because rates varied widely across the state. These rate caps were set after careful study of federal government collected data. The data helped to discern how business operating ratios differed. For example a wholesaler's operating margin (the difference between total gross receipts and what the business has to spend to operate) was much smaller than a physician's. The enacted caps mirror those in current statute. While the tax is not a true value added tax (VAT), the calibration of rates based on operating margins works in a similar manner to a VAT.

The tax generally is considered an accepted and customary method of business taxation. Local tax administrators suggest that where jurisdictions compete with neighboring states for business, it is rare that the tax makes a difference in a corporate or commercial location decision.

The tax was reformed in 1996 and many Virginia businesses saw their tax liability substantially reduced. Also enacted were new appeals processes, a uniform due date statewide, and Uniform Guidelines. The reforms were the result of careful and prolonged discussions between local governments and the business community. In many ways local governments made what they thought were reasonable concessions in order to meet the business community's concerns.

**BPOL as a percentage of Local-Generated Revenue:
FY 2002 (VACo, VML, and Commissioners of the Revenue)**

CITIES	APA Data			
	Locality	FY2002 Total Local Revenue	BPOL Revenue	BPOL %
Fairfax	\$ 60,574,642	\$ 6,904,904	11%	
Winchester	\$ 42,287,649	\$ 4,400,163	10%	
Norton	\$ 7,002,797	\$ 688,470	10%	
Harrisonburg	\$ 47,422,085	\$ 4,286,104	9%	
Salem	\$ 43,662,010	\$ 3,404,773	8%	
Roanoke	\$ 150,836,394	\$ 11,288,675	7%	
Fredericksburg	\$ 46,719,566	\$ 3,432,061	7%	
Martinsville	\$ 19,541,189	\$ 1,432,066	7%	
Alexandria	\$ 326,504,282	\$ 22,233,330	7%	
Danville	\$ 49,875,984	\$ 3,386,808	7%	
Falls Church	\$ 35,976,493	\$ 2,370,280	7%	
Galax	\$ 10,158,052	\$ 663,133	7%	
Colonial Heights	\$ 31,966,678	\$ 2,000,300	6%	
Petersburg	\$ 38,876,719	\$ 2,384,172	6%	
Williamsburg	\$ 27,313,845	\$ 1,622,735	6%	
Emporia	\$ 9,804,221	\$ 573,958	6%	
Chesapeake	\$ 293,736,281	\$ 17,068,149	6%	
Staunton	\$ 29,617,987	\$ 1,678,923	6%	
Richmond	\$ 397,905,129	\$ 22,450,478	6%	
Norfolk	\$ 338,496,831	\$ 18,644,013	6%	
Hampton	\$ 184,620,054	\$ 9,465,035	5%	
Charlottesville	\$ 81,811,569	\$ 4,048,837	5%	
Franklin	\$ 13,103,376	\$ 645,806	5%	
Virginia Beach	\$ 621,183,507	\$ 28,693,305	5%	
Hopewell	\$ 29,447,395	\$ 1,331,325	5%	
Waynesboro	\$ 28,133,062	\$ 1,261,721	4%	
Newport News	\$ 257,772,656	\$ 11,373,050	4%	
Bristol	\$ 27,713,165	\$ 1,191,861	4%	
Lexington	\$ 10,209,254	\$ 435,441	4%	
Bedford	\$ 7,561,155	\$ 321,748	4%	
Suffolk	\$ 83,904,451	\$ 3,460,903	4%	
Portsmouth	\$ 116,666,394	\$ 4,692,995	4%	
Lynchburg	\$ 108,543,364	\$ 4,314,991	4%	
Covington	\$ 11,312,253	\$ 443,520	4%	
Manassas Park	\$ 16,996,607	\$ 632,023	4%	
Manassas	\$ 70,505,186	\$ 2,063,266	3%	
Radford	\$ 13,562,400	\$ 344,276	3%	
Buena Vista	\$ 6,814,788	\$ 151,461	2%	
Poquoson	\$ 14,349,821	\$ 306,920	2%	
City Totals	\$ 3,712,489,291	\$ 206,091,979	6%	

