

2003 Tax Rates

**Virginia's Cities, Counties,
and Selected Towns**

22nd Annual Edition

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and
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**In Cooperation
with
The Virginia Association of Counties
and
The Virginia Municipal League**



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Introduction

This is the twenty-second edition of *Tax Rates in Virginia's Cities, Counties, and Selected Towns*—a comprehensive guide to local taxes in Virginia prepared by the University of Virginia's Weldon Cooper Center for Public Service. This study, which is based on information gathered in the spring, summer, and early fall of 2003, includes all of Virginia's 39 independent cities and 95 counties and 161 of the 189 incorporated towns. The study also provides information from the Virginia Department of Taxation's *2003 Legislative Summary* and its assessment/sales ratio study for the real property tax in 2000.

The study is separated into 25 sections. We have reprinted as Section 1 the information on local tax legislation contained in the Virginia Department of Taxation's annual legislative summary of tax changes. A web copy from the Department of Taxation for its *2003 Legislative Summary* is accessible on the department's website: <http://www.tax.state.va.us/site.cfm?alias=LegislativeSummary>.

Sections 2 through 25 cover specific taxes and service charges. Most of the data came from a detailed questionnaire (see Appendix A for a facsimile of the document) sent to all cities, counties, and towns. Appendix B provides a listing of names and phone numbers of respondents and non-respondents to the questionnaire, and the local government web address if one was provided. Additional information on state and local government finance is available in the Cooper Center's VaStat website. Go to the Government Finance/Taxation section at: <http://www.virginia.edu/coopercenter/vastat/>. Most of the information at the site is for Virginia, but there are also interstate links. The Schmidt Enterprises, LLC link is particularly useful for finding information for other states.

Although this report is comprehensive, a few taxes are not included. Alcohol taxes are too complex to report briefly. The bank franchise tax is not discussed in this study because the tax is uniform among all localities. All the localities that impose the bank franchise tax do so at the maximum rate allowed by statute—80 percent of the state rate of taxation (§§ 58.1-1208 through 58.1-1210 of the *Code of Virginia*). The reason for this is § 58.1-1213, entitling banks to a credit upon the state franchise tax equal to the total

amount of local franchise tax paid. As a result, localities receive 80 cents of each \$1 of possible state bank franchise tax revenue. This year, the study did ask whether a locality levied a bank tax. Of those localities that answered, 26 cities, 52 counties, and 74 towns answered affirmatively. In addition, this study does not cover the local option sales tax (§§ 58.1-605, 58.1-606, and 58.1-608) because every city and county imposes it at 1 percent, nor does this study cover the various property taxes imposed on public service corporations.

If a table shows for a particular locality a different tax than reported in the previous edition, this usually means that the tax has been changed. However, there is always the remote possibility that in one or both years the response was inaccurate or that we made an error.

In the tables in this study three dots (...) are used to show there was no response and "N/A" is used to indicate "not applicable." Readers are encouraged to use the phone list in Appendix B to call local officials in order to obtain clarification and additional detail.

John L. Knapp, Ph.D., Professor and Research Director of the Business and Economics Section, was the project director. In this capacity he designed and edited the publication and was responsible for final approval of the entire content. Stephen C. Kulp was responsible for all day-to-day work on the project. He refined the new database, administered the survey, and translated the results into tables, checked relevant code sections, and made appropriate changes in the text. Student research assistants Wendy E. Guerrero and Megan C. Moyer assisted Kulp with mailing, follow-up, layout, and other aspects of the work. They also assisted Knapp with the editing. Their input was a major reason for the more timely release of the study. The Cooper Center Publications Division aided in formatting the publication. Jayne E. Weber designed the cover and consulted on the layout and formatting of the book. She and David J. Borszich assisted with the proofreading.

Albert W. Spengler, who authored this study for a number of years prior to 1991, laid the foundation for the study when it was his responsibility.

The questionnaire was reviewed by Sarah Ryder, Department of Taxation; Ellen R. Davenport, Public Policy Coordinator, Virginia Association of Counties; and by Michael L. Edwards, Deputy Director, Virginia Municipal League. The strong support for this publication by the two local government associations adds to its acceptance as a basic reference on Virginia local taxes.

We are grateful to the many local officials throughout the Commonwealth who supplied the survey information

presented in this study. We thank them for their willingness to provide information and their patience in answering follow-up questions. Excellent response rates of 100 percent for the cities and counties and 85 percent for the towns could not have been achieved without their cooperation.

Please let us hear from you if you have corrections or suggestions for possible changes or additions to future editions. Our email addresses and phone numbers are listed below.

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