

2003 Tax Rates

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

22nd Annual Edition

**John L. Knapp, Ph.D.
and
Stephen C. Kulp**

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



**WELDON COOPER
CENTER FOR PUBLIC SERVICE**
University of Virginia

Copyright © 2003 by the Rector and Visitors of the University of Virginia



**WELDON COOPER
CENTER FOR PUBLIC SERVICE**

University of Virginia

P.O. Box 400206
Charlottesville, VA 22904-4206
(434) 982-5522 • FAX: (434) 982-5536 • TDD: (434) 982-HEAR
Website: www.virginia.edu/coopercenter

Richmond

700 East Franklin Street, Suite 700
Richmond, VA 23219-2328
(804) 371-0202 • FAX: (804) 371-0234 • TDD: (804) 982-HEAR

Southwest

College Avenue
Wise, VA 24293-0016
(540) 328-0133 • FAX: (540) 328-0233 • TDD (540) 328-0191

Southside

1008 South Main Street
Danville, VA 24541-4088
(434) 791-5174 • (434) 791-5175 • FAX: (434) 791-5176

Contents

Tables	v
Introduction	vii
Section	
1. Summary of Legislative Changes in Local Taxation, 2003	1
2. Real Property Tax, 2003	5
3. Real Property Tax Relief Plans and Housing Grants for the Elderly and Disabled, 2003	17
4. Land Use Value Assessments for Agricultural, Horticultural, Forestal, and Open Space Real Estate, 2003	35
5. Agricultural and Forestal Districts, 2003	41
6. Property Tax Exemptions for Certain Rehabilitated Real Estate and Other Exemptions, 2003	49
7. Service Charges on Tax-exempt Property, 2003	55
8. Merchants' Capital Tax, 2003	57
9. Tangible Personal Property Tax, 2003	61
10. Machinery and Tools Property Tax, 2003	109
11. Utility License Tax, 2003	125
12. Cable Television System Tax, 2003	131
13. Utility Consumers' Tax, 2003	135
14. 911 Emergency Telephone System Tax, 2003	153
15. Business, Professional, and Occupational License Tax, 2003	157
16. Motor Vehicle License Local Decal Tax, 2003	175
17. Excise Taxes on Meals, Transient Occupancy, Cigarettes, Tobacco, Admissions, and Motor Fuels, 2003	183
18. Taxes on Natural Resources, 2003	191
19. Legal Document Taxes, 2003	193
20. Miscellaneous Taxes, 2003	197
21. Refuse and Recycling Collection Fees, 2003	199
22. Residential Water and Sewer Connection Fees, 2003	215
23. Impact Fees, 2003	225
24. Public Rights-Of-Way Use Fees, 2003	227
25. Miscellaneous Fees, 2003	229
Appendixes	
A. Facsimile of 2003 Tax Rates Questionnaire	235
B. List of Respondents and Non-Respondents to 2003 Tax Rates Questionnaire	259

Tables

2.1	Real Property Tax, 2003	8
2.2	Real Property Effective True Tax Rate, 2000	14
3.1	Real Property Owner Tax Relief Plans for the Elderly and Disabled, 2003	19
3.2	Summary of Real Property Renter Tax Relief Plans and Housing Grants for the Elderly and Disabled, 2003	34
4.1	Land Use Value Assessments for Agricultural, Horticultural, Forestal, and Open Space Real Estate, 2003	38
5.1	Agricultural and Forestal Districts, 2003	42
6.1	Property Tax Exemptions for Certain Rehabilitated Real Estate, 2003	50
6.2	Property Tax Exemptions for Pollution Control, Recycling, Solar Energy and Energy Conservation Equipment, 2003	53
7.1	Service Charges on Tax-exempt Property, 2003	56
8.1	Merchants' Capital Tax, Basic Features, 2003	58
8.2	Merchants' Capital Tax, Provisions About Inventories, Rental Vehicles, and Rental Property, 2003	60
9.1	Tangible Personal Property Tax for Automobiles and Trucks of Less Than Two Tons, 2003	64
9.2	Tangible Personal Property Tax on Motor Vehicles, Payment and Assessment Schedules, 2003	70
9.3	Tangible Personal Property Tax Rates for Large Trucks Two Tons and Over, 2003	76
9.4	Tangible Personal Property Tax Related to Business Use for Heavy Tools and Machinery, Computer Hardware and Generating Equipment, 2003	83
9.5	Tangible Personal Property Tax Related to Business Use for R & D and Furniture and Fixtures, 2003	90
9.6	Tangible Personal Property Taxes for Farm, Livestock and Household Property, 2003	94
9.7	Tangible Personal Property Taxes for Boats and Aircraft, 2003	96
9.8	Tangible Personal Property Taxes for Antique Motor Vehicles, Recreational Vehicles, and Mobile Homes, 2003	102
10.1	Machinery and Tools Property Tax, 2003	110
11.1	Utility License Tax, 2003	126
12.1	Cable Television System Tax, 2003	132
13.1	Utility Consumers' Monthly Tax on Electricity, 2003	136
13.2	Utility Consumers' Monthly Tax on Telephone, 2003	143
13.3	Utility Consumers' Monthly Tax on Gas, 2003	148
13.4	Utility Consumers' Monthly Tax on Water, 2003	152
14.1	911 Emergency Telephone System Tax, 2003	154
15.1	BPOL Due Dates and Other Provisions, 2003	159
15.2	Specific BPOL Classification Fees and Tax Rates, 2003	164
15.3	Taxes and Fees on Peddlers and Itinerant Merchants, 2003	169
16.1	Motor Vehicle License Local Decal Tax, 2003	176
17.1	Meals, Transient Occupancy, Cigarette, Admissions, and Motor Vehicle Fuel Excise Taxes, 2003	185
18.1	Natural Resource Taxes, 2003	192
19.1	Legal Document Taxes, 2003	194
20.1	Miscellaneous Taxes, 2003	198
21.1	Refuse Collection Fees, 2003	200

Tables (continued)

21.2	Recycling Collection Fees, 2003	209
21.3	Miscellaneous Refuse Collection Fees, 2003	213
22.1	Residential Water and Sewer Connection Fees, 2003	216
23.1	Impact Fees for Road Improvement, 2003	226
24.1	Public Rights-of-Way Use Fees, 2003	228
25.1	Miscellaneous Fees, 2003	230

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.

John L. Knapp
Project Director
jlk6a@virginia.edu
(434) 982-5604

Stephen C. Kulp
Research Specialist
sck7x@virginia.edu
(434) 982-5638

Charlottesville
November 2003