**BPOL as a percentage of Local-Generated Revenue:
FY 2002 (VACo, VML, and Commissioners of the Revenue)**

APA Data

COUNTIES

	FY2002 Total		
Locality	Local Revenue	BPOL Revenue	BPOL %
Arlington	\$ 521,050,820	\$ 45,661,097	9%
Albemarle	\$ 114,850,490	\$ 6,849,226	6%
Henrico	\$ 378,730,192	\$ 22,315,226	6%
Chesterfield	\$ 344,210,851	\$ 15,771,642	5%
James City	\$ 90,051,143	\$ 3,923,734	4%
York	\$ 76,235,784	\$ 3,315,908	4%
Fairfax	\$ 2,224,571,446	\$ 92,084,691	4%
Roanoke	\$ 105,511,585	\$ 4,272,833	4%
New Kent	\$ 14,235,340	\$ 571,439	4%
Frederick	\$ 69,068,725	\$ 2,748,217	4%
Augusta	\$ 53,793,640	\$ 2,067,401	4%
King George	\$ 22,781,091	\$ 840,367	4%
Henry	\$ 38,581,556	\$ 1,300,017	3%
Loudoun	\$ 434,002,231	\$ 14,006,729	3%
Prince William	\$ 479,407,000	\$ 13,385,000	3%
Warren	\$ 31,607,158	\$ 829,240	3%
Gloucester	\$ 34,918,473	\$ 900,846	3%
Rockbridge	\$ 21,098,280	\$ 524,759	2%
Caroline	\$ 19,787,322	\$ 489,361	2%
Spotsylvania	\$ 121,825,906	\$ 2,499,350	2%
Goochland	\$ 23,912,659	\$ 490,323	2%
Prince George	\$ 25,400,187	\$ 463,475	2%
Botetourt	\$ 28,141,055	\$ 502,783	2%
Dinwiddie	\$ 21,669,768	\$ 365,309	2%
Amelia	\$ 8,745,899	\$ 141,513	2%
Alleghany	\$ 19,530,074	\$ 310,270	2%
Greensville	\$ 9,449,748	\$ 142,216	2%
Greene	\$ 14,324,355	\$ 196,854	1%
Nottoway	\$ 9,081,944	\$ 113,444	1%
Mathews	\$ 9,479,514	\$ 116,097	1%
Cumberland	\$ 7,368,942	\$ 84,228	1%
Fauquier	\$ 91,409,591	\$ 878,749	1%
Isle of Wight	\$ 33,700,647	\$ 302,004	1%
Page	\$ 16,611,036	\$ 117,400	1%
Amherst	\$ 21,971,579	\$ 147,383	1%
Southampton	\$ 13,221,955	\$ 86,144	1%
Louisa	\$ 32,392,516	\$ 191,813	1%
Halifax	\$ 22,029,038	\$ 127,106	1%
County Totals	\$ 5,604,759,540	\$ 239,134,194	4%

**BPOL as a percentage of Local-Generated Revenue:
FY 2002 (VACo, VML, and Commissioners of the Revenue)**

TOWNS

APA Data

Locality	FY2002 Total		
	Local Revenue	BPOL Revenue	BPOL %
Farmville	\$ 3,936,058	\$ 970,881	25%
Marion	\$ 2,474,337	\$ 421,209	17%
Richlands	\$ 1,852,121	\$ 298,215	16%
Wytheville	\$ 5,084,959	\$ 793,409	16%
Warrenton	\$ 6,534,104	\$ 987,283	15%
Herndon	\$ 21,293,830	\$ 3,127,129	15%
Wise	\$ 2,193,104	\$ 302,288	14%
Abingdon	\$ 6,423,675	\$ 851,803	13%
Ashland	\$ 3,636,054	\$ 488,908	13%
Vienna	\$ 13,058,473	\$ 1,747,331	13%
Rocky Mount	\$ 3,141,702	\$ 407,134	13%
Culpeper	\$ 5,748,832	\$ 731,681	13%
Bluefield	\$ 2,668,236	\$ 331,663	12%
Front Royal	\$ 5,284,811	\$ 574,444	11%
Woodstock	\$ 2,416,850	\$ 252,908	10%
Dumfries	\$ 2,058,957	\$ 210,443	10%
Vinton	\$ 3,651,139	\$ 359,114	10%
Purcellville	\$ 3,272,789	\$ 319,372	10%
South Hill	\$ 3,783,676	\$ 360,607	10%
Blacksburg	\$ 12,443,728	\$ 1,185,744	10%
Blackstone	\$ 1,650,535	\$ 154,296	9%
Leesburg	\$ 20,967,710	\$ 1,785,499	9%
Big Stone Gap	\$ 2,263,313	\$ 190,217	8%
Clifton Forge	\$ 1,451,550	\$ 119,669	8%
Luray	\$ 2,380,313	\$ 193,518	8%
Christiansburg	\$ 10,372,493	\$ 838,253	8%
South Boston	\$ 5,366,254	\$ 423,181	8%
Bridgewater	\$ 1,683,641	\$ 128,451	8%
Pulaski	\$ 4,806,628	\$ 351,197	7%
Smithfield	\$ 3,514,640	\$ 233,687	7%
Strasburg	\$ 1,833,180	\$ 73,854	4%
Chincoteague	\$ 2,488,216	\$ 82,499	3%
West Point	\$ 5,148,001	\$ 151,171	3%
Colonial Beach	\$ 3,120,126	\$ 89,978	3%
Orange	\$ 1,682,974	\$ 7,313	0%
Town Totals	\$ 179,687,009	\$ 19,544,349	11%
GRAND TOTALS	\$ 9,496,935,840	\$ 464,770,522	5%

**BPOL/Sales Tax Comparison: FY 2001
(VACo, VML, and Commissioners of the Revenue)**

APA Data

Locality	2001 Business License Taxes	Est. Revenue Half-Cent Sales Tax	Potential Loss/Gain to Locality
City			
Alexandria	\$ 20,762,586	\$ 10,365,404	\$ (10,397,183)
Bedford	\$ 345,025	\$ 483,934	\$ 138,909
Bristol	\$ 1,192,973	\$ 1,707,976	\$ 515,003
Buena Vista	\$ 198,375	\$ 159,039	\$ (39,336)
Charlottesville	\$ 4,066,836	\$ 4,003,311	\$ (63,526)
Chesapeake	\$ 16,752,599	\$ 12,165,768	\$ (4,586,831)
Clifton Forge	\$ 153,990	\$ 118,326	\$ (35,664)
Colonial Heights	\$ 2,089,002	\$ 2,709,776	\$ 620,774
Covington	\$ 523,934	\$ 561,761	\$ 37,827
Danville	\$ 3,360,151	\$ 3,384,460	\$ 24,309
Emporia	\$ 643,980	\$ 670,441	\$ 26,461
Fairfax	\$ 6,997,293	\$ 4,868,871	\$ (2,128,423)
Falls Church	\$ 2,571,018	\$ 1,749,010	\$ (822,008)
Franklin	\$ 529,408	\$ 630,143	\$ 100,735
Fredericksburg	\$ 3,135,701	\$ 3,899,729	\$ 764,028
Galax	\$ 685,050	\$ 917,733	\$ 232,683
Hampton	\$ 8,872,421	\$ 5,711,065	\$ (3,161,357)
Harrisonburg	\$ 4,260,231	\$ 4,080,867	\$ (179,365)
Hopewell	\$ 1,351,481	\$ 809,514	\$ (541,967)
Lexington	\$ 426,004	\$ 318,832	\$ (107,172)
Lynchburg	\$ 4,563,489	\$ 5,796,024	\$ 1,232,535
Manassas	\$ 1,820,063	\$ 2,545,693	\$ 725,630
Manassas Park	\$ 589,818	\$ 776,543	\$ 186,725
Martinsville	\$ 1,208,205	\$ 984,955	\$ (223,251)
Newport News	\$ 10,987,284	\$ 8,558,827	\$ (2,428,457)
Norfolk	\$ 18,352,142	\$ 12,747,817	\$ (5,604,325)
Norton	\$ 637,863	\$ 650,351	\$ 12,488
Petersburg	\$ 2,071,112	\$ 1,461,353	\$ (609,760)
Poquoson	\$ 305,299	\$ 187,590	\$ (117,710)
Portsmouth	\$ 4,891,970	\$ 2,264,102	\$ (2,627,869)
Radford	\$ 330,491	\$ 375,805	\$ 45,314
Richmond	\$ 21,706,143	\$ 12,488,759	\$ (9,217,385)
Roanoke	\$ 11,444,528	\$ 8,838,381	\$ (2,606,147)
Salem	\$ 3,358,883	\$ 2,423,755	\$ (935,129)
Staunton	\$ 1,357,172	\$ 1,710,495	\$ 353,323
Suffolk	\$ 2,990,623	\$ 2,160,965	\$ (829,658)
Virginia Beach	\$ 29,164,132	\$ 19,856,162	\$ (9,307,971)
Waynesboro	\$ 1,332,646	\$ 1,217,310	\$ (115,336)
Williamsburg	\$ 1,592,792	\$ 1,860,469	\$ 267,677
Winchester	\$ 4,237,681	\$ 3,956,287	\$ (281,395)
Total City	\$ 201,860,394	150,177,591	\$ (51,682,803)

**BPOL/Sales Tax Comparison: FY 2001
(VACo, VML, and Commissioners of the Revenue)**

APA Data

Locality	2001 Business License Taxes	Est. Revenue Half-Cent Sales Tax	Potential Loss/Gain to Locality
County			
Accomack	\$ 46,985	\$ 1,050,191	\$ 1,003,206
Albemarle	\$ 7,203,147	\$ 4,779,110	\$ (2,424,038)
Alleghany	\$ 533,331	\$ 246,734	\$ (286,598)
Amelia	\$ 126,505	\$ 228,171	\$ 101,666
Amherst	\$ 616,603	\$ 969,485	\$ 352,882
Appomattox	\$ -	\$ 330,851	\$ 330,851
Arlington	\$ 41,749,809	\$ 14,699,139	\$ (27,050,670)
Augusta	\$ 1,774,612	\$ 1,752,500	\$ (22,112)
Bath	\$ 1,103	\$ 387,945	\$ 386,842
Bedford	\$ 331,582	\$ 991,388	\$ 659,806
Bland	\$ -	\$ 94,683	\$ 94,683
Botetourt	\$ 528,038	\$ 813,322	\$ 285,284
Brunswick	\$ -	\$ 289,725	\$ 289,725
Buchanan	\$ -	\$ 636,295	\$ 636,295
Buckingham	\$ -	\$ 214,133	\$ 214,133
Campbell	\$ 2,860	\$ 1,462,190	\$ 1,459,330
Caroline	\$ 521,275	\$ 475,589	\$ (45,686)
Carroll	\$ -	\$ -	\$ -
Charles City	\$ -	\$ 79,463	\$ 79,463
Charlotte	\$ -	\$ 212,927	\$ 212,927
Chesterfield	\$ 18,621,942	\$ 13,972,996	\$ (4,648,947)
Clarke	\$ 18,160	\$ 271,768	\$ 253,608
Craig	\$ -	\$ 51,277	\$ 51,277
Culpeper	\$ -	\$ 1,781,241	\$ 1,781,241
Cumberland	\$ 70,677	\$ 146,020	\$ 75,343
Dickenson	\$ -	\$ 255,026	\$ 255,026
Dinwiddie	\$ 339,937	\$ 380,553	\$ 40,616
Essex	\$ -	\$ 630,694	\$ 630,694
Fairfax	\$ 87,846,862	\$ 67,141,595	\$ (20,705,267)
Fauquier	\$ 988,347	\$ 2,342,743	\$ 1,354,396
Floyd	\$ -	\$ 214,806	\$ 214,806
Fluvanna	\$ -	\$ 268,977	\$ 268,977
Franklin	\$ 3,249	\$ 1,680,785	\$ 1,677,536
Frederick	\$ 2,456,663	\$ 2,573,319	\$ 116,656
Giles	\$ -	\$ 507,412	\$ 507,412
Gloucester	\$ 990,348	\$ 1,173,487	\$ 183,139
Goochland	\$ 445,938	\$ 600,904	\$ 154,966
Grayson	\$ -	\$ 209,090	\$ 209,090
Greene	\$ 199,879	\$ 311,201	\$ 111,322
Greensville	\$ 203,643	\$ 113,012	\$ (90,631)
Halifax	\$ 131,033	\$ 1,062,288	\$ 931,255
Hanover	\$ 420,832	\$ 5,361,545	\$ 4,940,713
Henrico	\$ 23,092,647	\$ 22,546,725	\$ (545,923)
Henry	\$ 1,417,155	\$ 2,064,550	\$ 647,395
Highland	\$ -	\$ 36,152	\$ 36,152
Isle of Wight	\$ 370,737	\$ 703,074	\$ 332,337
James City	\$ 3,724,719	\$ 3,365,004	\$ (359,716)
King & Queen	\$ -	\$ 90,191	\$ 90,191

**BPOL/Sales Tax Comparison: FY 2001
(VACo, VML, and Commissioners of the Revenue)**

APA Data

Locality	2001 Business License Taxes	Est. Revenue Half-Cent Sales Tax	Potential Loss/Gain to Locality
King George	\$ 863,252	\$ 411,846	\$ (451,407)
King William	\$ -	\$ 251,401	\$ 251,401
Lancaster	\$ -	\$ 425,589	\$ 425,589
Lee	\$ -	\$ 479,782	\$ 479,782
Loudoun	\$ 12,341,422	\$ 15,523,336	\$ 3,181,914
Louisa	\$ 155,412	\$ 518,247	\$ 362,835
Lunenburg	\$ -	\$ 150,762	\$ 150,762
Madison	\$ -	\$ 322,346	\$ 322,346
Mathews	\$ 143,368	\$ 140,191	\$ (3,177)
Mecklenburg	\$ -	\$ 1,187,221	\$ 1,187,221
Middlesex	\$ 75	\$ 330,227	\$ 330,152
Montgomery	\$ -	\$ 2,935,653	\$ 2,935,653
Nelson	\$ 25,193	\$ 355,484	\$ 330,291
New Kent	\$ 573,405	\$ 328,452	\$ (244,953)
Northampton	\$ -	\$ -	\$ -
Northumberland	\$ -	\$ 257,569	\$ 257,569
Nottoway	\$ 113,879	\$ 409,128	\$ 295,249
Orange	\$ -	\$ 713,751	\$ 713,751
Page	\$ 170,210	\$ 539,338	\$ 369,128
Patrick	\$ -	\$ 303,861	\$ 303,861
Pittsylvania	\$ 112,256	\$ 804,606	\$ 692,350
Powhatan	\$ 52,820	\$ 400,894	\$ 348,074
Prince Edward	\$ -	\$ 982,153	\$ 982,153
Prince George	\$ 480,965	\$ 508,188	\$ 27,223
Prince William	\$ 11,806,000	\$ 15,801,500	\$ 3,995,500
Pulaski	\$ -	\$ 1,020,898	\$ 1,020,898
Rappahannock	\$ -	\$ 153,284	\$ 153,284
Richmond	\$ -	\$ 557,254	\$ 557,254
Roanoke	\$ 4,079,494	\$ 3,104,871	\$ (974,623)
Rockbridge	\$ 552,564	\$ 835,564	\$ 283,000
Rockingham	\$ -	\$ 1,774,626	\$ 1,774,626
Russell	\$ -	\$ 569,449	\$ 569,449
Scott	\$ -	\$ 560,452	\$ 560,452
Shenandoah	\$ -	\$ 1,100,945	\$ 1,100,945
Smyth	\$ -	\$ 804,077	\$ 804,077
Southampton	\$ 100,694	\$ 155,629	\$ 54,935
Spotsylvania	\$ 2,352,826	\$ 4,629,853	\$ 2,277,027
Stafford	\$ -	\$ 2,956,246	\$ 2,956,246
Surry	\$ 46,090	\$ 85,801	\$ 39,711
Sussex	\$ 42,792	\$ 203,479	\$ 160,687
Tazewell	\$ -	\$ 1,909,389	\$ 1,909,389
Warren	\$ 892,180	\$ 801,007	\$ (91,173)
Washington	\$ -	\$ 2,173,015	\$ 2,173,015
Westmoreland	\$ -	\$ 255,163	\$ 255,163
Wise	\$ -	\$ 1,152,042	\$ 1,152,042
Wythe	\$ -	\$ 1,109,990	\$ 1,109,990
York	\$ 3,253,758	\$ 2,416,777	\$ (836,981)
Total County	\$ 232,937,273	\$ 231,981,590	\$ (955,683)

**BPOL/Sales Tax Comparison: FY 2001
(VACo, VML, and Commissioners of the Revenue)**

APA Data

Locality	2001 Business License Taxes	Est. Revenue Half-Cent Sales Tax	Potential Loss/Gain to Locality
Towns			
Abingdon	\$ 750,813	\$ 176,453	\$ (574,360)
Ashland	\$ 639,804	\$ 138,931	\$ (500,873)
Big Stone Gap	\$ 206,291	\$ 58,095	\$ (148,197)
Blacksburg	\$ 1,132,887	\$ 419,840	\$ (713,048)
Blackstone	\$ 130,552	\$ 71,695	\$ (58,857)
Bluefield	\$ 237,762	\$ 117,289	\$ (120,473)
Bridgewater	\$ 147,791	\$ 42,114	\$ (105,677)
Chincoteague	\$ 89,962	\$ 56,499	\$ (33,464)
Christiansburg	\$ 799,324	\$ 526,510	\$ (272,815)
Colonial Beach	\$ -	\$ -	\$ -
Culpeper	\$ 702,407	\$ 328,479	\$ (373,928)
Dumfries	\$ 201,094	\$ 210,577	\$ 9,483
Farmville	\$ 1,004,643	\$ 124,361	\$ (880,283)
Front Royal	\$ 484,820	\$ 246,060	\$ (238,761)
Herndon	\$ 3,818,120	\$ 785,790	\$ (3,032,331)
Leesburg	\$ 1,978,244	\$ 1,435,799	\$ (542,445)
Luray	\$ 205,522	\$ 62,106	\$ (143,417)
Marion	\$ 359,722	\$ 91,424	\$ (268,298)
Pulaski	\$ 355,322	\$ 184,587	\$ (170,735)
Richlands	\$ 276,420	\$ 85,279	\$ (191,141)
Rocky Mount	\$ 474,894	\$ 71,728	\$ (403,167)
Smithfield	\$ 284,661	\$ 88,139	\$ (196,522)
South Boston	\$ 420,537	\$ 175,287	\$ (245,251)
South Hill	\$ 391,007	\$ 90,330	\$ (300,677)
Strasburg	\$ 65,883	\$ 53,839	\$ (12,044)
Tazewell	\$ 135,920	\$ 99,331	\$ (36,590)
Vienna	\$ 1,705,520	\$ 489,929	\$ (1,215,591)
Vinton	\$ 339,772	\$ 412,897	\$ 73,125
Warrenton	\$ 923,169	\$ 137,668	\$ (785,502)
West Point	\$ 223,735	\$ 88,314	\$ (135,421)
Wise	\$ 275,039	\$ 38,205	\$ (236,835)
Wytheville	\$ 598,333	\$ 133,688	\$ (464,646)
Total Town	\$ 19,359,970	\$ 7,041,236	\$ (12,318,734)
Grand Total	\$ 454,157,637	\$ 389,200,417	\$ (64,957,220)

Summary of BPOL Tax Reforms

From 1964 to 1975, there was little statutory restraint on the authority of local governments to impose local business license taxes at whatever rate they chose.

The 1975 General Assembly froze local license tax rates as of Dec. 31, 1974, and maintained the freeze until 1978.

In 1978, following the recommendations of the Revenue Resources and Economic Commission, the GA enacted the current four major categories and rate limitations now found in 58.1-3706.

- The General Assembly began scrutinizing the BPOL tax again in 1993. This study continued for three years.
 - One of the outcomes of the first year of the BPOL study was the requirement that the Tax Commissioner update the BPOL guidelines by July 1, 1995 and every three years thereafter.
 - During the second year, meetings were held between local governments and the business community to hammer out the details of achieving uniformity with BPOL. This collaboration resulted in HB 2351 in the 1995 session which included thresholds of \$100,000 of gross receipts. This bill was not reported out of committee. However, local governments continued to work with the business community to agree on a model ordinance, and the ordinance was completed for voluntary local implementation effective July 1, 1995. Localities were strongly encouraged to adopt this model ordinance.
 - In 1996, the BPOL Uniform Ordinance was passed by the General Assembly (SB 293 and SB 587) with an effective date of January 1, 1997.

Effective January 1, 1997, the BPOL Uniform Ordinance:

- Established a mandatory administrative appeals procedure
 - An initial appeal to local assessing official
 - A subsequent appeal to tax commissioner; and
 - A stay of tax collections while appeals are pending
- Changed the penalty and interest rules to:
 - Require the payment of interest on all refunds at the same rate charged on assessments
 - Treat interest as a charge for the use of funds, regardless of fault; and
 - Standardize and liberalize the rules for waiving penalties
- Established March 1 as the due date for license applications, effective no later than 2001.

- Clarified that certain moneys received by a licensable business are excluded from its taxable gross receipts.
- Established a new deduction for receipts from business conducted in another state or foreign country that is subject to income tax tax in the other state or foreign country.
- Established thresholds and maximum fees for BPOL tax liability:

Population	Gross Receipts Threshold	Maximum Fee
Over 50,000	\$100,000	\$100
25,000 to 50,000	\$ 50,000	\$50
Under 25,000	No threshold amount	\$30

Note: These thresholds and maximum fees have had a significant impact on the number of businesses which pay BPOL in 2003.

In Fairfax County, the following FY 2003 statistics are of interest:

18,418 Fee based licenses (gross receipts in excess of \$100,000; tax rate per \$100 of gross receipts applied)

5,128 Zero fee license. Issued at no charge because the business had less than \$10,000 in gross receipts.

8,288 Flat fee licenses at \$30 per license. Gross receipts between \$10,000 and \$50,000.

5,685 Flat fee licenses at \$50 per license. Gross receipts between \$50,000 and \$100,000.

37,519 Total licenses issued.

18,418 Fee based licenses (49%)

19,101 Flat fee or no fee licenses (51%)

37,519 Total

The mandatory appeals procedure established for BPOL in 1996 was later expanded to all other local business taxes (machinery and tools, business tangible personal property, and merchant's capital) by the 1999 General Assembly, effective January 1, 2000.

